

**MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA**

**COMPILATION FINANCIAL REPORT
FROM JULY 1, 2009 TO JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/16/11

**MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA
FROM JULY 1, 2009 TO JUNE 30, 2010**

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CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Med X Counseling Service, Inc.
New Roads, Louisiana

We have compiled the accompanying statement of cash receipts and disbursements of Med X Counseling Service, Inc. (a corporation) from July 1, 2009 to June 30, 2010, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements and, accordingly, do not express an opinion or any other form of assurance on it.

Major, Morrison & David
New Roads, Louisiana
January 31, 2011



**MED X COUNSELING SERVICE, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FROM JULY 1, 2009 TO JUNE 30, 2010**

Cash Receipts:	
State of Louisiana	\$45,990
Local Government	2,872
Other Services	3,175
Advances from affiliates	2,985
Total Cash Receipts	<u>55,022</u>
Cash Disbursements:	
Salaries and employee benefits, net of deductions	14,084
Contractual services	3,950
Advertising And promotion	180
Supplies	10,353
Conferences and travel	1,861
Vehicle expense	2,379
Rental space and utilities	5,761
Professional fees	1,825
Office supplies	2,359
Insurance expense	3,188
Corporate taxes	1,881
Taxes, licenses and fees	1,303
Interest expense	184
Payments on notes	3,223
Loan repayment to stockholder	1,000
Total Cash Disbursements	<u>53,531</u>
Increase in Cash	1,491
Beginning Cash	2,533
Ending Cash	<u>\$4,024</u>

See accompanying notes and accountant's compilation report.

**MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENT
FROM JULY 1, 2009 TO JUNE 30, 2010**

Note 1 - Organization

Med X Counseling Service, Inc. ("Med X") was incorporated in 1998 by Dolly Wright as the sole stockholder. The aim of the company is to provide quality therapeutic services to clients and their families that may be suffering from different types of addictions and co-occurring disorders (mental illness). The company provides individual and group counseling, assessments, education, prevention, religious education, referrals to detoxification and in-patient treatment, aftercare for adults and adolescents, and treatments for co-occurring disorders. The company also provides assistance with accessing resources in the community, and work with adolescents that have addictions.

Note 2 - Summary of Significant Accounting Policies

Accounting Records

Med X's accounting records are maintained on a calendar year; however, these financial statements were prepared under a fiscal year at the request of the State of Louisiana, Department of Children and Family Services, Division of Programs.

Basis of Accounting

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The basis differs from generally accepted accounting principles primarily because the effects of outstanding reimbursements due at the date of the financial statement and any unpaid liabilities are not included in the financial statement.

Revenues

Med X's revenue is derived primarily from providing services to patients that are reimbursed under contracts to government entities. Revenues are recorded when reimbursements are received.

Income Taxes

The company is recognized as a regular corporation for income tax purposes. The company filed its corporate income tax return for the year ending December 31, 2009 and paid corporate federal and state taxes in the amount of \$1,166.

Note 3 - Note Payable - SBA

On February 12, 2006, the company borrowed \$9,200 from the U.S. Small Business Administration. The loan bears interest at the rate of 4%, with installment payments of \$275 per month. The loan matured and was paid off on January 12, 2010.

Note 4 - Related Party Transactions

During the period July 1, 2009 to June 30, 2010, the company received advances of \$2,985 from an affiliate organization, Pointe Coupee Enrichment Center, Inc.

Note 5 - Concentration of Risk

Med X has received 84% of its funding from State of Louisiana, Department of Children and Family Services. If Med X is unable to secure this funding in the future, the programs provided by Med X will be terminated.

Note 6 - Subsequent Events

Management for the Center has evaluated events or transactions occurring after June 30, 2010 through January 31, 2011. Management has resolved that no events have occurred that would have a material effect on the Statement of Cash Receipts and Disbursements.

**MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA**

**Schedule of Findings & Responses
From July 1, 2009 to June 30, 2010**

FINANCIAL STATEMENT FINDINGS

Finding 10-1

Criteria: Louisiana Revised Statute 24:513 requires that compilations be completed and the related compilation report issued within six months of the close of an entity's fiscal year. Since the organization's fiscal year ended June 30, 2010, the compilation report should have been completed and issued by December 31, 2010.

Condition: The organization engaged a previous certified public accountant to prepare the required financial statement that was subsequently removed from the list of approved practitioners before the legislative auditor. The organization subsequently engaged, after the due date of the report, with another certified public accountant for preparation of the financial statements.

Effect: Since the report was not issued until January 31, 2011, this resulted in violation of Louisiana Revised Statute 24:513, failure to provide timely reports to the Legislative Auditor.

Cause: Due to the removal of the initial accountant from the approved practitioner's list before the Legislative Auditor, the reports were not issued in a timely manner.

Recommendation: Management should engage an approved practitioner for preparation of their financial statements on a timely basis with verification of the practitioner's approval from the Legislative Auditor's Office.

Management's Response: Management has engaged an approved certified public accountant for the current engagement after determining that the initial accountant was not approved for preparing their financial statements. Steps will be taken to engage an approved accountant in a more timely fashion.