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PARKS COMMUNITY SUPPORT SERVICE, INC.
S. A. F. E. Program
Parks, Louisiana

FINANCIAL REPORT

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 2/2/05

**PARKS COMMUNITY SUPPORT SERVICE, INC.
S. A. F. E. Program**

Parks, Louisiana

**Financial Statements and Auditor's Report
For The Year Ended June 30, 2004**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Parks Community Support
Service, Inc.
Parks, Louisiana

We have audited the accompanying statement of financial position of Parks Community Support Service's (a nonprofit organization) Substance Abuse Free Environment (S. A. F. E.) Program as of June 30, 2004, and the related statements of activities, cash flows, and functional expenses for the year then ended. These basic financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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. 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 basic financial statements referred to above present fairly, in all material respects, the financial position of Parks Community Support Service's Substance Abuse Free Environment (S. A. F. E.) Program as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2004 on our consideration of Parks Community Support Service's S. A. F. E. Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

To the Board of Directors of
Parks Community Support
Service, Inc.

That report in 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 performed for the purpose of forming an opinion on the basic financial statements of Parks Community Support Service's S. A. F. E. Program, taken as a whole. The accompanying schedule of expenditures of federal awards as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis, 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 presented in all material respects in relation to the basic financial statements taken as a whole.

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Maraist & Maraist
Certified Public Accountants

November 26, 2004

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
 Parks, Louisiana
STATEMENT OF FINANCIAL POSITION
 June 30, 2004

Exhibit A

<u>ASSETS</u>	<u>6/30/04</u>
Current Assets:	
Accounts Receivable:	
Grants/Contracts	<u>\$ 20,812</u>
Fixed Assets:	
Furniture and equipment	\$ 4,368
Vehicles	<u>26,709</u>
	\$ 31,077
Less: accumulated depreciation	<u>28,499</u>
Total fixed assets	<u>\$ 2,578</u>
TOTAL ASSETS	<u>\$ 23,390</u> =====
 <u>LIABILITIES AND NET ASSETS</u> 	
Current Liabilities:	
Cash overdraft	\$ 11,847
Payroll taxes payable	<u>222</u>
Total current liabilities	<u>\$ 12,069</u>
Total liabilities	<u>\$ 12,069</u>
Net Assets:	
Unrestricted:	
Operations	\$ 8,743
Fixed Assets	<u>2,578</u>
Total net assets	<u>\$ 11,321</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 23,390</u> =====

The accompanying notes are an integral part of these financial statements

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
 Parks, Louisiana
STATEMENT OF ACTIVITIES
 Year Ended June 30, 2004

Exhibit B

	<u>Unrestricted</u>		<u>Year End Totals</u>
	<u>Operations</u>	<u>Fixed Assets</u>	<u>6/30/04</u>
SUPPORT AND REVENUE:			
Support:			
Grants and Contracts	\$102,893	\$ -	\$102,893
Fees Charged	3,481	-	3,481
Operating Transfers	<u>(266)</u>	<u>-</u>	<u>(266)</u>
TOTAL SUPPORT AND REVENUE	<u>\$106,108</u>	<u>\$ -</u>	<u>\$106,108</u>
EXPENSES:			
Program services:			
Substance Abuse Free Environment Program	<u>\$106,265</u>	<u>\$ 4,446</u>	<u>\$110,711</u>
TOTAL EXPENSES	<u>\$106,265</u>	<u>\$ 4,446</u>	<u>\$110,711</u>
CHANGE IN NET ASSETS	\$ (157)	\$(4,446)	\$ (4,603)
REDESIGNATION OF NET ASSETS	(295)	295	-
NET ASSETS, BEGINNING OF YEAR	<u>9,195</u>	<u>6,729</u>	<u>15,924</u>
NET ASSETS, END OF YEAR	<u>\$ 8,743</u>	<u>\$ 2,578</u>	<u>\$ 11,321</u>

The accompanying notes are an integral part of these financial statements

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
 Parks, Louisiana
STATEMENT OF CASH FLOWS
 Year Ended June 30, 2004

