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FINANCIAL REPORT

DECEMBER 31, 2003

RECIPIENT NO. 619051

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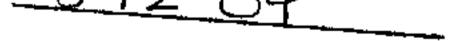
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Under provisions of state law, this report is a public document. A copy of the report has been submitted to

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 5.12.04



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RECIPIENT NO. 619051

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Crowley, Louisiana

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fax: (337) 783-7238

BROUSSARD, POCHE'. LEWIS & BREAUX. L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Other Offices:

Lafayette, LA (337) 988-4930

Opelousas, LA (337) 942-5217

Abbeville, LA (337) 898-1497

New Iberia, LA (337) 364-4554 To the Board of Directors Acadiana Legal Service Corporation Lafayette, Louisiana

We have audited the accompanying statement of financial position of Acadiana Legal Service Corporation (a nonprofit organization) as of December 31, 2003, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Church Point, LA (337) 684-2855

Eugene C. Gilder, CPA* Donald W. Kelley, CPA* Herbert Lemoine II, CPA* Frank A. Stagno, CPA* Scott J. Broussard, CPA* L. Charles Abshire, CPA* Kenneth R. Dugas, CPA* P. John Blanchet III, CPA* Stephen L. Lambousy, CPA* Craig C Babineaux, CPA* Peter C. Borrello, CPA* George J. Trappey III, CPA* Gregory B. Milton, CPA* S. Scott Soilean, CPA* Patrick D. McCarthy, CPA* Martha B. Wyatt, CPA* Troy J. Breaux, CPA* Fayetta T. Dupre', CPA*

Mary A. Castille, CPA*

Joey L. Breaux, CPA*

Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA 1980 Leon K. Poche', CPA 1984 We conducted our audit 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 the Audit Guide for Recipients and Auditors and the Compliance Supplement for Audits of LSC Recipients, issued by Legal Services Corporation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadiana Legal Service Corporation as of December 31, 2003, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

James H. Breaux, CPA 1987

Erma R. Walton, CPA 1988

George A. Lewis, CPA* 1992 Geraldine J. Wimberley, CPA* 1995 Rodney L. Savoy, CPA* 1996 Larry G. Broussaid, CPA* 1996 Lawrence A. Cramer, CPA* 1999 Michael P. Crochet, CPA* 1999 Ralph Friend, CPA 2002 In accordance with Government Auditing Standards, we have also issued our report dated April 28, 2004, on our consideration of Acadiana Legal Service Corporation'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.

Members of American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

* A Professional Accounting Corporation.

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To the Board of Directors Acadiana Legal Service Corporation Lafayette, Louisiana

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Acadiana Legal Service Corporation taken as a whole. The accompanying schedules listed in the table of contents, including the 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,* are presented for purposes of additional analysis and are 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. The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2002, from which the summarized information was derived.

BROUSSARD, POCHE, LEWIS & BREAVX, L.L.P.

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Crowley, Louisiana April 28, 2004

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STATEMENTS OF FINANCIAL POSITION December 31, 2003 and 2002

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ASSETS	<u>2003</u>	2002
CURRENT ASSETS Cash and cash equivalents Investments Grant funds receivable Other receivables Prepaid expenses	\$ 42,077 260,521 191,797 6,215 67,156	\$ 409,065 332,782 42,438 11,463 55,237
Total current assets	<u>\$ 567,766</u>	<u>\$ 850,985</u>
RESTRICTED ASSETS Cash and cash equivalents: Client trust accounts - active Client trust accounts - inactive Total restricted assets	\$ 14,102 <u>12,106</u> <u>\$ 26,208</u>	\$ 5,685 <u> 11,995</u> \$ 17,680
OTHER ASSETS Utility deposits	<u>\$ 1,735</u>	<u>\$ 1,735</u>
FIXED ASSETS, at cost, net of accumulated depreciation of \$2,100,722 and \$1,964,120 for 2003 and 2002, respectively	<u>\$ 640,468</u>	<u>\$ 688,145</u>
Total assets	<u>\$1,236,177</u>	<u>\$1,558,545</u>

See Notes to Financial Statements.

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LIABILITIES AND NET ASSETS	2003	2002
CURRENT LIABILITIES (payable from current assets) Cash overdraft Accounts payable Accrued liabilities Current portion of capital lease obligations Due to subrecipients Deferred revenue	\$ 102,717 33,831 145,230 17,421 - 10,000	\$ 238,605 15,519 177,818 21,171 4,959
Total current liabilities (payable from current assets)	<u>\$ 309,199</u>	<u>\$ 458,072</u>

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CURRENT LIABILITIES (payable from restricted assets)

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Client trust deposits - active Client trust deposits - inactive	\$ 14,102 12,106	\$ 5,679 <u>11,995</u>
Total current liabilities (payable from restricted assets)	<u>\$ 26,208</u>	<u>\$ 17,674</u>
Total current liabilities	\$ 335 ,40 7	\$ 475,746
LONG-TERM LIABILITIES Capital lease obligations Total liabilities	<u> 11,482</u> <u>\$ 346,889</u>	<u>26,243</u> \$ 501,989
NET ASSETS Temporarily restricted: Legal Services Corporation: Designated for building fund Undesignated Property Non-LSC	\$20,000 257,423 611,565 300	\$20,000 395,825 640,731
Total net assets	<u>\$ 889,288</u>	<u>\$1,056,556</u>
Total liabilities and net assets	<u>\$1,236,177</u>	<u>\$1,558,545</u>

