THE ASSIST AGENCY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2003

THE ASSIST AGENCY, INC.

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AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2003

LANGLINAIS
&
BROUSSARD
(A Corporation of Certified Public Accountants)

Glen P. Langlinais, C.P.A.
Michael P. Broussard, C.P.A.

Gayla Falcon, C.P.A.
Patrick M. Guidry, C.P.A.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The ASSIST Agency, Inc.
Crowley, Louisiana

We have audited the accompanying statement of financial position of The ASSIST Agency, Inc. (a nonprofit organization) as of December 31, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of The ASSIST Agency, Inc.'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 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 the 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 ASSIST Agency, Inc. as of December 31, 2003, 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 our report dated February 20, 2004, on our consideration of The ASSIST Agency, 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 performed for the purpose of forming an opinion on the basic financial statements of The ASSIST Agency, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for 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.

Langlinais & Broussard

LANGLINAIS & BROUSSARD
(A Corporation of Certified Public Accountants)

February 20, 2004

2419 Old South Plaza • P. O. Box 1123 • Abbeville, Louisiana 70511-1123 • Telephone (337) 893-6232 • Fax (337) 893-6249

THE ASSIST AGENCY, INC.

STATEMENT OF FINANCIAL POSITION		DECEMBER 31, 2003
ASSETS		
CURRENT ASSETS:		
Cash	$	79,157
Accounts Receivable		2,122
Investments in Partnerships		100
Prepaid Expenses		5,709
Net Investment in Sales-type Lease - Current		983
Notes Receivable - Current		12,081
Total Current Assets		100,152
RESTRICTED ASSETS:		
Cash Held in Escrow		460
NON-CURRENT ASSETS:		
Net Investment in Sales-type Lease		51,322
Notes Receivable - Non-current		24,473
Total Non-current Assets		75,795
FIXED ASSETS:		
Land		6,500
Furniture and Equipment		117,267
Vehicles		13,315
Gross Fixed Assets		137,082
Less: Accumulated Depreciation		(86,279)
Net Fixed Assets		50,803
TOTAL ASSETS	$	227,210

The Accompanying Notes are an Integral Part of This Statement.

THE ASSIST AGENCY, INC.

STATEMENT OF FINANCIAL POSITION — **DECEMBER 31, 2003**

LIABILITIES AND NETS ASSETS

LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	$	11,501
Insurance Note Payable		4,241
Payroll Liabilities		28,689
Accrued Compensated Absences		13,810
Other Accrued Expenses		517
Current Portion of Accrued Disallowances and Contingencies		69,076
Current Portion of Long-term Debt		10,814
Total Current Liabilities		138,648
LONG-TERM DEBT:		
Long-term Debt Owed to Banks		59,178
Long-term Portion of Accrued Disallowances and Contingencies		74,146
Total Long-term Debt		133,324
OTHER LIABILITIES:		
Security Deposits		1,450
TOTAL LIABILITIES		273,422
NET ASSETS:		
Unrestricted		(46,212)
Temporarily Restricted		-
TOTAL NET ASSETS		(46,212)
TOTAL LIABILITIES AND NET ASSETS	$	227,210

The Accompanying Notes are an Integral Part of This Statement.

THE ASSIST AGENCY, INC.

STATEMENT OF ACTIVITIES	FOR THE YEAR ENDED DECEMBER 31, 2003
CHANGES IN UNRESTRICTED NET ASSETS:	
Revenues and Gains:	
Contributions	$ 9,148
Interest Income	1,655
Partnership Income	19,980
Sales-type Lease Income	9,559
Other	48,675
Total Unrestricted Revenue	89,017
Net Assets Released From Restrictions:	
Program Restrictions Satisfied	542,042
Total Assets Released From Restrictions	542,042
Total Support	631,059
Less Expenses and Losses:	
Programs:	
Community Services Block Grant Program	440,789
Emergency Energy Assistance	40,665
HUD-McKinney Program - Homeless Grant Program	25,638
Other Government Programs	2,219
United Way Emergency Assistance Program	22,241
United Way FEMA Program	18,157
United Way Pharmaceutical	46,190
RWJ - Pharmaceutical Program	33,206
Small Programs	8,107
Total Program Expenses	637,212
General and Administrative Expenses	57,590
Disallowed Costs	20,000
Fundraising Costs	1,771
Total Expenses and Losses	716,573
INCREASE IN UNRESTRICTED NET ASSETS	(85,514)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:	
Grants	488,882
Contributions	53,160
Net Assets Released From Restrictions	(542,042)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-
INCREASE IN NET ASSETS	(85,514)
NET ASSETS, BEGINNING OF YEAR	39,302
NET ASSETS, END OF YEAR	$ (46,212)

The Accompanying Notes are an Integral Part of This Statement.