Exhibit C

	<u>Year End Totals</u> <u>6/30/04</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (4,603)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation	4,446
Decrease in accounts receivable	4,763
Decrease in accounts payable	(4,592)
Increase in payroll taxes payable	<u>112</u>
Net cash provided by operating activities	<u>\$ 126</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES:	
Purchase of land, buildings & equipment	\$ <u>(296)</u>
Net cash used for investing activities	<u>\$ (296)</u>
CASH FLOWS USED FOR FINANCING ACTIVITIES:	<u>\$ -</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (170)
CASH AND CASH EQUIVALENTS-Beginning of Year	<u>(11,677)</u>
CASH AND CASH EQUIVALENTS-End of Year	<u>\$ (11,847)</u> =====

The accompanying notes are an integral part of these financial statements

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
 Parks, Louisiana
STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended June 30, 2004

Exhibit D

<u>Program Services</u>	
<u>(S. A. F. E.) Program</u>	
	FYE
<u>FUNCTIONAL EXPENSES:</u>	<u>6/30/04</u>
Salaries and wages	\$ 33,785
Payroll taxes	<u>2,909</u>
Total salaries and related expenses	\$ 36,694
Automotive	1,867
Insurance	5,393
Miscellaneous	257
Utilities & telephone	3,447
Office expense	768
Contractual services	43,341
Repairs & maintenance	159
Seminars & conventions	189
Travel & program services	12,737
Operating supplies	<u>1,413</u>
Total expenses before depreciation	\$106,265
Depreciation	<u>4,446</u>
Total expenses	<u><u>\$110,711</u></u>

The accompanying notes are an integral part of these financial statements

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
Parks, Louisiana
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Parks Community Support Service, Inc. is a non-profit community organization which operates a substance abuse free environment program (S. A. F. E.) under the auspices of the Louisiana Department of Health and Human Resources, serving the needs of the youth of the Village of Parks, Louisiana.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets-Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets-Net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
NOTES TO FINANCIAL STATEMENTS
(Continued)

subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Investments

Investments in marketable securities with readily determinable fair market values are reported at their fair values in the statement of financial position. Any unrealized gains and losses are included in the change in net assets.

Income Tax Status

Parks Community Support Service, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the fiscal year ended June 30, 2004.

Support and Revenue

Parks Community Support Service's S. A. F. E. Program receives its grant and contract support primarily from the Louisiana Department of Health and Human Resources. Support received from this grant is recognized on a "net funded" basis whereby State Department of Health and Hospitals funding is recognized on a last-dollar-in basis.

Fixed Assets

Fixed assets acquired by Parks Community Support Service, Inc. are considered to be owned by the Organization. However, State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
NOTES TO FINANCIAL STATEMENTS
(Continued)

Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Buildings and Improvements	25 years
Furniture and Equipment	7 years
Vehicles	7 years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Estimates

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

(2) FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Cash and Cash Equivalents-Fair value approximates carrying value due to the initial maturities of the instruments being three months or less.

(3) ACCOUNTS RECEIVABLE-GRANTS/CONTRACTS

As of June 30, 2004, accounts receivable from grants and contracts was composed of the following:

Louisiana Department of Health and Hospitals	\$20,812 =====
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PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
NOTES TO FINANCIAL STATEMENTS
(Continued)

(4) PLANT ASSETS AND DEPRECIATION

Depreciation of plant assets is calculated on the straight-line basis over the estimated useful lives of the assets. The cost of such assets at June 30, 2004 is as follows:

Furniture, fixtures & equipment		\$ 4,368
Vehicles		26,709

Subtotal		\$ 31,077
Less: Accumulated Depreciation		(28,499)

Total		\$ 2,578
		=====

(5) RETIREMENT PLANS

All employees of Parks Community Support Service's S. A. F. E. Program are members of the Social Security Retirement System. No supplemental contributory retirement or pension plans are maintained or provided by the Organization.

(6) COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

(7) SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The Organization has elected to absorb all non-qualifying costs incurred under federal programs as an organization responsibility, chargeable against the unrestricted net assets derived from non-grantor provided revenues of the Organization. Sample transactions selected in the conduct of the audit for fiscal year ended June 30, 2004 disclosed no findings or questioned costs which were not, or will not be absorbed by the Organization.

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
NOTES TO FINANCIAL STATEMENTS
(Continued)

(8) RISK MANAGEMENT

The Organization is exposed to risk of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year.

(9) CONCENTRATIONS OF REVENUE

The S. A. F. E. Program of the Parks Community Support Service, Inc. is primarily dependent for support on annual grant funding obtained through the Louisiana Department of Health and Hospitals. The State of Louisiana is currently contemplating budget cuts to combat an anticipated statewide revenue shortfall for the coming fiscal year. Such funding cuts may affect the expected revenues of the program, and such revenue declines may be material.

