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**YOUTH SERVICE BUREAU
OF ST. TAMMANY, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 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 11-10-04

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Youth Service Bureau of St. Tammany, Inc.
Covington, Louisiana

We have audited the accompanying statement of financial position of the Youth Service Bureau of St. Tammany, Inc. (a Louisiana not-for-profit corporation) as of June 30, 2004, and the related statements of activities, functional expenses, changes in net assets, 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; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions*. Those standards and OMB Circular A-133 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 the Youth Service Bureau of St. Tammany, Inc. as of June 30, 2004, and the results of its operations 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 August 24, 2004 on our consideration of the Youth Service Bureau 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 the Youth Service Bureau of St. Tammany, Inc. taken as a whole. The accompanying schedule of revenues, other support and expenses by program and supporting services and schedule of revenues, support services, general and administrative, fundraising expenses allocated to programs are presented for purposes of additional analysis and are not a required part of the financial statements of the Organization. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis as required by U.S. Office and 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. 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.


August 24, 2004

Youth Service Bureau of St. Tammany, Inc.
Statement of Financial Position
June 30, 2004

ASSETS

Current Assets

Cash and cash equivalents	\$	133,652
Restricted cash		1,461
Receivables		
Grants/contributions		137,221
Allocation from United Way		114,382
Prepaid expenses		19,000

405,716

Property and equipment

Buildings		475,064
Furniture and equipment		151,855
Leasehold improvements		278,690

905,609

Less accumulated depreciation		<u>(223,656)</u>
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681,953

Land		<u>87,000</u>
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768,953

TOTAL ASSETS

\$ 1,174,669

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	1,549
Accrued payroll taxes and benefits		1,673
Accumulated paid leave		41,190

44,412

Net assets

Unrestricted		
Board designated		1,461
Undesignated		1,014,414
Temporarily restricted		114,382

1,130,257

TOTAL LIABILITIES AND NET ASSETS

\$ 1,174,669

The accompanying notes are an integral part of this statement.

Youth Service Bureau of St. Tammany, Inc.
Statement of Activities
For the Year Ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Government grants and contracts	\$ 1,202,928	\$ -	\$ 1,202,928
Private providers	20,582	-	20,582
Program service fees	54,967	-	54,967
Donations	27,294	-	27,294
United Way allocation	-	114,382	114,382
United Way designation	24,254	-	24,254
Fundraising	399,145	-	399,145
Other income	5,335	-	5,335
Net assets released from restrictions			
Restrictions satisfied by payments	<u>126,993</u>	<u>(126,993)</u>	<u>-</u>
Total revenues and other support	1,861,498	(12,611)	1,848,887
Expenses			
Program services	1,446,703	-	1,446,703
Supporting services	<u>421,055</u>	<u>-</u>	<u>421,055</u>
Total expenses	<u>1,867,758</u>	<u>-</u>	<u>1,867,758</u>
Change in net assets	<u>\$ (6,260)</u>	<u>\$ (12,611)</u>	<u>\$ (18,871)</u>

The accompanying notes are an integral part of this statement.

Youth Service Bureau of St. Tammany, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2004