THE ASSIST AGENCY, INC.

STATEMENT OF CASH FLOWS	FOR THE YEAR ENDED DECEMBER 31, 2003
CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	$ (85,514)
Adjustments to Reconcile the Increase in Net Assets *to Net Cash Flows From Operating Activities*	
Depreciation	12,596
Loss / (Gain) on Fixed Asset Disposal	13,223
Decrease in Accounts Receivable	18,608
Decrease in Prepaid Insurance	1,711
Decrease in Accounts Payable	(7,829)
Decrease in Insurance Note Payable	(1,123)
Increase in Payroll Liabilities	(6,211)
Decrease in Accrued Compensated Absences	(367)
Increase in Other Accrued Expenses	(749)
Decrease in Accrued Disallowances and Contingencies	9,049
NET CASH FLOWS FROM OPERATING ACTIVITIES	38,908
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Fixed Assets	(3,427)
Principal Payments Received on Sales-type Leases	1,158
Principal Payments Received on RBEG Program Loan	32,776
NET CASH FLOWS FROM INVESTING ACTIVITIES	30,507
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal Repayments to Banks	(16,946)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(16,946)
NET INCREASE IN CASH	(33,045)
CASH, BEGINNING OF YEAR (Including Restricted Cash of $69)	112,662
CASH, END OF YEAR (Including Restricted Cash of $460)	*$ 79,617*

The Accompanying Notes are an Integral Part of This Statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The ASSIST Agency, Inc. (The Agency) is a not-for-profit corporation chartered by the State of Louisiana on March 15, 1976. The corporation is recognized by the Internal Revenue Service (IRS) as a tax-exempt organization under Internal Revenue Code (IRC) 501(c)(3). The Primary function of the Agency is to provide services to low-income, handicapped and homeless individuals in the form of weatherization assistance, emergency food and shelter, food distribution, low-income housing assistance and other related social and emergency services. The Board of Directors governs the operations of the Agency and those Directors receive no compensation for their services.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its 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 net assets, temporarily restricted net assets, and permanently restricted net assets.

Public Support and Revenue

General public contributions are generally available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the Agency may deposit funds in demand accounts, interest-bearing demand accounts, money market accounts, or certificates of deposit with bank organized under Louisiana law or national banks having their principal offices in Louisiana.

Fixed Assets

Fixed assets are capitalized at cost. Furniture, equipment, and vehicles are being depreciated over estimated useful lives of five to ten years using a straight-line method. All donated fixed assets are valued at fair market value at the date of donation. The Agency is not allowed to dispose of any fixed assets purchased with grant proceeds without the approval of the grantor agency. In addition, the Agency currently uses equipment whose title is held by the Louisiana Department of Labor under the Community Services Block Grant. The total cost of this equipment is $16,668.

Advertising Costs

The Agency expenses all advertising costs in the year incurred.

NOTE 2: CASH

At December 31, 2003, the book balance and bank balance of all cash accounts of the Agency totaled $79,617 and $91,044, respectively. This total balance was covered by FDIC Insurance at year end.

NOTE 3: ACCOUNTS RECEIVABLE

At December 31, 2003, accounts receivable was composed of the following:

Homeless Shelter Grant	$	1,282
State of Louisiana - OSRAP (Medicaid Reimbursement)		840
	$	2,122

NOTE 4: NET INVESTMENT IN SALES-TYPE LEASE

During 1998, the Agency entered into a sales-type lease agreement, which contained an intent to purchase clause, with an eligible buyer for land and a home. The agreement stipulated that at some time in the future the buyer would seek to obtain individual financing though a financial institution. At that time , the buyer would pay-off the Agency in an amount equal to the outstanding mortgage loan balance of the Agency at that date. Therefore, the net value of the sales-type lease is equal to the outstanding mortgage loan balance owed by the Agency.