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS Year Ended December 31, 2003 (With Comparative Totals for Year Ended December 31, 2002)

	Temporarily Restricted						
		Louisiana					
	Legal Services <u>Corporation</u>	Bar Foundation - IOLTA	Cajun Area Agency on <u>Aging, Inc.</u>				
Support and revenues:							
Grants and contracts	\$2,029,069	\$ 205,237	\$ 33,889				
Investment income	1,364	_	_				
Donations	-	_	·				
Miscellaneous	37,230						
Total support and revenues	<u>\$2,067,663</u>	<u>\$ 205,237</u>	<u>\$ </u>				

Expenses:

Salaries and wages:						
Lawyers	\$	462,705	\$	97,330	\$	15,400
Nonlawyers		756,897		38,292		9,679
Employee benefits		283,217		35,390		4,930
Space cost and renovations		152,423				794
Equipment rental and maintenance		31,551		-		-
Office supplies and expenses		49,913		542		980
Travel and training		78,292		583		266
Telephone		63,318		1,022		900
Insurance		36,188		-		400
Depreciation		-				-
Contractual services		53,488		15,234		140
Membership fees		2,504		9,046		-
Other supplies		33,182		-		-
Litigation costs		629		1,400		400
Subgrants		35,094		—		-
Access to Justice		10,000		6,398		-
Disaster recovery		41,244		_		-
Miscellaneous		8,075				
Total expenses	<u>\$2</u>	2,098,720	ş	205,237	<u></u>	33,889
Change in net assets before other						
changes	\$	(31,057)	\$	-	\$	-
Other changes:						
Equipment purchases and payments						
on capital lease obligations		(107,345)		<u> </u>		

Change in net assets	\$ (138,402)	\$ -	\$ -
Net assets, beginning	415,825		
Net assets, ending	<u>\$ 277,423</u>	<u>\$</u>	<u>\$</u>

- 6 -

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					Temporaril	y Res	tricted	 _		
Aq Agir	jun Area gency on ng, Inc aregiver	Ag	nla Area Jency on ng, Inc.	Ag Agin	nla Area gency on ng, Inc aregiver	P	llis W. Long Poverty W Center	The apides undation	F Cou	ernon Parish Incil on Ng, Inc.
\$	13,519 _	\$	24,209	\$	29,218 _	\$	20,000	\$ 21,963	\$	3,706 -
						. <u></u>		 		
\$	<u>13,519</u>	<u>\$</u>	24,209	<u>\$</u>	29,218	\$	20,000	\$ 21,963	<u>\$</u>	3,706

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\$ 7,838 2,913	\$	6,574 4,630	\$	13,540 7,350	\$	_ 20,000	\$	3,286 8,098	\$	1,766 583	N
1,682 390		2,880		4,730 860				2,074 1,883		473	Т
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258		1,430 459		750 375		- -		2,550			U
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-		<u> </u>		_		-		-		-	D
188		800		375		-		_ ·		_	D
_		-		-		-		1,800		100	
-				_		_		-		-	
 		1,062		_			<u>_</u>				
\$ 13,519	<u>\$</u>	24,209	<u>\$</u>	29,218	<u>\$</u>	20,000	\$	21,963	<u>\$</u>	3,706	
\$ -	\$	_	Ş	—	\$		\$	-	\$	_	

\$	_	\$ 	\$ -	\$ 	\$ -	\$ -
.		 	 	 —	 	<u> </u>

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED) Year Ended December 31, 2003 (With Comparative Totals for Year Ended December 31, 2002)

	Temporarily Restricted							
	Lafayette Parish Bar Foundation	State of Louisiana, Department of Justice	Southwest Louisiana Parish Bar Association					
Support and revenues: Grants and contracts Interest income Donations Miscellaneous	\$ 11,280	\$ 18,750 	\$ 3,613					
Total support and revenues	<u>\$ 11,280</u>	<u>\$ 18,750</u>	<u>\$ </u>					

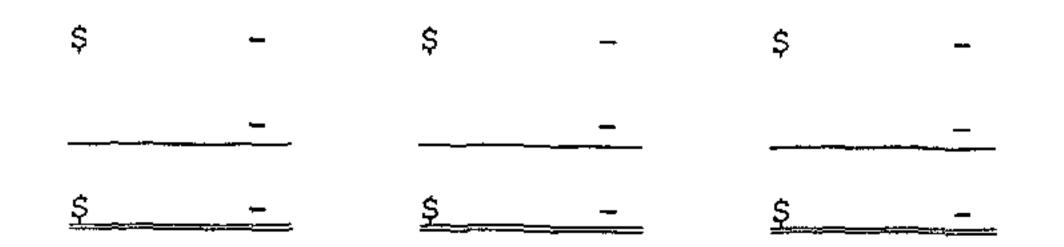
Expenses:

Salaries and wages: Lawyers Ş 4,581 \$ 10,000 \$ 3,326 Nonlawyers 3,350 8,750 Employee benefits Space cost and renovations 450 Equipment rental and maintenance 750 Office supplies and expenses ---Travel and training ---Telephone 850 Insurance 287 ----Depreciation Contractual services Membership fees 400 Other supplies Litigation costs 899 Subgrants Access to Justice Disaster recovery Miscellaneous Total expenses \$ 11,280 18,750 \$ <u>3,613</u> \$ Change in net assets before other changes \$ \$ \$ Other changes: Equipment purchases and payments on capital lease obligations

Change in net assets

Net assets, beginning

Net assets, ending



See Notes to Financial Statements.

