

**PRIDE OF ST. TAMMANY, INC.**

**June 30, 2004**

**Audit of Financial Statements**

**June 30, 2004**

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 1-26-05

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Board of Directors  
**Pride of St. Tammany, Inc.**  
Covington, Louisiana

### Independent Auditors' Report

We have audited the accompanying statement of financial position of **PRIDE OF ST. TAMMANY, INC.** (a non-profit organization) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **PRIDE OF ST. TAMMANY, INC.** as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2004, on our consideration of **PRIDE OF ST. TAMMANY, INC.**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of **PRIDE OF ST. TAMMANY, INC.** taken as a whole. The accompanying supplementary schedules for the year ended June 30, 2004, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these schedules have been subjected to the 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 Professional Accounting Corporation

November 30, 2004

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**PRIDE OF ST. TAMMANY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2004**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 79,916
Accounts Receivable	31,848
Investments	<u>3,134</u>
Total Current Assets	<u>114,898</u>

**FURNITURE AND EQUIPMENT**

Computers	8,557
Office Equipment	7,879
Furniture and Fixtures	<u>2,589</u>
Total at Cost	19,025
Less: Accumulated Depreciation	<u>(17,500)</u>

Net Furniture and Equipment	<u>1,525</u>
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Total Assets	<u>\$ 116,423</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 1,909
Accrued Expenses	<u>4,698</u>
Total Current Liabilities	<u>6,607</u>

**NET ASSETS**

Unrestricted	106,682
Temporarily Restricted	134
Permanently Restricted	<u>3,000</u>

Total Net Assets	<u>109,816</u>
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Total Liabilities and Net Assets	<u>\$ 116,423</u>
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The accompanying notes are an integral part of this statement.

**PRIDE OF ST. TAMMANY, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For The Year Ended June 30, 2004**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Grants and Contracts	\$ 274,322	\$ -	\$ -	\$ 274,322
Program Fees	156,480	-	-	156,480
Fundraising	14,270	-	-	14,270
Donations	10,202	-	-	10,202
Investment Income	<u>413</u>	<u>24</u>	<u>-</u>	<u>437</u>
Total Support and Revenue	<u>455,687</u>	<u>24</u>	<u>-</u>	<u>455,711</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Prevention Activities	250,758	-	-	250,758
Prevention Education	120,929	-	-	120,929
Information Dissemination	<u>30,678</u>	<u>-</u>	<u>-</u>	<u>30,678</u>
Total Program Services	<u>402,365</u>	<u>-</u>	<u>-</u>	<u>402,365</u>
<b>Supporting Services</b>				
Management and General	35,329	-	-	35,329
Fundraising	<u>13,115</u>	<u>-</u>	<u>-</u>	<u>13,115</u>
Total Support Services	<u>48,444</u>	<u>-</u>	<u>-</u>	<u>48,444</u>
Total Expenses	<u>450,809</u>	<u>-</u>	<u>-</u>	<u>450,809</u>
<b>CHANGE IN NET ASSETS BEFORE EXPIRATION OF RESTRICTIONS</b>	4,878	24	-	4,902
Expiration of Restrictions	<u>86</u>	<u>(86)</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	4,964	(62)	-	4,902
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>101,718</u>	<u>196</u>	<u>3,000</u>	<u>104,914</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 106,682</u>	<u>\$ 134</u>	<u>\$ 3,000</u>	<u>\$ 109,816</u>

The accompanying notes are an integral part of this statement.

**PRIDE OF ST. TAMMANY, INC.**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ended June 30, 2004**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 4,902
Adjustments to Reconcile Change in Net Assets to Net	
Cash (Used in) Operating Activities	
Depreciation	1,175
Decrease in Fair Value of Investments	129
Increase in Accounts Receivables	(1,625)
Decrease in Prepaid Expenses	1,704
Increase in Accounts Payable	1,520
Increase in Accrued Expenses	4,698
Decrease in Deferred Revenues	<u>(31,356)</u>
Total Adjustments	<u>(23,755)</u>
Net Cash Used in Operating Activities	<u>(18,853)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Dividends	<u>153</u>
Net Cash Provided by Investing Activities	<u>153</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(18,700)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>98,616</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 79,916</u></b>

The accompanying notes are an integral part of this statement.

**PRIDE OF ST. TAMMANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2004**

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**PRIDE OF ST. TAMMANY, INC.** (the Organization) was incorporated September 29, 1986. The Organization serves communities in St. Tammany and Washington Parishes in Louisiana by providing leadership training, family life skills, education, and prevention programs designed to reduce the illegal use of alcohol, tobacco and other drugs.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**FINANCIAL STATEMENT PRESENTATION**

The Organization follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

The Organization also follows the guidance of SFAS No. 116, Accounting for Contributions Received and Contributions Made, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions.

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the Organization are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

**CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Investments are stated at fair market value in accordance with SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations, and interest income is recognized when earned.

**FURNITURE AND EQUIPMENT**

Furniture and equipment are stated at cost. Depreciation is computed on the straight-line basis over the following estimated useful lives of the assets:

Furniture and Equipment	5 - 7 years
Computers	3 - 5 years

The Organization capitalizes substantially all assets whose useful lives extend beyond a one-year period.

**PRIDE OF ST. TAMMANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2004**

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**INCOME TAXES**

The Organization is a tax-exempt, non-profit organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, there is no provision for income taxes in the accompanying financial statements.

**FUNCTIONAL EXPENSES**

Certain functional expenses have been allocated between Program Services and Supporting Services based on an analysis of personnel time utilized for the related activities.

**NOTE B**

**ACCOUNTS RECEIVABLE**

The detail of accounts receivable as of June 30, 2004 is as follows:

Children's Trust Fund	\$ 1,947
COA	8,101
Junior League	950
OCS	188
PA Parent	1,070
Prevention	10,421
Teen Institute	2,450
Treatment	1,869
Washington Parish - OCS	4,657
Youth Service Bureau	<u>195</u>
	<b><u>\$ 31,848</u></b>

Accounts receivable at June 30, 2004 are estimated to be fully collectible.



**PRIDE OF ST. TAMMANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2004**

**NOTE C**

**INVESTMENTS AND INVESTMENT INCOME**

As required by SFAS No. 124, investments are stated at their fair market value which is determined in all cases by the published market prices. A recap of investments by category as of June 30, 2004 is as follows:

Vanguard GNMA Fund	<u>\$ 3,134</u>
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Components of investment income as of June 30, 2004 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest Income	\$ 413	\$ -	\$ 413
Dividend Income	-	153	153
Decrease in Fair Market Value of Investments	<u>-</u>	<u>(129)</u>	<u>(129)</u>
	<u>\$ 413</u>	<u>\$ 24</u>	<u>\$ 437</u>

**NOTE D**

**LEASE OBLIGATIONS**

The Organization occupies and operates its main office in Covington, Louisiana. On June 1, 1998, the Organization entered into a 60 month lease agreement which required monthly payments of \$650. This lease was renewed on June 1, 2003, for another 60 months and requires a new monthly payment of \$750. Rent expense included in the accompanying financial statements for lease expense is \$9,209 for the year ended June 30, 2004.

Estimated future minimum lease payments on the above lease are as follows:

<u>Year Ended June 30,</u>	
2005	\$ 9,000
2006	9,000
2007	9,000
2008	9,000
2009	<u>9,000</u>
	<u>\$ 45,000</u>

**PRIDE OF ST. TAMMANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2004**

**NOTE E**

**CONCENTRATION**

The Organization receives the majority of its funding through Federal, State and Local grants and contracts with durations of one year or less.

**NOTE F**

**ADVERTISING EXPENSE**

The Organization expenses advertising costs as incurred. Advertising expense for the year ended June 30, 2004 is \$1,300.

**NOTE G**

**FIXED ASSETS**

Depreciation expense for the year ended June 30, 2004 is \$1,175.

All assets acquired with Department of Health and Human Services funds are owned by the Organization, while used in the program for which it was purchased. The Department of Health and Human Services, however, has a reversionary interest in these assets. Should these contracts not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

**NOTE H**

**RESTRICTED ASSETS**

The Organization received a donation of \$3,000 in a previous year, which is held in an investment account. The principle of this balance is permanently restricted. The interest earned, however, can be used for scholarships and is reflected as temporarily restricted.

**SUPPLEMENTARY INFORMATION**

PRIDE OF ST. TAMMANY, INC.

SCHEDULE OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2004

	Program Services				Support Services			Total
	Prevention Activities	Prevention Education	Information Dissemination	Sub Total	Management and General	Fund Raising	Sub Total	
Salaries	\$ 23,344	\$ 70,593	\$ 12,717	\$ 106,654	\$ 16,282	\$ -	\$ 16,282	\$ 122,936
Payroll Taxes and Benefits	5,154	10,342	1,243	16,739	4,043	-	4,043	20,782
Advertising	-	-	1,259	1,259	41	-	41	1,300
Conferences and Conventions	32,401	-	-	32,401	-	-	-	32,401
Dues and Subscriptions	1,445	360	523	2,328	515	27	542	2,870
Fundraisers	-	-	-	-	-	13,088	13,088	13,088
Janitorial	150	100	-	250	1,335	-	1,335	1,585
Meetings	235	-	-	235	176	-	176	411
Office Supplies	252	2,072	108	2,432	2,074	-	2,074	4,506
Postage	488	261	703	1,452	153	-	153	1,605
Printing	3,679	1,079	5,167	9,925	649	-	649	10,574
Program Delivery	153,273	18,458	-	171,731	-	-	-	171,731
Program Resources	15,842	5,265	722	21,829	-	-	-	21,829
Professional Services	587	2,063	500	3,150	650	-	650	3,800
Travel	69	3,226	35	3,330	858	-	858	4,188
Insurance	302	1,175	-	1,477	3,284	-	3,284	4,761
Recognition	181	25	-	206	105	-	105	311
Rent	1,800	2,700	2,700	7,200	2,009	-	2,009	9,209
Repairs and Maintenance	1,331	1,512	1,616	4,459	679	-	679	5,138
Training	-	898	-	898	96	-	96	994
Uniforms	9,703	-	-	9,703	-	-	-	9,703
Utilities and Telephone	22	425	3,385	3,832	1,123	-	1,123	4,955
Other Operating Expenses	500	375	-	875	82	-	82	957
Total	250,758	120,929	30,678	402,365	34,154	13,115	47,269	449,634
Depreciation	-	-	-	-	1,175	-	1,175	1,175
Total	\$ 250,758	\$ 120,929	\$ 30,678	\$ 402,365	\$ 35,329	\$ 13,115	\$ 48,444	\$ 450,809

**PRIDE OF ST. TAMMANY, INC.**  
**SCHEDULE OF GRANTS AND CONTRACTS**  
**For the Year Ended June 30, 2004**

	Grant or Contract #	Amount
<b>State of Louisiana:</b>		
<b>Department of Health and Hospitals:</b>		
Prevention	597971	\$ 140,703
Treatment	599940	41,921
Children of Alcoholics	607940	16,430
Teen Institute	599998	26,650
 <b>Department of Social Services:</b>		
Children's Trust Fund	600925	7,623
Children's Trust Fund	600926	5,110
 <b>St. Tammany Parish School Board:</b>		
Second Chance		9,000
Red Ribbon Week		4,000
21 <sup>st</sup> Century		1,862
Title I		225
 <b>Junior League of Greater Covington</b>		
		7,400
 <b>Youth Service Bureau</b>		
		5,460
 <b>German Protestant Orphan Asylum</b>		
		4,300
 <b>American Cancer Society</b>		
		1,950
 <b>Students Against Destructive Decisions</b>		
		1,000
 <b>St. Tammany Parish OCS</b>		
		688
		\$ 274,322



LAPORTE SEHRT  
ROMIG HAND  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
**Pride of St. Tammany, Inc.**  
Covington, Louisiana

We have audited the financial statements of **PRIDE OF ST. TAMMANY, INC.** (a non-profit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated November 30, 2004. We conducted our 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.

Compliance

As part of obtaining reasonable assurance about whether **PRIDE OF ST. TAMMANY, INC.**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **PRIDE OF ST. TAMMANY, INC.**'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Sabate, Sehit, Konyak & Neal*

A Professional Accounting Corporation

November 30, 2004