Schedule of Components - Net Investment in Leases - Sales-type Lease:

Total Minimum Lease Payments Receivable	$	106,498
Less: Unearned Income		(54,193)
Net Investment in Sales-type Lease	$	52,305

Schedule of Minimum Lease Payments:

Year Ended December 31,

2004	$	4,436
2005		4,436
2006		4,436
2007		4,436
2008		4,436
Thereafter		84,318
Total Minimum Lease Payments Receivable	$	106,498

NOTE 5: LONG-TERM DEBT OWED TO BANKS

At December 31, 2003, the Agency had the following notes payable with banks:

Bank loan bearing interest at 7.00%, maturing monthly through May 1, 2029, with monthly payments of $384.47, secured by a mortgage on the land and building described above in Note 4.	$	52,305
Bank loan bearing interest at 9.375%, maturing monthly through July 25, 2006, with monthly payments of $922.75, secured by three vehicles.		17,687
Total Notes Payable		69,992
Less: Current Portion of Long-term Debt		(10,814)
Long-term Portion of Debt Owed to Banks	$	59,178

Maturities of long-term debt owed to banks for each of the five years succeeding December 31, 2003, including $79,715 of interest, are as follows:

Year Ended December 31,	Principal	Interest	Total
2004	$ 10,814	$ 4,873	$ 15,687
2005	8,911	3,865	12,776
2006	1,131	3,483	4,614
2007	1,108	3,121	4,229
2008	1,293	3,321	4,614
Thereafter	46,735	34,884	81,619
Total	$ 69,992	$ 53,547	$ 123,539

NOTE 6: COMPENSATED ABSENCES

Employees earn from six to eighteen days each of annual leave and sick leave each year, depending on their length of service. Also, compensatory time is earned in lieu of overtime for all employees. For non-exempt employees, compensatory time is earned at time and one-half. The maximum hours of annual leave an employee is allowed to carry over is 120 hours (15 days). Upon termination, employees are paid for all unused annual leave (up to 120 hours) and compensatory time earned. However, sick leave is not paid upon termination. A formal policy on compensated absences was adopted during the year. Because of the new policy, there was no accrual during the year. The resulting liability at year end was $13,810.

NOTE 7: PENSION PLAN

The Agency contributes to a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE). All employees of the Agency are eligible to participate. The Agency contributes up to 3.00% of each employees compensation for the calendar year to a SIMPLE IRA for each employee who has at least $5,000 in compensation for the previous year. Pension expense for the year ended December 31, 2003, was $10,029.

NOTE 8: ACCRUED DISALLOWANCES AND CONTINGENCIES

At December 31, 2003, the Agency owed the following amounts to grantors and other vendors:

During 1995, the State of Louisiana Office of Labor conducted a review, which resulted in $15,455 of disallowed costs due to the State of Louisiana. An installment plan was set forth to allow repayment over a period of time, with quarterly payments of $700.	$	3,098
During 1999, the Agency had budget variances greater than the $500 allowable threshold under the Community Services Block Grant. As a result the Agency owed the Louisiana Department of Labor $2,654.		9,771

In prior years, the Agency received services from an Architect for services performed on various housing projects of the Agency.	26,403
The Agency received notification from the Jefferson Davis Parish Police Jury that it owed the Police Jury for amounts which the U. S. Department of Housing and Urban Development determined were improperly spent or not properly remitted to the Police Jury for Section 8 Housing Assistance. An agreement was made between the Police Jury and the Agency where the Agency agreed to pay the Police Jury $83,880, with no interest. The Agency agreed to pay $10,000 to the Police Jury and then $500 per month until the debt was paid. In addition, the Agency agreed to direct 30% of any new or additional unrestricted funds toward the payment of the debt.	65,880
During the current year, the Agency was notified that it owed the Transitional Housing Program for 20 months of rent at $1,000 per month due to the fact that the facilities charged to the program did not meet the minimum standards for acceptability under the program.	20,000
Total Amounts Owed Grantors and Other Governments	143,222
Less: Current Portion	(69,076)
Long-term Portion of Debt owed to Grantors and Other Governments	$ 74,146

NOTE 9: INVESTMENTS IN LIMITED PARTNERSHIPS

On December 15, 1995, the Agency entered into a limited partnership known as Southwind Apartments, ALPIC, as managing general partner. The partnership owns and operates a multi-family housing facility in Jefferson Davis Parish, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the Home Affordable Rental Housing Program. The Agency has a equity position of .50% in the partnership. However, as a general partner, the agency is liable for all debts of the partnership.