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				Temporarily	Restr	icted				
Tem	porary		Legal							
Ass:	istance	Ass	sistance							
for	Needy		for				Total - A	Total – All Funds		
<u>Families</u>		Victims		Subtotal	Property		2003	2002		
\$	64,092	\$	249,823	\$2,728,368	Ş	_	\$2,728,368	\$2,649,001		
4	-	т	-	1,364	т	_	1,364	14,182		
	_		_			_		1,000		
				37,230			37,230	9,322		
\$	64,092	Ş	249,823	\$2,766,962	\$	_	\$2,766,962	\$2,673,505		

Temporarily Peetricted

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\$	28,395	\$	86,985	\$	741,726	\$	_	\$	741,726	\$	535,730
•	11,221	•	29,271		901,034	•		•	901,034	-	785,786
	6,697		24,070		366,143		_		366,143		284,657
	2,450		_		160,450		_		160,450		146,896
	213		_		33,428		_		33,428		52,468
	804		6,252		62,073		_		62,073		61,913
	1,179		26,291		111,360		_		111,360		81,245
	5,252		9,000		85,330		_		85,330		84,052
	1,459		907		40,075		-		40,075		35,632
			-		_		138,611		138,611		119,816
	600		3,100		73,035				73,035		72,658
	_		900		12,850		_		12,850		11,617
	1,551		1,440		36,173		_		36,173		27,059
	1,589		_,		6,280		_		6,280		4,613
	2,382		59,507		98,883		_		98,883		51,435
			-		16,398		_		16,398		11,483
	-		_		41,244		_		41,244		
	-		_		9,137		_		9,137		11,904
				<u>. </u>						·	
\$	63,792	\$	247,723	\$2	,795,619	\$	138,611	\$2	2,934,230	\$2	,378 <u>,</u> 964
<u> </u>				<u> </u>				<u> </u>	<u>,</u>	<u>.</u>	
\$	300	Ş	2,100	\$	(28,657)	\$	(138,611)	\$	(167,268)	\$	294,541
	-		•	-					- • • -		·
	<u> </u>		(2,100)		(109,445)		109,445	<u></u>			

\$	300	\$	-	\$ (138,102)	\$ (29,	,166)	\$ (167,	268)	\$ 294,541
				415,825	640,	,731	1,056,	556	762,015
<u>\$</u>	<u>300</u>	<u>\$</u>		<u>\$ 277,723</u>	<u>\$ 611,</u>	<u>, 565</u>	<u>\$ 889,</u>	<u>288</u>	<u>\$1,056,556</u>

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STATEMENTS OF CASH FLOWS Years Ended December 31, 2003 and 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (167,268)	\$ 294,541
Adjustments to reconcile change in net assets		
to net cash provided (used) by operating		
activities:		
Depreciation	138,611	119,816
Change in assets and liabilities:		
(Increase) decrease in assets:		
Grant funds receivable	(149,359)	(22,563)
Other receivables	5,248	(9,307)
Due from Southwest Louisiana Legal		10,500
Prepaid expenses and other assets	(11,919)	(25,696)
Increase (decrease) in liabilities:	• • •	• • •
Cash overdraft	(135,888)	238,605
Accounts payable	18,312	(18,151)
Accrued liabilities	(32,588)	37,840
Due to subrecipients	(4,959)	4,694
Deferred revenue	10,000	(368, 643)
Client trust deposits	8,534	1,912
Net cash provided (used) by operating activities	<u>\$ (321,276</u>)	<u>\$ 263,548</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	\$ (90,934)	\$ (177,946)
Purchases of investment securities	(510,521)	(332,782)
Sales and maturities of investment securities	582,782	94,000
Net cash used by investing activities	<u>\$ (18,673</u>)	<u>\$ (416,728</u>)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from capital lease obligations	\$ -	\$ 45,421
Payments on capital lease payable obligations	(18,511)	(7,604)
Net cash provided (used) by financing activities	<u>\$ (18,511</u>)	<u>\$ 37,817</u>
Net decrease in cash and cash equivalents	\$ (358,460)	\$ (115,363)
Cash and cash equivalents, beginning	426,745	542,108
Cash and cash equivalents, ending	<u>\$ 68,285</u>	<u>\$ 426,745</u>
CHIDDLENENENT DISCLOSION OF CASE FLOW INFORMATION.		

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash payments for interest

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See Notes to Financial Statements.

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NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Acadiana Legal Service Corporation (the "Corporation") is a nonprofit organization created in 1978 to provide legal assistance in non-criminal proceedings or matters to persons unable to afford such counsel. The Corporation is funded primarily by Legal Services Corporation (LSC), a nonprofit corporation established by Congress to administer a nationwide legal assistance program. The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America and the requirements of Legal Services Corporation. The more significant accounting policies of the Corporation are described below:

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation:

The Corporation's financial statements are prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. All support reported in the Corporation's financial statements are classified as temporarily restricted.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications:

Certain amounts from the prior year have been reclassified to conform to the current year presentation, which had no effect on total changes in net assets or total net assets.