	Program Services					Supporting Services		Total	
	CASA	Crossroads	FINS	Options/ Drug Court	TASC	Program Service Total	General and Administrative		Fundraising
Salaries	\$ 272,764	\$ 75,019	\$ 196,259	\$ 211,759	\$ 244,981	\$ 1,000,782	\$ 225,343	\$ -	\$ 1,226,125
Payroll taxes and benefits	36,026	9,030	32,085	30,806	35,397	143,344	33,308	-	176,652
Training	4,367	560	906	2,705	2,528	11,066	2,745	-	13,811
Fundraising expense	-	-	-	-	-	-	-	68,094	68,094
Occupancy	9,390	392	5,097	953	3,221	19,053	952	-	20,005
Office expense	3,636	-	212	365	353	4,566	-	-	4,566
Postage	2,061	12	569	98	435	3,175	5,357	-	8,532
Printing and production	2,960	-	-	18	-	2,978	5,232	-	8,210
Professional services	18,379	2,244	3,326	12,241	6,081	42,271	251	41,500	84,022
Repairs	7,106	1,824	4,167	4,428	5,210	22,735	4,942	-	27,677
Supplies	10,607	353	2,015	3,797	6,088	22,860	7,743	-	30,603
Drug screen supplies	-	-	-	4,973	-	4,973	-	-	4,973
TASC activities	-	-	-	-	11,157	11,157	-	-	11,157
Telephone	12,154	1,813	7,306	5,215	12,407	38,895	4,406	-	43,301
Insurance	7,453	3,301	5,250	5,595	6,485	28,084	5,071	-	33,155
Depreciation	9,800	2,985	6,820	7,250	8,525	35,380	7,257	-	42,637
Travel	6,771	3,422	5,646	4,356	9,157	29,352	236	-	29,588
Utilities	6,144	1,403	3,209	3,410	4,010	18,176	3,410	-	21,586
Miscellaneous	2,420	703	28	4,567	138	7,856	5,208	-	13,064
	<u>\$ 412,038</u>	<u>\$ 103,061</u>	<u>\$ 272,895</u>	<u>\$ 302,536</u>	<u>\$ 356,173</u>	<u>\$ 1,446,703</u>	<u>\$ 311,461</u>	<u>\$ 109,594</u>	<u>\$ 1,867,758</u>

The accompanying notes are an integral part of this statement.

Youth Service Bureau of St. Tammany, Inc.
Statement of Changes in Net Assets
June 30, 2004

Net assets - beginning of year	\$ 1,149,128
Increase (decrease) in net assets	
Unrestricted	(6,260)
Temporarily restricted	<u>(12,611)</u>
Net assets - end of year	<u><u>\$ 1,130,257</u></u>

The accompanying notes are an integral part of this statement.

Youth Service Bureau of St. Tammany, Inc.
Statement of Cash Flows
June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (18,871)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	42,637
Loss on disposal of equipment	2,914
 (Increase) decrease in operating assets	
Receivables	6,064
Prepaid expenses	(5,226)
 Increase (decrease) in operating liabilities	
Accounts payable	(7,472)
Accrued liabilities	(14,113)
Deferred revenue	<u>(7,518)</u>
 Net cash provided by (used in) operating activities	 (1,585)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(16,394)</u>
 Net cash provided by (used in) investing activities	 (16,394)
 Net increase (decrease) in cash and cash equivalents	 (17,979)
Cash - beginning of year	<u>153,092</u>
Cash - end of year	<u><u>\$ 135,113</u></u>

The accompanying notes are an integral part of this statement.

Youth Service Bureau of St. Tammany, Inc.
Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Youth Service Bureau of St. Tammany, Inc. (the “Organization”) was incorporated on July 17, 1981. The Organization is a not-for-profit corporation organized to provide early intervention programs for the youth in St. Tammany and Washington parishes. The mission of the Youth Service Bureau of St. Tammany, Inc. is to assist troubled and/or high-risk youth to become responsible community members.

Programs

CASA – Court Appointed Special Advocates are trained volunteers who help judges find safe and permanent homes for abused and neglected children in state custody.

Crossroads – The Delinquency Intervention Program offers non-violent juvenile offenders the opportunity to choose a new direction through victim restitution, community service work, education, and counseling. The Power of Choice (POC) clinical counseling offers counseling that includes individual, group, and family therapy, parenting classes, and life skills modules.

FINS – Families in Need of Services is a delinquency prevention program that focuses on helping youth and families to remedy self destructive behaviors through family assessment, counseling, and education for both parents and children.

Options/Drug Court – The Options program is a family-based outpatient adolescent substance abuse treatment program. Client assessment, education, counseling, and drug screening offer adolescents and their families the opportunity to break the cycle of chemical dependency. Adolescent Drug Court offers judicial oversight and substance abuse treatment for adolescents. Drug Court components include group, individual, and family therapy, drug testing, court appearances, and case management.

TASC – Truancy Reduction Program that provides resources and support for children and their families in order to reduce truancy and prevent juvenile delinquency.

Donated Assets and Services

The Organization records noncash donations as contributions at its estimated fair value at the date of donation. Significant portions of the Organization’s functions are conducted by unpaid officers, board members, and volunteers. The value of this contributed time is not reflected in the accompanying financial statements as they do not create nonfinancial assets nor are they specialized services as described in SFAS No. 116.

The Organization recognizes donated services, if significant in amount, that create or enhance non-financial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Youth Service Bureau of Tammany, Inc.
Notes To Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Property and Equipment

Property and equipment are recorded at cost. Acquisitions of property and equipment are made with unrestricted assets. Depreciation is provided over the estimated useful lives of the respective assets, approximately five to ten years, on a straight-line basis. Donations of property and equipment are recorded at estimated fair market value on the date of donation. These assets are recorded as unrestricted net assets unless the donor imposes a restriction.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from both federal and Louisiana income taxes under Section 501(c)(3) of the Internal Revenue Code and R.S. 12:201 of Louisiana statutes.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Functional Expense Allocation

Functional expenses are allocated among the various program services, general and administrative, and fundraising categories based on actual use or management's best estimate.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all restricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Youth Service Bureau of Tammany, Inc.
Notes To Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Use of Estimates in the Preparation of Financial Statements

The preparation of the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses as of June 30, 2004. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the 2004 financial statements.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 116 and SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

Concentration of Contributions or Grants

The Organization was established to provide early intervention programs for the youth in St. Tammany and Washington parishes. The mission of the Youth Service Bureau of St. Tammany, Inc. is to assist troubled and/or high-risk youth to become responsible community members.

A substantial portion of the Organization's support and revenue is derived from restricted grants for the various programs conducted. The various grants are approved on a year-to-year basis with grant periods dated July-June and October-September of each fiscal year. Any unexpended grant funds or unauthorized expenditures charged against the programs must be refunded.

Approximately 65% of the Organizations's funding is grants received from Federal , State and Local government agencies with 7% received from the United Way agency. The remaining funding is generated from service fee revenue and fundraising events.

Receivables

Receivables represent amounts owed for cost reimbursement from grantors (54%) and United Way allocations/designations (46%). Based on prior experience, the Organization feels that all amounts are collectable.

Youth Service Bureau of Tammany, Inc.
Notes To Financial Statements

NOTE B – CASH RESERVE

The Board of Directors intends to establish a “prudent reserve” of approximately three months expenditures. Increases in net assets, which may occur subsequently, will be dedicated to the establishment of new programs.

NOTE C - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in several financial institutions located in Covington, Louisiana that may at times exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation up to \$100,000. The Organization’s cash balances were not in excess of the FDIC insurance at June 30, 2004. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE D – CONCENTRATIONS OF CREDIT RISK DUE TO TEMPORARY CASH INVESTMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places their temporary cash investments with an investment brokerage firm. As of June 30, 2004, the Organization had uninsured balance in the amount of \$29,554.

NOTE E - FAIR VALUES OF FINANCIAL INSTRUMENTS

The estimated fair values of the Organization’s financial instruments are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$161,495	\$161,495

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents – the carrying amount approximates fair value because of the short maturities of those investments.

Youth Service Bureau of Tammany, Inc.
Notes To Financial Statements

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2004:

Equipment	\$ 151,855
Buildings and improvements	753,754
Land	<u>87,000</u>
	992,609
Less: Accumulated depreciation	<u>(223,656)</u>
Total	<u>\$ 768,953</u>

For the year ended June 30, 2004, Depreciation expense was \$42,637.

NOTE G – LINE OF CREDIT

The Organization has a \$200,000 line of credit bearing interest at a rate of 1% over prime (5.25% at June 30, 2004), and is secured by a collateral real estate mortgage. The line of credit balance at June 30, 2004 was zero.

NOTE H – UNITED WAY ALLOCATION/DESIGNATION

The Organization participates in the United Way for the Greater New Orleans Area allocation and designation of funds process. To participate in the allocation and designation of funds, certain restrictions were placed on the Organization's ability to conduct certain fund raising activities or otherwise solicit contributions. The United Way's allocation and designation to the Organization for the year ended June 30, 2004, was \$114,382 and \$126,649 respectively.

NOTE I – FUND RAISING REVENUES

Fund raising revenues are presented at gross, with related expenses presented separately in the accompanying financial statements. Net fund-raising income for the period ending June 30, 2004, was \$289,551. Total expense for the year ended June 30, 2004 were \$109,594.

NOTE J – THIRD PARTY REVENUES

A substantial share of contract revenues for services to clients is derived under federal and state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party providers. Retroactive adjustments, if any, would not be material to the financial position or results of operations of the Organization.

Youth Service Bureau of Tammany, Inc.
Notes To Financial Statements

NOTE K -- RETIREMENT PLAN

In January 2004, the Organization converted from a Simple IRA Plan (the "Plan") to a 401(k) plan. Employees of the Organization may participate in the Plan, whereby employees elect to make voluntary contributions pursuant to a salary reduction agreement. It is available to all employees who have completed the service requirements (equivalent to one year of service with 1,000 hours of service or more). Under the Simple IRA Plan, the Organization made a matching contribution based on a percentage of the participants' compensation. The contribution for any calendar year may not exceed the annual permissible dollar limit under law. Under the 401 (k) plan, the Organization's contributions are discretionary. The Organization contributed a total of \$18,921 to the plans for the year ended June 30, 2004.

NOTE L -TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$114,382 are donations from corporations, individuals, and pledges receivable from the United Way of Greater New Orleans to support operations. There were \$126,993 of temporarily restricted net assets released from donor restrictions for general operations of the Organization for the year ended June 30, 2003. The amount that will be released from donor restrictions for general operations of the Organization will be \$114,382 for the year ended June 30, 2004.

NOTE M -- RELATED PARTY TRANSACTIONS

During 2004, The Organization entered into a lease agreement to rent office space in Bogalusa from a board member. Total rent expense for the year ended June 30, 2004 was \$6,000. The lease expired on February 28, 2004 and currently the Organization leases on a month to month basis.

NOTE N -- OPERATING LEASES

The Organization leases its Franklinton office facilities under a 60 day cancellation notice lease expiring in November 2006. Total rent expense for this facility for the year ended June 30, 2004 was \$8,400.

SUPPLEMENTARY INFORMATION

Youth Service Bureau of St. Tammany, Inc.
 Schedule of Federal Financial Assistance
 For the Year Ended June 30, 2004

DESCRIPTION	CFDA NUMBER	GRANT/ PASS-THROUGH NUMBER	GRANT PERIOD		TOTAL GRANT AWARD	ACCRUED/ (DEFERRED) REVENUE JUNE 30, 2002		ASSISTANCE RECEIVED DURING YEAR		ACCRUED/ (DEFERRED) REVENUE JUNE 30, 2003	TOTAL REVENUE RECOGNIZED	EXPENDITURES		TOTAL EXPENDITURES
			FROM	THROUGH		GRANTS	OTHER	FEDERAL	OTHER					
U.S. Department of Justice														
Pass-through program from Louisiana														
Commission on Law Enforcement														
Family Counseling Programs	16.548	W00-7-004	10/01/02	09/30/03	11,718	977	3,902	-	2,925	1,465	4,390			
Family Counseling Programs	16.548	W01-7-004	10/01/03	09/30/04	11,646	-	7,751	-	8,722	4,357	13,079			
CASA VOCA - Child Abuse	16.575	C00-7-027	07/01/02	06/30/03	22,703	2,270	2,270	-	-	-	-			
CASA VOCA - Child Abuse	16.575	C02-7-026	07/01/03	06/30/04	21,089	-	17,579	-	3,510	5,273	26,362			
					67,156	3,247	31,502	-	4,481	11,095	43,831			
U.S. Department of Health and Human Services														
Pass-through program from Louisiana														
Department of Health and Hospitals														
Optima Program	93.959	85A1017/ 95A1006	07/01/02	06/30/03	81,000	3,186	3,186	-	6,487	-	81,000	81,000		81,000
			07/01/03	06/30/04	162,000	3,186	77,699	-	6,487	-	81,000	81,000		81,000
U.S. Department of Health and Human Services														
Children's Trust Fund														
	93.590		07/01/02	06/30/03	7,500	1,875	1,875	-	-	-	-	-	-	-
			07/01/03	06/30/04	7,500	5,625	5,625	-	1,875	-	7,500	7,500		7,500
			07/01/03	06/30/04	7,500	5,625	5,625	-	1,875	-	7,500	7,500		7,500
					22,500	1,875	13,125	-	3,750	-	15,000	15,000		15,000
U.S. Department of Health and Human Services														
Pass-through program from Supreme Court of State of Louisiana														
Temporary Assistance for Needy Families														
Court of Stidell - Drug Court	93.558		07/01/02	06/30/03	122,830	12,726	12,726	-	-	-	-	-	-	-
					122,830	12,726	12,726	-	-	-	-	-	-	-
Temporary Assistance for Needy Families														
Court Appointed Special Advocates	93.558		10/01/02	09/30/03	309,382	24,635	177,429	-	-	-	102,794	102,794		102,794
			10/01/03	09/30/04	377,959	-	234,977	-	31,644	-	266,621	266,621		266,621
			07/01/02	06/30/03	383,197	50,546	50,546	-	-	-	-	-		-
			07/01/03	06/30/04	383,200	-	306,852	-	70,327	-	377,179	377,179		377,179
					1,453,738	75,181	719,804	-	101,971	-	746,594	746,594		746,594
Total														
					\$ 1,828,224	\$ 96,215	\$ 854,856	\$ -	\$ 116,689	\$ 875,330	\$ 875,330	\$ 875,330	\$ 11,095	\$ 886,425

See independent auditors' report.

Youth Service Bureau of St. Tammany, Inc.
 Schedule of Revenues, Other Support and Expenses By Program and Supporting Services
 For the Year Ended June 30, 2004

	Program Services				TASC	Program Services Total	Supporting Services General and Administrative	Fundraising	Total
	CASA	Crossroads	FTNS	Options/ Drug Court					
Unrestricted revenues and other support									
Government grants and contracts	\$ 422,529	\$ 17,500	\$ 209,677	\$ 176,043	\$ 377,179	\$ 1,202,928	\$ -	\$ 1,202,928	
Private providers	19,064	1,518				20,582		20,582	
Program service fees	-	17,817	90	37,060		54,967		54,967	
Donations	3,886				10,000	13,886		27,294	
Restriction satisfied by payment	27,066	54,702	25,640	19,585		126,993	13,408	126,993	
United Way designation			4,200			4,200	20,054	24,254	
Fundraising							399,145	399,145	
Other income				23		23	5,312	5,335	
Total unrestricted revenues and other support	472,545	91,537	239,607	232,711	387,179	1,423,579	38,774	1,861,498	
Temporarily restricted revenues and other support	(2,291)	(5,337)	(2,305)	(2,679)		(12,611)		(12,611)	
Total temporarily restricted revenues and other support	(2,291)	(5,337)	(2,305)	(2,679)		(12,611)		(12,611)	
Total revenues and other support	470,254	86,200	237,302	230,032	387,179	1,410,968	38,774	1,848,887	
Expenses									
Salaries	272,764	75,019	196,259	211,759	244,981	1,000,782	225,343	1,226,125	
Payroll taxes and benefits	36,026	9,030	32,085	30,806	35,397	143,344	33,308	176,652	
Training	4,367	560	906	2,705	2,528	11,066	2,745	13,811	
Fundraising expense							68,094	68,094	
Occupancy	9,390	392	5,097	953	3,221	19,053	952	20,005	
Office expense	3,636		212	365	353	4,566		4,566	
Postage	2,061	12	569	98	435	3,175	5,357	8,532	
Printing and production	2,960			18		2,978	5,232	8,210	
Professional services	18,379	2,244	3,326	12,241	6,081	42,271	251	84,022	
Repairs	7,106	1,824	4,167	4,428	5,210	22,735	4,942	27,677	
Supplies	10,607	353	2,015	3,797	6,088	22,860	7,743	30,603	
Drug screen supplies				4,973		4,973		4,973	
TASC activities					11,157	11,157		11,157	
Telephone	12,154	1,813	7,306	5,215	12,407	38,895	4,406	43,301	
Insurance	7,453	3,301	5,250	5,395	6,485	28,084	5,071	33,155	
Depreciation	9,800	2,985	6,820	7,250	8,525	35,380	7,257	42,637	
Travel	6,771	3,422	5,646	4,356	9,157	29,352	236	29,588	
Utilities	6,144	1,403	3,209	3,410	4,010	18,176	3,410	21,586	
Miscellaneous	2,420	703	28	4,567	138	7,856	5,208	13,064	
Change in net assets	412,038	103,061	272,895	302,536	356,173	1,446,703	311,461	1,867,758	
	\$ 58,216	\$ (16,861)	\$ (35,593)	\$ (72,504)	\$ 31,006	\$ (35,735)	\$ (272,687)	\$ (18,871)	

See independent auditors' report.

Youth Service Bureau of St. Tammany, Inc.
Schedule of Revenues, Support Services, General and Administrative and Fundraising
Expenses Allocated to Programs
For the Year Ended June 30, 2004

	Program Services						Supporting Services General and Administrative	Fundraising	Total
	CASA	Crossroads	FINS	Options/ Drug Court	TASC	Program Services Total			
Unrestricted revenues and other support									
Government grants and contracts	\$ 422,529	\$ 17,500	\$ 209,677	\$ 176,043	\$ 377,179	\$ 1,202,928	\$ -	\$ 1,202,928	
Private providers	19,064	1,518	-	-	-	20,582	-	20,582	
Program service fees	-	17,817	90	37,060	-	54,967	-	54,967	
Donations	3,886	-	-	-	10,000	13,886	-	13,886	
Restriction satisfied by payment	27,066	54,702	25,640	19,585	-	126,993	-	126,993	
United Way designation	-	-	4,200	-	-	4,200	-	4,200	
Fundraising	-	-	-	-	-	-	399,145	399,145	
Other income	-	-	-	23	-	23	-	23	
Total unrestricted revenues and other support	472,545	91,537	239,607	232,711	387,179	1,423,579	38,774	1,861,498	
Temporarily restricted revenues and other support									
United Way allocation	(2,291)	(5,337)	(2,305)	(2,679)	-	(12,611)	-	(12,611)	
Total temporarily restricted revenues and other support	(2,291)	(5,337)	(2,305)	(2,679)	-	(12,611)	-	(12,611)	
Total revenues and other support	470,254	86,200	237,302	230,032	387,179	1,410,968	38,774	1,848,887	
Allocation of supporting service revenues									
Other support	8,143	5,428	10,081	8,918	6,204	38,774	(38,774)	-	
Total revenues and other support	478,397	91,628	247,384	238,950	393,383	1,449,742	399,145	1,848,887	
Expenses									
Compensation expenses	308,790	84,049	228,344	242,565	280,378	1,144,126	258,651	1,402,777	
Occupancy	55,683	11,718	32,061	27,216	40,211	166,889	26,038	192,927	
Travel	6,771	3,422	5,646	4,356	9,157	29,352	236	29,588	
Other direct program expenses	40,794	3,872	6,844	28,399	26,427	106,336	26,536	242,466	
Allocation of supporting service expenses	412,038	103,061	272,895	302,536	356,173	1,446,703	311,461	1,867,738	
	80,980	21,805	65,405	71,635	71,635	311,460	(311,461)	-	
Total expenses	493,018	124,866	338,300	374,171	427,808	1,758,163	-	1,867,738	
Change in net assets	\$ (14,621)	\$ (33,238)	\$ (90,916)	\$ (135,221)	\$ (34,425)	\$ (308,421)	\$ 289,551	\$ (18,871)	

See independent accountants' report

OTHER INDEPENDENT AUDITORS' REPORTS

Skarda & Silva, L.L.P.

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS AND OFFICE OF MANAGEMENT
AND BUDGET (OMB) CIRCULAR A-133**

Board of Directors
Youth Service Bureau of St. Tammany, Inc.
Covington, Louisiana

We have audited the financial statements of the Youth Service Bureau of St. Tammany, Inc. as of and for the year ended June 30, 2004, and have issued our report thereon dated August 24, 2004.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance

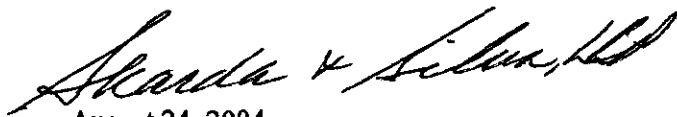
As part of obtaining reasonable assurance about whether the Youth Service Bureau of St. Tammany, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have 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 the Youth Service Bureau 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.

This report is intended for the information of the finance committee, management, the Department of Health and Human Services, United Way, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in cursive script, appearing to read "Sharda & Silva, LLP".

August 24, 2004

Skarda & Silva, L.L.P.

Certified Public Accountants

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Mandeville, LA 70471

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

Board of Directors
Youth Service Bureau of St. Tammany, Inc.
Covington, Louisiana

We have audited the compliance of the Youth Service Bureau of St. Tammany, Inc. 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 June 30, 2004. Youth Service Bureau of St. Tammany, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Youth Service Bureau of St. Tammany, Inc.'s management. Our responsibility is to express an opinion on the Youth Service Bureau of St. Tammany, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we 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 effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Youth Service Bureau of St. Tammany, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Youth Service Bureau of St. Tammany, Inc.'s compliance with those requirements.

In our opinion, the Youth Service Bureau of St. Tammany, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control over Compliance

The management of the Youth Service Bureau of St. Tammany, 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 our audit, we considered the Youth Service Bureau of St. Tammany, 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 our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the finance committee, management, the Department of Health and Human Services, United Way, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


August 24, 2004

**Youth Service Bureau of St. Tammany, Inc.
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2004**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	_____ yes	<u>X</u> _____ no
Reportable conditions identified?		
not considered to be material weaknesses?	_____ yes	<u>X</u> _____ none reported
Noncompliance material to financial statements noted?	_____ yes	<u>X</u> _____ no

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	_____ yes	<u>X</u> _____ no
Reportable conditions identified?		
not considered to be material weaknesses?	_____ yes	<u>X</u> _____ none reported

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ yes	<u>X</u> _____ no
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Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

93.558

Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk audit?	<u>X</u> _____ yes	_____ no
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**Section II - Internal Control & Compliance
 Governmental Auditing Standards
 OMB Circular A-133**

Internal Control

Item Number

Agency/Program

Questioned Costs

No findings and questioned costs for the year ended June 30, 2004.

**Youth Service Bureau of St. Tammany, Inc.
 Summary Schedule of Prior Audit Findings
 For the Year Ended June 30, 2004**

Ref.No.	Fiscal Year Finding Initially Occurred	Description	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken	Additional Explanation
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Section I - Compliance and Internal Control Material to the Financial Statements

No reported findings for the year ended June 30, 2003.

Section II - Internal Control and Compliance Material to Federal Awards

No reported findings for the year ended June 30, 2003.

Section III - Management Letter

No reported findings for the year ended June 30, 2003.