On October 23, 1997, the Agency entered into a limited partnership known as Westfield Apartments, ALPIC, as managing general partner. The partnership owns and operates a multi-family housing facility in Jefferson Davis Parish, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the Home Affordable Rental Housing Program. The Agency has a equity position of .50% in the partnership. However, as a general partner, the agency is liable for all debts of the partnership.

On September 21, 2000, the Agency entered into a limited partnership known as Acadian Place Apartments, ALPIC, as managing general partner. The partnership was formed to develop multi-family housing in Church Point, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the Home Affordable Rental Housing Program. The Agency has a equity position of .01% in the partnership. However, as a general partner, the agency is liable for all debts of the partnership.

On September 21, 2000, the Agency entered into a limited partnership known as Southern Apartments, Partnership, as managing general partner. The partnership was formed to develop multi-family housing in Iota, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the Home Affordable Rental Housing Program. The Agency has a equity position of 2.50% in the partnership. However, as a general partner, the agency is liable for all debts of the partnership.

On September 21, 2000, the Agency entered into a limited partnership known as Acadian Place Apartments, ALPIC, as managing general partner. The partnership was formed to develop multi-family housing in Church Point, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the Home Affordable Rental Housing Program. The Agency has a equity position of .01% in the partnership. However, as a general partner, the agency is liable for all debts of the partnership.

On September 21, 2000, the Agency entered into a limited partnership known as Southern Apartments, Partnership, as managing general partner. The partnership was formed to develop multi-family housing in Iota, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the Home Affordable Rental Housing Program. The Agency has a equity position of 2.50% in the partnership. However, as a general partner, the agency is liable for all debts of the partnership.

The Agency receives income monthly from the partnerships. For the year ended December 31, 2003, the Agency received $19,980 from these four partnerships.

NOTE 10: NOTE RECEIVABLE

During 2000, the Agency loaned $30,000 that it received from the USDA - Rural Development under the Rural Business Enterprise Grant (RBEG) Program. Funds under this program may only be loaned to approved entities and are non-transferable. The funds were loaned to a small business at 7.00% for 60 months. The monthly payment is $594.04 with a balance of $9,643 at December 31, 2003. At year end, the market value of this note approximated the reported cost.

During 2001, the Agency loaned $30,000 that it received from the USDA - Rural Development under the Rural Business Enterprise Grant (RBEG) Program. Funds under this program may only be loaned to approved entities and are non-transferable. The funds were loaned to a small business at 7.00% for 60 months. The monthly payment is $594.04 with a balance of $26,911 at December 31, 2003. At year end, the market value of this note approximated the reported cost.

NOTE 11: INTEREST

For the year ended December 31, 2003, the Agency paid interest totaling $3,456

THE ASSIST AGENCY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS — **FOR THE YEAR ENDED DECEMBER 31, 2003**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH NUMBER	FEDERAL DISBURSEMENTS/ EXPENDITURES
U S. Department of Health and Human Services			
Passed-through by the Louisiana Department of Employment and Training:			
Community Services Block Grant	93.569	2000N0039	$ 429,495
U. S. Department of Housing and Urban Development			
Passed through by the Louisiana Department of Social Services:			
Emergency Shelter Grants Program	14.231	CFMS559277	19,207
Total Expenditures of Federal Awards			$ 448,702

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with generally accepted accounting principles of the U.S. The information is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

THE ASSIST AGENCY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS	FOR THE YEAR ENDED DECEMBER 31, 2003

FINANCIAL STATEMENTS:

Type of Auditors' Report	Unqualified
Internal Control Over Financial Reporting	
Material Weaknesses Identified	None
Reportable Conditions Identified	1
Noncompliance Material to Financial Statements	None

FEDERAL AWARDS:

Internal Control Over Major Awards	
Material Weaknesses Identified	None
Reportable Conditions Identified	0
Type of Auditors' Report Issued on Compliance for Major Programs	Unqualified

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
93.569	Community Services Block Grant

Dollar Threshold Used to Distinguish Between Type A and Type B Programs	$ 300,000
Auditee Qualified as Low Risk Auditee	Yes

FINANCIAL STATEMENT FINDINGS: **QUESTIONED COSTS**

01-03 GENERAL LEDGER MAINTENANCE

We noted during our audit the the Agency has not relied enough on information produced by the general ledger system in the production of information used in the generation of reports for internal use and for submission to third-party grantors. Therefore, the information in the general ledger has not been adequately maintained and adjusted during the year. We did note during our test work that the information submitted to the third-party grantor agencies did in fact agree with amount shown on source documentation. However, the general ledger totals did not reflect the actual activity. Care should be taken to properly record and adjust transactions within the general ledger system. In addition, the general ledger system should be the only source for financial information reported to third-party grantor agencies. This would ensure that there are no discrepancies between reported amounts and system documentation.

FINANCIAL STATEMENT FINDINGS:

TIMELY PAYMENT OF LIABILITIES:

Reportable Condition: We noted that in a variety of instances in the prior year audit, that significant liabilities were not paid on a timely basis. Earned compensated absences of resigned or terminated employees were not paid upon departure. Accrued wages from discontinued programs are not being paid as a result of unavailable unrestricted resources to pay them. Care should be taken to make timely payments to vendors and parties to other contracts to avoid litigation, fines, penalties, interest, and financial problems in the future.

Current Status: The Agency has taken numerous steps to settle amounts owed with the various parties. The Agency has also started numerous fundraising activities to generate sufficient unrestricted resources to ensure that it is able to meet the terms of the various settlements. Therefore, we have considered this finding cleared for the current year.

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

Board of Directors
The ASSIST Agency, Inc.
Crowley, Louisiana

We have audited the financial statements of the ASSIST Agency, Inc., (the Agency) as of and for the year ended December 31, 2003, and have issued our report thereon dated February 20, 2004. We conducted our audit in accordance with generally accepted auditing standards of the United States 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 the Agency'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. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Agency in a separate letter dated February 20, 2004.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Agency'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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 the Agency's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 01-03.

2419 Old South Plaza • P. O. Box 1123 • Abbeville, Louisiana 70511-1123 • Telephone (337) 893-6232 • Fax (337) 893-6249

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. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the Agency in a separate letter dated February 20, 2004.

This report is intended solely for the information and use of the audit committee, management, the Legislative Auditor of the State of Louisiana, 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

LANGLINAIS & BROUSSARD
(A Corporation of Certified Public Accountants)

February 20, 2004

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

Board of Directors
The ASSIST Agency, Inc.
Crowley, Louisiana

COMPLIANCE

We have audited the compliance of the ASSIST Agency, Inc., (the Agency) 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, 2003. The Agency'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 grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 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 Agency'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 Agency's compliance with those requirements.

In our opinion, the Agency 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 December 31, 2003.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Agency 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 Agency'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 the internal control over compliance in accordance with OMB Circular A-133

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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 solely for the information and use of the audit committee, management, the Legislative Auditor of the State of Louisiana, 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

LANGLINAIS & BROUSSARD
(A Corporation of Certified Public Accountants)

February 20, 2004

LANGLINAIS
&
BROUSSARD
(A Corporation of Certified Public Accountants)

Glen P. Langlinais, C.P.A.
Michael P. Broussard, C.P.A.

Gayla Falcon, C.P.A.
Patrick M. Guidry, C.P.A.
Chip Cantrell, C.P.A.
Ken Bonin, C.P.A., M.B.A.
Chris Kohlenberg, C.P.A., M.B.A., M.H.A

Board of Directors
The ASSIST Agency, Inc.
Crowley, Louisiana

In planning and performing our audit of the general purpose financial statements of the ASSIST Agency, Inc., for the year ended December 31, 2003, we considered its internal control 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. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the ASSIST Agency, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. GENERAL LEDGER MAINTENANCE

We noted during our audit the the Agency has not relied enough on information produced by the general ledger system in the production of information used in the generation of reports for internal use and for submission to third-party grantors. Therefore, the information in the general ledger has not been adequately maintained and adjusted during the year. We did note during our test work that the information submitted to the third-party grantor agencies did in fact agree with amount shown on source documentation. However, the general ledger totals did not reflect the actual activity. Care should be taken to properly record and adjust transactions within the general ledger system. In addition, the general ledger system should be the only source for financial information reported to third-party grantor agencies. This would ensure that there are no discrepancies between reported amounts and system documentation.

2. COMPENSATED ABSENCES

We noted during our audit that employee compensated absences for certain employees had not been liquidated in a timely manner. These amounts should be grouped with other unpaid salaries and liquidated when sufficient unrestricted resources have been accumulated.

3. CASH ACCOUNT OVERDRAFTS

During the year, we noted that the Agency had numerous bank overdrafts, especially in the payroll account. The Agency should never make disbursements from any bank account without first determining that funds are available or have been moved to the account. We noted that none of the overdraft charges were charged against any federal program.

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This report is intended for the information of the Agency, the Legislative Auditor of the State of Louisiana, 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.

Langlinais & Broussard

LANGLINAIS & BROUSSARD
(A Corporation of Certified Public Accountants)

February 20, 2004

ASSIST Agency
A Self Sufficiency Improvement Support Team
Voice (337) 788-7550 FAX (337) 783-9353 E-mail ASSIST @ kaplantel.net
11 N. Parkerson Ave. Crowley, La. 70527-1404 Post Office Box 1404

March 18, 2004

Legislative Audit Advisory Council
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

To Whom It May Concern:

We have carefully reviewed the independent auditors management letter included with the financial statement of ASSIST Agency, Inc. for the year ending December 31, 2003 to determine what areas need improvement. The following corrective actions are being submitted for your approval.

General Ledger Maintenance

We noted during our audit that the Agency has not relied enough on information produced by the general ledger system in the production of information used in the generation of reports for internal use and for submission to third-party grantors. Therefore, the information in the general ledger has not been adequately maintained and adjusted during the year. We did note during our test work that the information submitted to the third-party grantor agencies did in fact agree with amounts shown on source documentation. However, the general ledger totals did not reflect the actual activity. Care should be taken to properly record and adjust transactions within the general ledger system. In addition, the general ledger should be the only source for financial information reported to third-party grantor agencies. This would ensure that there are no discrepancies between reported amounts and system documentation.

Corrective Action

The Agency is in the process of evaluating another accounting software (MIP) to replace the current software (Unilink) that no longer offers support. Once approval from the grantor is received to purchase and install the software, fiscal staff as well as other executive staff will be trained in every aspect of the program to insure continued general ledger maintenance. Care will be taken to properly record and adjust transactions within the general ledger system. The general ledger system will be the only source of financial information reported to third-party grantor agencies. This would ensure that there are no discrepancies between reported amounts and system documentation.

Compensated Absences

We noted during our audit that employee compensated absences for certain employees had not been liquidated in a timely manner. These amounts should be grouped with other unpaid salaries and liquidated when sufficient unrestricted resources have been accumulated.

Corrective Action

Employee compensated absences for certain employees have been grouped with other unpaid salaries and are being liquidated as unrestricted funds become available.

Cast Account Overdrafts

During the year, we noted that the Agency had numerous bank overdrafts, especially in the payroll account. The Agency should never make disbursements from any bank account without first determining that funds are available or have been moved to the account. We noted that none of the overdraft charges were charged against any federal program.

Corrective Action

Special care will be taken to assure that we do not have a re-occurrence of overdraft charges. Before any checks are issued a report of available funds will be made.

We hope the above corrective actions meet with your approval. If you have any further questions, please feel free to contact us.

Sincerely,

Sharon Clement

Sharon Clement
Executive Director

C: Christine Dugar, Fiscal Director, ASSIST Agency, Inc.
Board of Directors, ASSIST Agency, Inc.