Cash and cash equivalents:

For reporting purposes, the Corporation considers all highly liquid investment securities purchased with an original maturity of three months or less to be cash equivalents.

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NOTES TO FINANCIAL STATEMENTS

Client trust escrow funds:

Funds received from clients are deposited into a separate cash account and restricted for the payment of expenses in connection with related litigation.

Investments:

Investments are stated at cost or amortized cost, which approximates market.

Fixed assets:

Fixed assets are recorded at cost, when purchased, or if donated, at the estimated fair value on the date of donation. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The following is a summary of the estimated useful lives used:

Buildings	and	improvements		25	Years
Furniture	and	equipment	3 -	· 10	Years
Library				10	Years

Support:

The Corporation recognizes grant funds from LSC as support on a straightline basis over the grant period. In accordance with LSC regulations, the Corporation may retain unexpended grant funds for use in future periods provided such funds are not in excess of 10% of the recipient's annualized funding and expenses incurred are in compliance with the specified terms of the grant agreement. LSC may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance on behalf of the Corporation with the terms of the grant agreement. In addition, should the Corporation terminate its legal assistance activities, all unexpended funds are to be returned to LSC.

The Corporation also received funding from the Louisiana Bar Foundation, Cajun Area Agency on Aging, Inc., Cenla Area Agency on Aging, Inc., Gillis W. Long Poverty Law Center, The Rapides Foundation, Vernon Parish Council on Aging, Inc., Lafayette Parish Bar Foundation, State of Louisiana, Department of Justice, Southwest Louisiana Parish Bar Foundation, State of Louisiana, Department of Social Services, and U.S. Department of Justice. Funds received under the contract with the Vernon Parish Council on Aging, Inc. are earned on a unit-of-service basis.

Contributions:

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.

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NOTES TO FINANCIAL STATEMENTS

Income taxes:

Acadiana Legal Service Corporation is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. In addition, the Corporation has been classified as an organization that is not a private foundation under Section 509(a)(2).

Private attorney involvement (PAI):

Legal Services Corporation requires a recipient of LSC funding to devote an amount of LSC and/or non-LSC funds equal to at least 12.5% of the recipient's LSC annualized basic field award for the involvement of private attorneys in the delivery of legal assistance to eligible clients. Expenses incurred in PAI include all expenses directly related to private attorney involvement as well as an allocation of indirect (overhead) expenses. In general, indirect (overhead) expenses are allocated based on

the ratio of direct PAI salary costs in relation to total salary costs of all attorneys, paralegals, and support staff.

Note 2. Cash and Cash Equivalents

At December 31, 2003, the carrying amount of the Corporation's deposits (cash and investment securities) totaled \$328,806, and the bank balances totaled \$365,112. All balances at December 31, 2003, were fully secured by Federal Deposit Insurance Corporation (FDIC) coverage.

Note 3. Grant Funds Receivable

Grant funds receivable is comprised of the following at December 31, 2003:

Cajun Area Agency on Aging, Inc.	\$	3,220
Cenla Area Agency on Aging, Inc.		7,252
Vernon Parish Council on Aging, Inc.		5,559
Lafayette Parish Bar Foundation		2,712
State of Louisiana, Department of		
Justice		18,750
State of Louisiana, Department of		
Social Services		4,392
U.S. Department of Justice		124,912
Legal Services of North Louisiana		5,000
Capital Area Legal Services Corporation		20,000
Total grant funds receivable	<u>\$</u>	<u>191,797</u>

Note 4. Fixed Assets

Fixed assets, including a legal library, are considered owned by the Corporation while in use by the program or in future authorized programs. However, certain 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.

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NOTES TO FINANCIAL STATEMENTS

Legal Services Corporation has a reversionary interest in those fixed assets purchased with LSC funds. Fixed assets are recorded at cost and depreciation is computed on a straight-line basis over the useful lives of the assets. A summary of fixed assets is as follows:

Buildings and improvements	\$ 887,943
Furniture and equipment	1,409,066
Library	240,516
Land	203,665
Total fixed assets	\$ 2,741,190
Less: accumulated depreciation	(2,100,722)
Net fixed assets	<u>\$ 640,468</u>

Depreciation expense for the years ended December 31, 2003 and 2002, totaled \$138,611 and \$119,816, respectively. Of the total assets, \$56,662, was acquired through capital leases.

Note 5. Accrued Liabilities

Included in accrued liabilities is annual leave which vests with the employee and is payable upon termination totaling \$109,035 and \$95,577, at December 31, 2003 and 2002, respectively. Maximum annual leave amounts which can be carried over to subsequent years are 225 hours per employee for employees with more than 3 years of service and 150 hours per employee for employees with less than 3 years of service. Also included in accrued liabilities is \$19,558 and \$63,617, of accrued wages and salaries at December 31, 2003 and 2002, respectively. The remaining balance in accrued liabilities represents miscellaneous items.

Note 6. Summary of Funding

The following details the funding of the Corporation for the year ended December 31, 2003:

<u>Funding Source</u>	Period	Support
Legal Services Corporation: Basic Field - General Grant	01/01/03 - 12/31/03	<u>\$2,029,069</u>
Louisiana Bar Foundation: IOLTA Grant	01/01/03 - 12/31/03	<u>\$ 205,237</u>

Cajun Area Agency on Aging, Inc.: Title III-B 2002-2003 Grant 07/01/02 - 06/30/03 \$ 16,944 Title III-B 2003-2004 Grant 07/01/03 - 06/30/04 16,945 Title III-E 2002-2003 Grant 07/01/02 - 06/30/03 13,519 Subtotal \$ 47,408

Subtotal forward

\$2,281,714

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NOTES TO FINANCIAL STATEMENTS

Funding Source	Period	Support
Subtotal forwarded		<u>\$2,281,714</u>
Cenla Area Agency on Aging, Inc.: Title III-B 2002-2003 Grant Title III-B 2003-2004 Grant Title III-E 2002-2003 Grant Title III-E 2003-2004 Grant Subtotal	07/01/02 - 06/30/03 07/01/03 - 06/30/04 07/01/02 - 06/30/03 07/01/03 - 06/30/04	\$ 12,106 12,103 19,564 9,654 \$ 53,427
Gillis W. Long Poverty Law Center	06/01/03 - 08/31/03	<u>\$ 20,000</u>
The Rapides Foundation Grant	01/01/02 - 12/31/04	<u>\$ 21,963</u>

Vernon Parish Council on Aging, Inc.: 2002-2003 Contract 2003-2004 Contract Subtotal	07/01/02 - 06/30/03 07/01/03 - 06/30/04	\$ 1,853 <u>1,853</u> \$ 3,706
Lafayette Parish Bar Foundation Grant	01/01/03 - 01/31/04	<u>\$ 11,280</u>
State of Louisiana, Department of Justice	11/24/03 - 06/30/04	<u>\$ 18,750</u>
Southwest Louisiana Parish Bar Foundation		<u>\$ </u>
State of Louisiana - Department of Social Services: Temporary Assistance for		
Needy Families	10/01/02 - 09/30/03	<u>\$ 64,092</u>
U.S. Department of Justice: Legal Assistance for Victims	10/01/02 - 09/30/04	<u>\$ 249,823</u>
Total grants and contracts		<u>\$2,728,368</u>

Note 7. Lease of Facilities

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The Corporation leases various facilities to serve as branch offices. During the years ended December 31, 2003 and 2002, the Corporation expended \$70,281 and \$67,911, respectively, on lease payments.

- 15 -

NOTES TO FINANCIAL STATEMENTS

The following details the written lease agreements in effect for the year ended December 31, 2003:

<u>Location</u>	<u>Initial Lease Term</u>	Number of Renewal Options	Renewal Period	Monthly <u>Payment</u>
Alexandria	04/01/2000 - 03/31/2001	2	One-Year	\$ 1,100
Lake Charles	02/01/2002 - 01/31/2004	1	Two-Year	\$ 600
Lake Charles	08/01/2002 - 07/31/2003	1	One-Year	\$ 1 , 700
Marksville	04/01/1997 - 04/02/1998	2	One-Year	\$ 275

In addition to the above, Acadiana Legal Service Corporation has verbal lease agreements for offices in New Iberia, Opelousas, Franklin, and Leesville, Louisiana, for monthly payments of \$500, \$459, \$250, and \$225, respectively.

Note 8. Grants to Other Agencies

During the year, the Corporation granted \$17,000, of LSC funds to the Lafayette Parish Bar Foundation's Lafayette Volunteer Lawyers Project and \$10,574, to the Central Louisiana Pro Bono Project. Both subgrantees are pro bono programs, which use the funds to provide civil legal services to low-income persons eligible for representation by the Corporation. As of December 31, 2003, both subgrantees had expended all these funds.

Note 9. Grant Agreements

Louisiana Bar Foundation:

Acadiana Legal Service Corporation entered into a grant agreement with the Louisiana Bar Foundation (LBF) to provide free legal assistance in civil matters according to the eligibility standards approved by the Board of Directors in accordance with LSC regulations under the LBF's Interest on Lawyers' Trust Accounts (IOLTA) Program. This grant agreement encompassed the period from January 1, 2003 through December 31, 2003, and totaled \$205,237. As of December 31, 2003, the Corporation had received and expended all these funds.

Cajun Area Agency on Aging, Inc.:

The Corporation entered into a grant agreement with the Cajun Area Agency on Aging, Inc. to provide supportive services under Title III-B of the Older Americans' Act of 1965 to the elderly. This grant agreement encompassed the period from July 1, 2002 through June 30, 2003, and totaled \$33,889. As of December 31, 2003, the Corporation had received and expended all these funds. Acadiana Legal Service Corporation entered into a second grant agreement with the Cajun Area Agency on Aging, Inc. to provide supportive services under Title III-B of the Older Americans' Act of 1965 to the elderly. This grant agreement encompasses the period from July 1, 2003 through June 30, 2004, and totals \$33,889. As of December 31, 2003, the Corporation had received, or accrued, as necessary and expended \$16,945, approximately one-half of the total funds granted.

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NOTES TO FINANCIAL STATEMENTS

Acadiana Legal Service Corporation entered into a grant agreement with the Cajun Area Agency on Aging, Inc. to provide caregiver support under Title III-E of the Older Americans' Act of 1965 to the elderly. This grant agreement encompassed the period from July 1, 2002 through June 30, 2003, and totaled \$27,037. As of December 31, 2003, the Corporation had received and expended all these funds.

Cenla Area Agency on Aging, Inc.:

The Corporation entered into a grant agreement with the Cenla Area Agency on Aging, Inc. to provide supportive services under Title III-B of the Older Americans' Act of 1965 to the elderly. This grant agreement encompassed the period from July 1, 2002 through June 30, 2003, and totaled \$24,208. As of December 31, 2003, the Corporation had received and expended all these funds. Acadiana Legal Service Corporation entered into a second grant agreement with the Cenla Area Agency on Aging, Inc. to provide supportive services under Title III-B of the Older Americans' Act of 1965 to the elderly. This grant agreement encompasses the period from July 1, 2003 through June 30, 2004, and totals \$24,208. As of December 31, 2003, the Corporation had received, or accrued, as necessary and expended \$12,103, approximately one-half of the total funds granted.

Acadiana Legal Service Corporation entered into a grant agreement with the Cenla Area Agency on Aging, Inc. to provide caregiver support under Title III-E of the Older Americans' Act of 1965 to the elderly. This grant agreement encompassed the period from July 1, 2002 through June 30, 2003, and totaled \$39,130. As of December 31, 2003, the Corporation had received and expended all these funds. The Corporation entered into a second grant agreement with the Cenla Area Agency on Aging, Inc. to provide caregiver support under Title III-E of the Older Americans' Act of 1965 to the elderly. This grant agreement encompasses the period from July 1, 2003 through June 30, 2004, and totals \$19,134. As of December 31, 2003, the Corporation had received, or accrued, as necessary and expended \$9,654, approximately onehalf of the total funds granted.

Gillis W. Long Poverty Law Center:

The Corporation entered into an agreement with the Gillis W. Long Poverty Law Center (the "Law Center") to employ interns participating in the Gillis W. Long Poverty Law Center Summer Internship Program for 10 weeks. The Law Center provided the Corporation with funds totaling \$20,000, to be used specifically for the payment of the salary associated with these interns. As of December 31, 2003, the Corporation had received and expended all these funds.

The Rapides Foundation:

Acadiana Legal Service Corporation entered into an agreement with The Rapides Foundation to offset the costs associated with expanding services for victims of domestic violence in Evangeline Parish, Louisiana, through technology and paralegal services. This agreement encompasses the period from January 1, 2002 through December 31, 2004, and totals \$60,000. As of December 31, 2003, the Corporation had received and expended all these funds.

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NOTES TO FINANCIAL STATEMENTS

Vernon Parish Council on Aging, Inc.:

The Corporation entered into a contract with the Vernon Parish Council on Aging, Inc. for the period from July 1, 2002 through June 30, 2003, in the amount of \$3,706. These funds are restricted for use in providing legal education seminars for the elderly of Vernon Parish, Louisiana. As of December 31, 2003, the Corporation had received and expended all these funds. Acadiana Legal Service Corporation also entered into a second contract with the Vernon Parish Council on Aging, Inc. for the period from July 1, 2003 through June 30, 2004, in the amount of \$3,706. These funds are restricted for use in providing legal education seminars for the elderly of Vernon Parish, Louisiana. As of December 31, 2003, the Corporation had received, or accrued, as necessary and expended \$1,853, approximately one-half of the contract amount.

Lafayette Parish Bar Foundation:

Acadiana Legal Service Corporation entered into an agreement with the Lafayette Parish Bar Foundation (LPBF) to provide free legal assistance in civil matters according to the eligibility standards approved by the Board of Directors in accordance with LSC regulations under the LPBF's Lafayette Volunteer Lawyers Program. This agreement encompasses the period from January 1, 2003 through January 31, 2004. As of December 31, 2003, the Corporation had received, or accrued, as necessary and expended \$11,280.

State of Louisiana, Department of Justice:

The Corporation entered into a cooperative endeavor agreement with the State of Louisiana, Department of Justice to provide civil legal services to lowincome persons, including but not limited to the areas of family, domestic violence, consumer, housing, employment, and administrative law. This grant agreement encompasses the period from November 24, 2003 through June 30, 2004, and totals \$75,000. As of December 31, 2003, the Corporation had received, or accrued, as necessary and expended \$18,750, approximately onefourth of the cooperative endeavor agreement amount.

Southwest Louisiana Parish Bar Foundation:

The Corporation received and expended \$3,613, from the Southwest Louisiana Parish Bar Foundation.

State of Louisiana, Department of Social Services:

The Corporation entered into a professional agreement with the State of Louisiana, Department of Social Services for the period from October 1, 2002 through September 30, 2003, not to exceed \$500,000. These funds are restricted for use in providing services to the Office of Family Support's TANF Parental Involvement Initiative and are earned on a unit-of-service basis. For the years ended December 31, 2003 and 2002, the Corporation received, or accrued, as necessary, and expended \$64,092 and \$2,400, respectively under this professional agreement.

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NOTES TO FINANCIAL STATEMENTS

U.S. Department of Justice:

Acadiana Legal Service Corporation entered into a grant agreement with the U.S. Department of Justice, Office of Justice Programs, Violence Against Women Office to provide legal services to victims of domestic violence, sexual assault, and/or stalking. This grant agreement encompasses the period from October 1, 2002 through September 30, 2004, and totals \$499,646. For the years ended December 31, 2003 and 2002, the Corporation received, or accrued, as necessary, and expended \$249,823, and \$62,456, respectively, which represents approximately 63% of the total funds granted.

Of the above funds, the Corporation has committed the following amounts to the listed agencies as subgrantees:

Chez Hope	\$ 28,372
New Start Center	26,884
Faith House	26,503

Safety Net for Abused Persons (SNAP)	24,425
Turning Point	12,830
Total subgrant commitments	<u>\$ 119,014</u>

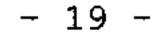
For the years ended December 31, 2003 and 2002, remitted, or accrued, as necessary \$59,507 and \$14,877, respectively which represents approximately 63% of the total amount of subgrant commitments.

Note 10. Retirement Plan

Acadiana Legal Service Corporation established a 403(b) retirement plan (the "Plan") for those employees who meet the eligibility requirements set forth in the Plan. The amount of contributions to the Plan is at the discretion of the Board of Directors. The Corporation contributed \$14,096 and \$13,320, to the Plan for the years ended December 31, 2003 and 2002, respectively.

Note 11. Capital Leases

The Corporation has entered into non-cancelable leases for equipment, which transfers ownership of the equipment to the Corporation at a bargain purchase option at the end of the lease term. The leased assets, which are included in property and equipment, are recorded at \$56,662, at an interest rate of 4.96% to 8.00% over the term of the lease. Accumulated depreciation as of December 31, 2003, totaled \$16,978.



NOTES TO FINANCIAL STATEMENTS

The following is a schedule by years of the future minimum lease payments required under the capital lease together with the present value of the net minimum lease payments as of December 31, 2003:

Years Ending December 31,

2004	\$ 17,421
2005	11,482
Total future minimum lease payments	<u>\$ 28,903</u>

Note 12. Classification of Expenses

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	General	
Program	and	
<u>Services</u>	Administrative	<u>Total</u>

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Salaries and wages:			
Lawyers	\$ 697,838	\$ 43,888	\$ 741,726
Nonlawyers	705,615	195,419	901,034
Employee benefits	296,100	70,043	366,143
Space cost and renovations	148,279	12, 1 71	160,450
Equipment rental and maintenance	31,036	2,392	33,428
Office supplies and expenses	50,198	11,875	62,073
Travel and training	91,248	20,112	111,360
Telephone	69,006	16,324	85,330
Insurance	34,635	5,440	40,075
Depreciation	112,095	26,516	138,611
Contractual services	27,850	45,185	73,035
Membership fees	11,673	1,177	12,850
Other supplies	36,173		36,173
Litigation costs	6,280	—	6,280
Subgrants	98,883	_	98,883
Access to Justice	16,398	-	16,398
Disaster recovery	33,354	7,890	41,244
Miscellaneous	7,389	1,748	9,137
Total expenses	<u>\$2,474,050</u>	<u>\$ 460,180</u>	<u>\$2,934,230</u>

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SUPPLEMENTARY INFORMATION

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SCHEDULE OF ALL TEMPORARILY RESTRICTED REVENUES AND EXPENSES, EXCLUDING PROPERTY Year Ended December 31, 2003

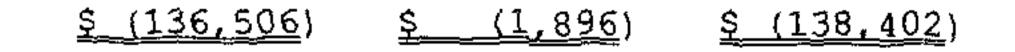
		Basic Field				
	General	Private Attorney <u>Involvement</u>	<u>Total</u>			
Support and revenues:						
Grants and contracts:						
Legal Services Corporation	\$1,774,431	\$ 229,638	\$2,004,069			
Other	209,366	20,871	230,237			
Investment income	1,364		1,364			
Miscellaneous	37,230	ھے 	37,230			
Total support and revenues	<u>\$2,022,391</u>	<u>\$ 250,509</u>	<u>\$2,272,900</u>			
Expenses:			,			
Salaríes and wages:			`			
Lawyers	\$ 505,116	\$ 54,919	\$ 560,035			
Nonlawyers	758,134	37,055	795,189			
Employee benefits	292,470	26,137	318,607			
Space cost and renovations	138,357	14,066	152,423			
Equipment rental and maintenance	28,639	2,912	31,551			
Office supplies and expenses	45,849	4,606	50,455			
Travel and training	69,230	9,645	78,875			
Telephone	58,497	5,843	64,340			
Insurance	32,849	3,339	36,188			
Contractual servíces	23,902	44,820	68,722			
Membership fees	11,319	231	11,550			
Other supplies	31,467	1,715	33,182			
Litigation costs	2,029		2,029			
Subgrants	7,520	27,574	35,094			
Access to Justice	~	16,398	16,398			
Disaster recovery	41,244	-	41,244			
Miscellaneous	6,090	1,985	8,075			
Total expenses	<u>\$2,052,712</u>	<u>\$ 251,245</u>	<u>\$2,303,957</u>			
Excess (deficiency) of support and						
revenues over expenses	\$ (30,321)	\$ (736)	\$ (31,057)			
Other changes:						
Equipment purchases and payments on						
capital lease obligations	(106.185)	(1.160)	(107, 345)			

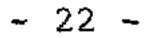
capital lease obligations

(106, 185) (1, 160) (107, 345)

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Excess (deficiency) of support and revenues over expenses and other changes





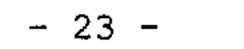
Ac	jun Area Jency on .ng, Inc.	Cajun Area Agency on Aging, Inc Caregiver		Ag	Cenla Area Agency on Aging, Inc.		nla Area gency on ng, Inc aregiver	I	illis W. Long Poverty <u>w Center</u>	
\$	- 33,889 -	\$	- 13,519 -	\$	24,209	\$	29,218 -	\$	20,000	
\$	33,889	<u>\$</u>	13,519	Ş	24,209	\$	29,218	<u>\$</u>	20,000	С
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\$	15,400	\$	7,838	\$	6,574	\$	13,540 7,350	\$	_ 20,000	N
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<u>\$</u>	33,889	<u>\$</u>	13,519	<u>\$</u>	24,209	<u>\$</u>	29,218	<u>\$</u>	20,000	
\$		\$	_	\$	_	\$	_	\$		

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SCHEDULE OF ALL TEMPORARILY RESTRICTED REVENUES (CONTINUED) AND EXPENSES, EXCLUDING PROPERTY Year Ended December 31, 2003

	The Rapides <u>Foundation</u>	Vernon Parish Council on Aging, Inc.	Lafayette Parish Bar <u>Foundation</u>
Support and revenues:			
Grants and contracts:			
Legal Services Corporation	\$ ~ `	\$ -	\$ -
Other	21,963	3,706	11,280
Investment income	~	_	-
Miscellaneous			
Total support and revenues	<u>\$ 21,963</u>	<u>\$ 3,706</u>	<u>\$ 11,280</u>
Expenses:			
Salaries and wages:			
Lawyers	\$ 3,286	\$ 1,766	\$ 4,581
Nonlawyers	8,098	583	3,350
Employee benefits	2,074	473	-
Space cost and renovations	1,883	_	450
Equipment rental and maintenance	(139	750
Office supplies and expenses	1,064	120	-
Travel and training	1,208	465	-
Telephone	2,550	_	850
Insurance	-	-	-
Contractual services		60	-
Membership fees	~~	-	400
Other supplies		—	-
Litigation costs	1 0 0 0	-	899
Subgrants Decese to Tretice	1,800	100	-
Access to Justice	-	-	<u> </u>
Disaster recovery Miccollopeous	-	 	<u> </u>
Miscellaneous			
Total expenses	<u>\$ 21,963</u>	<u>\$</u> 3,706	<u>\$ 11,280</u>
Excess (deficiency) of support and			
revenues over expenses	\$ -	\$ -	\$ -
Other changes: Equipment purchases and payments on			

Equipment purchases and payments on

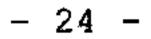
capital lease obligations

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Excess (deficiency) of support and revenues over expenses and other changes



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State of	Southwest	Temporary	Legal	
Louisiana,	Louisiana	Assistance	Assistance	
Department	Parish Bar	for Needy	for	
<u>of Justice</u>	Foundation	Families	Victims	Total

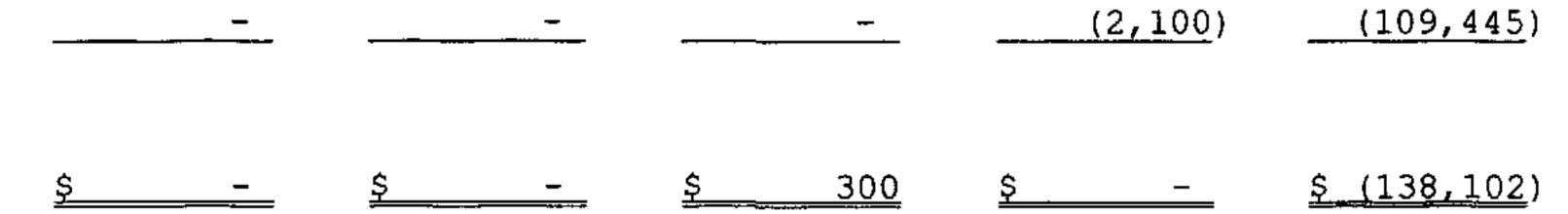
\$		\$		\$	-	\$	_	\$2,004,069
	18,750		3,613		64,092		249,823	724,299
	-		-		-		-	1,364
·				<u> </u>			<u> </u>	37,230
\$	18,750	Ş	3,613	\$	64,092	Ş	249,823	\$2,766,962

\$	10,000 8,750	\$	3,326	\$	28,395 11,221 6,697 2,450 213 804 1,179 5,252 1,459 600 - 1,551 1,589 2,382	Ş	86,985 29,271 24,070 - - 6,252 26,291 9,000 907 3,100 900 1,440 - 59,507 -	\$	741,726 901,034 366,143 160,450 33,428 62,073 111,360 85,330 40,075 73,035 12,850 36,173 6,280 98,883 16,398 41,244
	-						_ _		41,244 9,137
<u>\$</u>	18,750	<u>\$</u>	3,613	<u>\$</u>	<u>63,792</u>	<u>\$</u>	247,723	<u>\$2</u>	<u>,795,619</u>
\$	-	\$	_	\$	300	\$	2,100	\$	(28,657)

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2003

	Federal	
Federal Grantor/Pass-Through	CFDA	Federal
Grantor/Program or Cluster Title	Number	Expenditures
Legal Services Corporation:		
Basic Field - General Grant	09.619051	\$2,004,069
U.S. Department of Health and Human Services:		
Page-Through Program From.		

Pass-Through Program From:

93.558	63,792
16.524	249,823

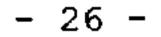
Total expenditures of Federal awards

<u>\$2,317,684</u>

Note 1. Basis of Presentation

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The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of Acadiana Legal Service Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.





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P.O. Drawer 307

Crowley, