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# Demetria L. Robinson-Carter, CPA, LLC

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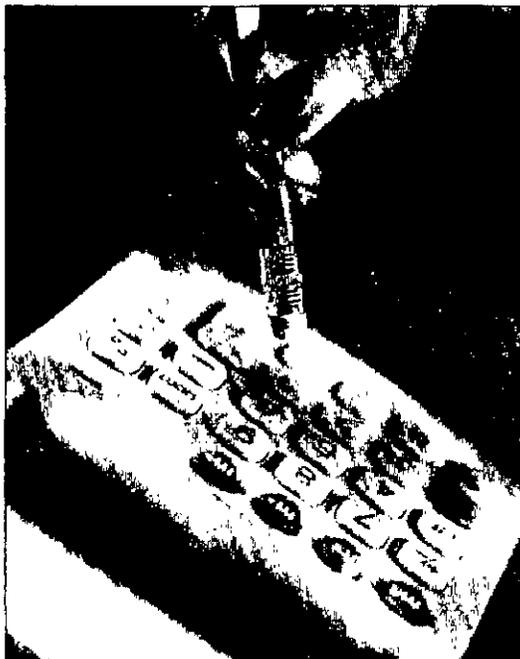
## N'R Peace, Inc. Financial Statements

### For the period ending December 31, 2008

### With Independent Auditors' Report Thereon

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 11/4/09



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### **Independent Auditor Report**

The Board of Directors  
N'R Peace, Inc.  
3201 Gen De Gaulle Drive, Suite #201  
New Orleans, LA 70114

I have audited the accompanying statements of financial position of N'R Peace, Inc. (a nonprofit organization) as of December 31, 2008 and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of The Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

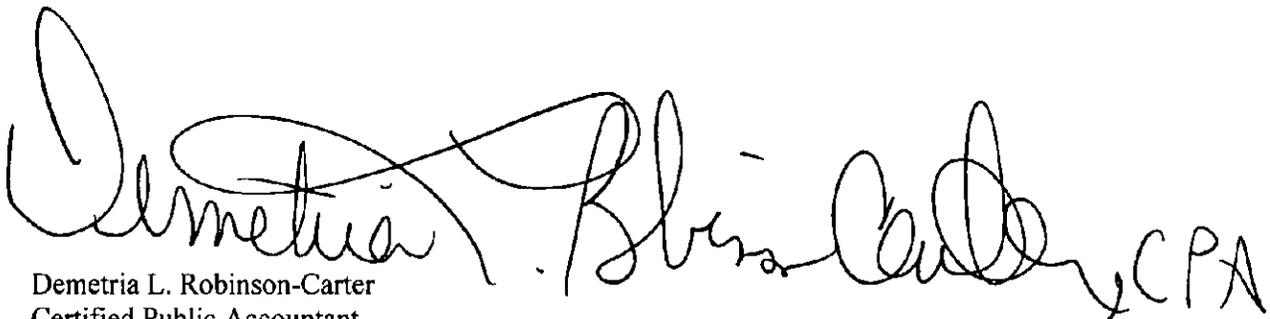
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of N'R Peace, Inc. as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, I have also issued my reported dated August 15, 2009 in my consideration of N'R Peace, Inc.'s internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters.

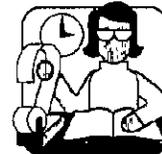
Government Auditing Standards and should be read in conjunction with this report in considering the purpose of that report is to describe the testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of N'R Peace, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A large, stylized handwritten signature in black ink that reads "Demetria L. Robinson-Carter, CPA". The signature is written in a cursive, flowing style.

Demetria L. Robinson-Carter  
Certified Public Accountant

Reserve, LA  
August 15, 2009



Demetria L. Robinson-Carter, CPA, LLC

**N'R Peace, Inc.**  
**Statement of Financial Position**  
**As of December 31, 2008**

**Assets**

Current assets:

Cash	\$ 57,058
Grant Receivable	376,002
Due From Employees	<u>2,258</u>
Total current assets	435,318

Fixed Assets

Major Movable equipment	12,435
Furniture and Equipment	5,027

Less: Accumulated depreciation	<u>(12,872)</u>
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Total fixed assets	4,590
--------------------	-------

Total assets	<u>439,908</u>
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**Liabilities & Net Assets**

Current Liabilities:

Accounts Payable	23,846
Accrued Liabilities	<u>50,973</u>
Total Current Liabilities	74,819

**See accompanying notes to financial statements.**

Line of Credit	74,200
Payroll Taxes Payable	<u>41,175</u>
Total Other Liabilities	115,375

Total Liabilities

190,193

Net Assets

Unrestricted	<u>249,715</u>
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Total net assets	249,715
------------------	---------

Total liabilities and net assets	<u>\$ 439,908</u>
----------------------------------	-------------------

**See accompanying notes to financial statements.**

**N'R Peace, Inc.**  
**Statement of Activities**  
**As of December 31, 2008**

**REVENUES, GAINES AND OTHER SUPPORT**

Unrestricted:

HIV Prevention/Education and Outreach Revenue	\$ 1,850,424
Donations	19,421
Miscellaneous Income	18,343
<b>TOTAL REVENUES GAINES, AND OTHER SUPPORT</b>	<u>1,888,187</u>

**Expenses:**

Program services	
<b>Infectious Disease Prevention/Education and Care Services</b>	1,441,320
Total Program Services	<u>1,441,320</u>
Supporting services	
<b>Administration and General</b>	<u>248,203</u>
<b>Total Expenses</b>	<u>1,689,523</u>

**Increase (Decrease) in unrestricted Net Assets** 198,665

**Net Assets, beginning of year** 51,050

**Net Assets, end of year** \$ 249,715

See accompanying notes to financial statements.

**N'R Peace, Inc.**  
**Statement of Cash Flows**  
**As of December 31, 2008**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	\$ 198,665
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	4,929
(Increase) decrease in accounts receivable and contributions	(232,352)
Increase (decrease) in accounts payable	108,684
Increase (decrease) in payroll taxes	32,375
Net cash provided by (used in) operating activities	<u>(86,364)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from line of credit	74,200
Net cash provided by financing activities	<u>74,200</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net cash provided by (used in) investing activities	-
 <b>INCREASE (DECREASE) IN CASH</b>	
	(12,164)
CASH, January 1, 2008	<u>69,223</u>
CASH, December 31, 2008	<u>\$ 57,058</u>
See accompanying notes to financial statements.	

Supplemental disclosures of cash flow information:

**See accompanying notes to financial statements.**

**NIR Peace, Inc.**  
**Statement of Functional Expenses**  
**As of December 31, 2008**

	Program Services		Support Services		TOTAL
	Infectious Disease Prevention Education and Care Services	Teen Pregnancy	Administrative & General		
Administrative Cost					
Audit	6,452	9,900	230,667	\$	240,567
Bank Service Charges	-		58		58
Contractual	42,542	8,713			51,255
Convention & Travel	61,740		9,226		70,966
Depreciation Expense	3,943		986		4,929
Dues & Subscription			70		70
Insurance	20,730	6,084			26,814
Interest Expense	5,618	991			6,609
Licenses and Permits			600		600
Miscellaneous	8,224				8,224
Office Supplies	25,064	4,800			29,864
Payroll Taxes	63,645.43	6,954			70,599
Postage & Delivery			100		100
Printing & Reproduction	1,100	625			1,725
Professional Fees	121,781	13,780			135,561
Rents & Leases	83,165	9,500			92,665
Repairs & Maintenance	1,861				1,861
Salaries	695,244	57,950			753,194
Special Projects	87,560				87,560
Supplies	45,959	1,800			47,759
Telephone	38,661		5,272		43,933
Utilities	6,934		1,224		8,158
Totals	\$ 1,320,223	\$ 121,097	\$ 248,203	\$	\$ 1,689,523

See accompanying notes to financial statements.

## Notes to Financial Statements

December 31, 2008

### 1) Organization

N'R Peace, Inc. (The Company) is a nonprofit community based organization that provides disease prevention and health promotion, specifically STD and HIV/AIDS and related services in three locations, two in New Orleans and one in Houma, Louisiana. The organization was established in 1998 and is composed of a network of long-term practitioners and care-givers with diverse backgrounds in medical education, social services for HIV, other sexually transmitted diseases, substance abuse and the homeless to provide healthcare through prevention with a holistic approach.

### (2) Summary of Significant Accounting Policies

#### (a) Financial Statement Presentation

The financial statements of The Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables.

The Company has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Company is required to report information regarding its statement of income according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Substantially all of the restriction on net assets during the audit period ending December 31, 2008 are related to funds received through federally awarded grants to provide programs which include case management, primary care, HIV counseling and testing, HIV prevention education, health education dissemination, food services, intervention services, intake treatments, street outreach, venue based outreach, popular opinion leader intervention, case finding, prevention case management, community outreach, teen pregnancy and prevention and STD education and screening. The Company has determined that any donor-imposed restrictions for current program were generally met within the operating cycle and, therefore, the policy is to record these net assets as unrestricted. The Company has only unrestricted net assets as of December 31, 2008. In addition, the Company is required to present a statement of cash flows. As permitted by the statement, the Company does not use fund accounting.

#### (b) Revenue Recognition

The Company has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### (c) Cash

Cash is comprised of cash on hand and in banks.

**(d) Receivables**

Receivables consist primarily of contributions expected to be received shortly after year-end. The Company records receivables at net realizable value using the allowance method. There are no identifiable concentrations of credit risk related to these amounts. Certain requested reimbursements associated with these grants remained outstanding as of December 31, 2008 totaling \$376,002.

**(e) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**(f) Income Taxes**

The Company is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3).

The Company is not aware of any course of action or series of events that have occurred that might adversely affect the Company's tax status.

**(g) Property and Equipment**

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Lesser amounts are expensed.

Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

<i>Computer</i>	<i>3 years</i>
<i>Furniture</i>	<i>5 years</i>

**(h) Board Compensation**

The board of directors is a voluntary board; therefore, compensation was not paid to any board member during the year ended December 31, 2008.

**(i) Functional Expenses**

Expenses are charged directly to program or supporting services based on specific identification, if possible. For those expenses where specific identification is not practical, an allocation of shared expenses is done.

**3. Description of Program and Supporting Services**

Recognizing a continued lack of access to care and prevention especially to at risk and to underserved populations in Greater New Orleans, particularly in the 70117 zip code area, N'R Peace, Inc. has

established six primary goals:

1. Impacting the rate of increase of HIV/AIDS;
2. Reducing associated co-morbidities in identified populations;
3. Reducing barriers to accessing care;
4. Increasing advocacy for underserved and at risk populations;
5. Increasing quality of life to individuals dependant on public assistance; and
6. Decreasing the number of teenage pregnancies.

These stated goals are accomplished through a variety of services. N'R Peace, Inc., a non-profit community based organization, provides disease prevention and health promotion, specifically STD and HIV/AIDS related services currently in three locations: New Orleans, Region III, and Region IX.

#### **4. Line of Credit**

The Company has a line of credit in the amount of \$150,000 with a local financial institution bearing interest at 9.25% per annum, maturing August 15, 2009. The balance was \$74,200 at December 31, 2008

#### **5. Commitments**

The Company leases office space for its administrative office in New Orleans and three branch locations in Slidell, Houma and New Orleans under lease agreements accounted for as operating leases. The New Orleans (administrative), Slidell, Houma and New Orleans (branch) leases expire on November 30, 2009, October 31, 2010, February 28, 2010, and November 30, 2010 respectively.

Future minimum lease payments are as follows:

2009	\$115,172
2010	\$ 22,250

Rental expenses under these leases amounted to \$92,665 for the year ended December 31, 2008.

#### **6. Donations**

Individuals and business organizations donated a total of \$19,421 as of December 31, 2008. It should also be noted that these donations had no substantial donor-imposed restrictions.

#### **7. Concentrations**

N'R Peace, Inc. receives a substantial portion of its revenue from federal, state and local government, accordingly the agency is dependent upon the funding availability from those levels of government.

#### **8. Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies. Any disallowed claims including amounts already collected, may constitute a liability of the applicable funds.

## **9. Federally Assisted Programs**

N' R Peace, Inc. participates in a number of federally assisted programs. These programs are audited in accordance with the 2003 Single Audit Act. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the corporation's management believes that further examinations would not result in any significant disallowed costs.

## **10. Economic Dependency**

The Company received the majority of its revenue from funds provided through grants administered by the federal government and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The Company is supported primarily through government grants. Approximately 96% of the corporation's support for the year ended December 31, 2008 came from government grants.

## **11. Payroll Taxes**

The IRS made a decision to report the unpaid tax liability from prior years as currently not collectible. This means that the IRS office will shelve the account as uncollectible and not pursue collection actions at this time. If the company acquires assets or income in the future, which would allow for the payment of the taxes, it is possible that an analysis of collection potential could take place at a later date. As of May 31, 2008, the payroll tax liability was recorded as a gain on extinguishment of debt.

SUPPLEMENTAL INFORMATION

N'R PEACE, INC  
 STATEMENT OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

FEDERAL GRANTOR/ PASS THROUGH NAME/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
<b><u>U.S. Department of Health and Human Services</u></b>		
Pass through the City of New Orleans		
HIV Emergency Relief Project Grant (Ryan White Part A)	93.914	\$489,935
HIV Care Formula Grants (Ryan White Part C)	93.917	\$ 82,000
<b><u>U.S. Department of Health and Human Services</u></b>		
Pass through the State of Louisiana		
HIV Prevention Activities	93.940	\$116,973
HIV Emergency Relief Project Grant (Ryan White Part B)	93.940	\$118,224
OPH Regional	93.940	\$195,275
State of Louisiana Department of Social Services Teen Pregnancy and Prevention	93.558	\$111,393

**Demetria L. Robinson-Carter, CPA, LLC**  
**140 Big Tree Blvd**  
**Reserve, LA 70084**  
**(504)559-0076**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

The Board of Directors  
N'R Peace, Inc.  
3201 Gen De Gaulle Drive, Suite #201  
New Orleans, LA 70114

I have audited the financial statements of N'R Peace, Inc. (a nonprofit organization) as of and for the year ended December 31, 2008, and have issued my report thereon dated August 15, 2009. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered N'R Peace, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effective of the N' R Peace, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects N' R Peace, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of N' R Peace, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by N' R Peace, Inc.'s internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Significant deficiencies are described in the accompanying schedule of findings and questioned costs as item 08-01, 08-02, 08-03 and 08-04.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by N' R Peace, Inc.'s internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

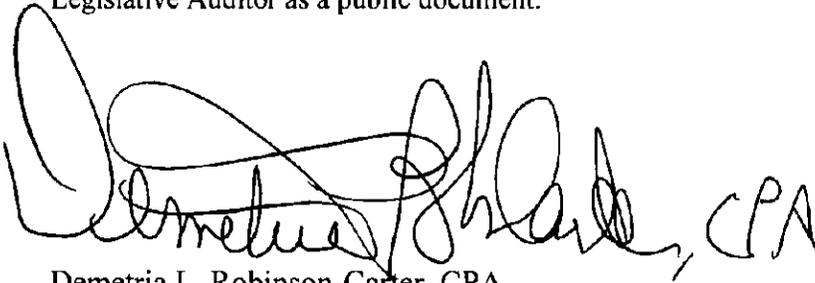
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether N'R Peace, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 08-01.

I also noted certain other matters that we reported to management of N' R Peace, Inc. in a separate letter dated August 15, 2009.

N' R Peace, Inc.'s responses to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit N' R Peace Inc.'s response and, accordingly, I express no opinion on it.

The report is intended solely for the information and use of the board of directors, members and management of N'R Peace, Inc. and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Demetria L. Robinson-Carter, CPA". The signature is fluid and cursive, with the letters "D", "R", and "C" being particularly prominent.

Demetria L. Robinson-Carter, CPA  
Reserve, Louisiana  
August 15, 2009

**Demetria L. Robinson-Carter, CPA, LLC**  
**140 Big Tree Blvd**  
**Reserve, LA 70084**  
**(504)559-0076**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors  
N'R Peace, Inc.  
3201 Gen De Gaulle Drive, Suite #201  
New Orleans, LA 70114

Compliance

I have audited the compliance of N'R Peace, Inc. (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended December 31, 2008. N'R PEACE, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major federal programs is the responsibility of N'R PEACE, Inc.'s management. My responsibility is to express an opinion on N'R PEACE, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Government, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about N'R Peace, Inc.'s compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on N'R Peace, Inc.'s compliance with those requirements.

In my opinion, N'R Peace, Inc. compiled, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-01, 08-02, 08-03 and 08-04.

### Internal Control Over Compliance

The management of N'R Peace, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered N'R Peace, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

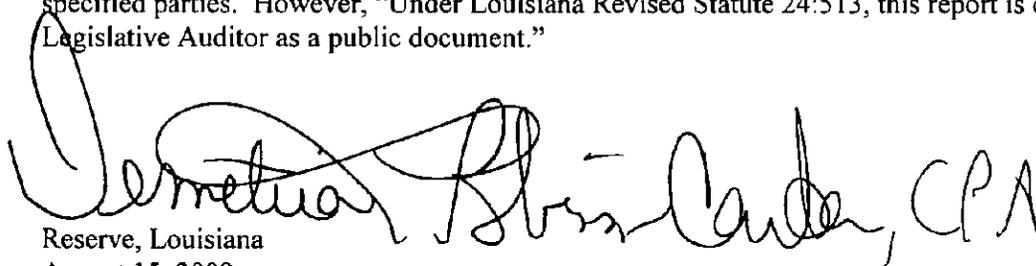
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purposed described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

N'R Peace, Inc.'s responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit N'R Peace, Inc.'s response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, "Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document."



Jemetta Robinson-Carter, CPA

Reserve, Louisiana  
August 15, 2009

N'R Peace, Inc.  
Status of Prior Year Findings  
For the Year Ended December 31, 2008

	RESOLVED	UNRESOLVED
General ledger classifications	X	

N'R Peace, Inc.  
 Schedule of Findings and Questioned costs  
 For the Year Ended December 31, 2008

I have audited the financial statements of N'R Peace, Inc. as of and for the year ended December 31, 2008, and have issued my report thereon dated August 15, 2009. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of August 15, 2009, resulted in an unqualified opinion.

A. Summary of Audit Results

An unqualified opinion was issued on the financial statements of the auditee.

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness(es)  Yes  No

Reportable condition(s) identified

Not considered to be material weaknesses?  Yes  No

2. State Awards

Internal Control

Material Weakness(es)  Yes  No

Reportable condition(s) identified

Not considered to be material weaknesses?  Yes  No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule. See 08-01, 08-02, 08-03 and 08-04.

**08-01 Current Audit Not Submitted Timely**

QUESTIONED COSTS: \$0

Condition: Certain required documentation was not available for audit on a timely basis. Accordingly certain aspects of field work did not commence in time to complete the audit within the time frame prescribed by the Louisiana Audit Law.

Cause: Several efforts were made to receive completed financials, however, due to turnovers in the in-house bookkeeper position the financials were not received in a timely manner.

Effect of Condition: The effect of this condition is that N'R Peace, Inc. is not in compliance with LSA-R.S.24.513.

Criteria: LSA-R.S.24.513 stated that "all engagements must be completed and transmitted to the legislative auditor within six months of the close of the auditee fiscal year."

Recommendation: N'R Peace, Inc. should remain in compliance with the State Law governing audit engagement completion

**08-02 Non Sufficient supporting documentation**

QUESTIONED COSTS: \$26,000

Condition: N' R Peace, Inc. did not have sufficient supporting documents to support expenses for 8 of 20 reimbursement expenses selected for test work. The company had several reimbursements to employees for various routine expenses.

Cause: N'R Peace, Inc. did not have the original purchase receipt for 8 of 20 disbursements. N'R Peace, Inc. only had copies of the credit card statements for the expense for which the employees was reimbursed.

Effect of Condition: The effect of this condition is that N' R Peace, Inc. should maintain adequate supporting documentation to support all expenses reported in the financial statements.

CRITERIA: All transactions should be supported by documentation. This documentation should be readily available in order to provide evidence that the transaction is valid.

Recommendation: We recommend that procedures be developed to strengthen N' R Peace, Inc. internal controls over recording of expenses in the respective general ledger account. N' R Peace, Inc. should enroll the current bookkeeper in an accounting course at the local university or community college to obtain a better understanding about how general ledger transactions should be properly recorded.

**08-03 – Bank accounts not reconciled timely**

Condition: The bank accounts were not reconciled on a monthly basis by the in-house bookkeeper. The bank accounts were not reconciled until year end by the contracted accountant.

Effect of Condition: The internally prepared financial statements were not properly stated on a monthly basis.

Criteria: All bank accounts should be reconciled properly and on a timely basis.

Recommendation: N' R Peace, Inc. should hire a degreed accountant to perform the monthly bank account reconciliations.

**08-04 – N' R Peace does not reimburse employee expenses properly**

QUESTIONED COSTS: \$24,528

Condition: The employees did not submit proper expense reimbursement vouchers for expenses paid on behalf of N' R Peace Inc. from their own personal funds.

Effect of Condition: The N' R Peace, Inc. employees personal credit card vendors are paid directly for expenses incurred on behalf of N'R Peace, Inc.

Criteria: All employees should submit expense vouchers with an itemized listing of expenses and business purpose for which reimbursement is required.

An unqualified opinion was issued on compliance for the major programs.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?

Yes  No

The programs tested as major program included: Ryan White Part A and CFDA 93.14

The threshold used for distinguishing between Type A and B program was \$300,000.

N' R Peace, Inc. qualified as a low-risk auditee.

N'R Peace, Inc.  
Schedule of Findings and Questioned costs  
Major Federal Award Programs Audit  
For the Year Ended December 31, 2008

**08-01 Current Audit Not Submitted Timely**

QUESTIONED COSTS: \$0

Condition: Certain required documentation was not available for audit on a timely basis. Accordingly certain aspects of field work did not commence in time to complete the audit within the time frame prescribed by the Louisiana Audit Law.

Cause: Several efforts were made to receive completed financials, however, due to turnovers in the in-house bookkeeper position the financials were not received in a timely manner.

Effect of Condition: The effect of this condition is that N'R Peace, Inc. is not in compliance with LSA-R.S.24.513.

Criteria: LSA-R.S.24.513 stated that "all engagements must be completed and transmitted to the legislative auditor within six months of the close of the auditee fiscal year."

Recommendation: N'R Peace, Inc. should remain in compliance with the State Law governing audit engagement completion

**08-02 Non Sufficient supporting documentation**

QUESTIONED COSTS: \$26,000

Condition: N' R Peace, Inc. did not have sufficient supporting documents to support expenses for 8 of 20 reimbursement expenses selected for test work. The company had several reimbursements to employees for various routine expenses.

Cause: N'R Peace, Inc. did not have the original purchase receipt for 8 of 20 disbursements. N'R Peace, Inc. only had copies of the credit card statements for the expense for which the employees was reimbursed.

Effect of Condition: The effect of this condition is that N' R Peace, Inc. should maintain adequate supporting documentation to support all expenses reported in the financial statements.

**CRITERIA:** All transactions should be supported by documentation. This documentation should be readily available in order to provide evidence that the transaction is valid.

**Recommendation:** We recommend that procedures be developed to strengthen N' R Peace, Inc. internal controls over recording of expenses in the respective general ledger account. N' R Peace, Inc. should enroll the current bookkeeper in an accounting course at the local university or community college to obtain a better understanding about how general ledger transactions should be properly recorded.

**08-03 – Bank accounts not reconciled timely**

**Condition:** The bank accounts were not reconciled on a monthly basis by the in-house bookkeeper. The bank accounts were not reconciled until year end by the contracted accountant.

**Effect of Condition:** The internally prepared financial statements were not properly stated on a monthly basis.

**Criteria:** All bank accounts should be reconciled properly and on a timely basis.

**Recommendation:** N' R Peace, Inc. should hire a degreed accountant to perform the monthly bank account reconciliations.

**08-04 – N' R Peace does not reimburse employee paid properly**

**QUESTIONED COSTS:** \$24,528

**Condition:** The employees did not submit proper expense reimbursement vouchers for expenses paid on behalf of N' R Peace Inc. from their own personal funds.

**Effect of Condition:** The employee personal credit card vendors are paid directly for expenses incurred on behalf of N'R Peace, Inc.

**Criteria:** All employees should submit expense vouchers with an itemized listing of expenses and business purpose for which reimbursement is required.

**N'R PEACE, Inc.**

**CORRECTIVE ACTION PLAN**  
For the Year Ended December 31, 2008

**Current Year Finding**

08-01, 08-02 and 08-03

N' R Peace, Inc. submitted and received grant funding for Capacity Building to meet the requirements to resolve this type of findings noted. The Capacity Building funding started in March 2009 thru February 2010. This funding will give the agency the ability to include this service as a line item on any upcoming contracts.

In addition, N' R Peace, Inc. has entered in a contract with Deemer, Consulting Services, LLC to provide all accounting work for the period of January 2009 thru February 2010.

08-04

N' R Peace, Inc. has developed a reimbursement verification form to validate expenses. Employees are required to attach the original receipts from vendor to receive reimbursement.

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