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INDEPENDENT AUDITOR'S 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 of
Parks Community Support
Service, Inc.
Parks, Louisiana

We have audited the financial statements of Parks Community Support Service's Substance Abuse Free Environment (S. A. F. E.) Program as of June 30, 2004 and for the year then ended, and have issued our report thereon dated November 26, 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 Parks Community Support Service's S. A. F. E. Program'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 non-compliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Statements

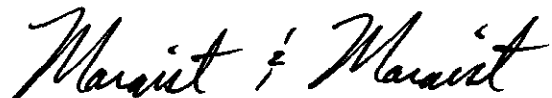
In planning and performing our audit, we considered Parks Community Support Service's S. A. F. E. Program's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we

To the Board of Directors of
Parks Community Support
Service, Inc.

consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Parks Community Support Service's S. A. F. E. Program's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of prior and current audit findings as item 04-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the management, federal awarding agencies and pass-through entities of Parks Community Support Service's S. A. F. E. Program, 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.



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November 26, 2004

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

To the Board of Directors of Parks
Community Support Service, Inc.
Parks, Louisiana

Compliance

We have audited the compliance of Parks Community Support Service's (a non-profit organization) Substance Abuse Free Environment (S. A. F. E.) Program 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 its major federal program for the year ended June 30, 2004. The Parks Community Support Service's major federal program is 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 grants applicable to its major federal program is the responsibility of Parks Community Support Service's management. Our responsibility is to express an opinion on Parks Community Support Service'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 applicable to 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 Circular A-133, "Audits of States, Local Governments, and Nonprofit 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 Parks Community Support Service'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 on Parks Community Support Service's compliance with those requirements.

To the Board of Directors of
Parks Community Support
Service, Inc.

In our opinion, the Parks Community Support Service's S. A. F. E. Program complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Parks Community Support Service, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Parks Community Support Service'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 and use of the management, and federal awarding agencies and pass-through entities of Parks Community Support Service's S. A. F. E. program, 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.

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MARAIST AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

November 26, 2004

**PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

<u>FEDERAL GRANTOR/PASS- THROUGH GRANTOR: PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>RECEIPTS OR REVENUE RECOGNIZED</u>	<u>DISBURSEMENTS /EXPENDITURES</u>
U. S. Dept. of Health and Human Services thru the Louisiana Dept. of Health and Hospitals-Substance Abuse Free Environment Grant	93.959	\$102,893	\$102,893
Total		----- \$102,893 =====	----- \$102,893 =====

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
Parks, Louisiana

Schedule of Findings, Questioned Costs
and Management's Corrective Action Plan

Year Ended June 30, 2004

Part I: Summary of Auditor's Results:

1. An unqualified report was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements, however, it was not considered to be a material weakness.
3. Material noncompliance was not disclosed.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program (Substance Abuse Free Environment Program).
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:

United States Department of Health & Human Services/
Louisiana Department of Health & Human Services-
Office of Alcohol and Drug Abuse: Substance Abuse
Free Environment Program.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
Parks, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan(Continued)

Year Ended June 30, 2004

Part II: Findings which are required to be reported in accordance with generally accepted government auditing standards:

04-1 Inadequate Segregation of Accounting Functions

Finding: Due to the limited number of administrative employees, Parks Community Support Service, Inc. did not have a completely adequate segregation of functions within the accounting system.

Management's Corrective Action Plan: The management of the Parks Community Support Service's S. A. F. E. Program has determined that it is not cost effective to completely segregate accounting functions. No plan is considered necessary.

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings which are required to be reported under the above guidance.

Part IV: Management Letter Items:

There were no management letter items at June 30, 2004.

PARKS COMMUNITY SUPPORT SERVICE, INC.
(S. A. F. E. PROGRAM)
Parks, Louisiana

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2004

Part I: Findings which are required to be reported in accordance with generally accepted government auditing standards:

03-1 Inadequate Segregation of Accounting Functions

Finding: Due to the limited number of administrative employees, Parks Community Support Service, Inc. did not have a completely adequate segregation of functions within the accounting system.

Status: Unresolved(See Item 04-1).

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no findings required to be reported under the above guidance at June 30, 2003.

Part IV: Management Letter Items:

There were no management letter items at June 30, 2003.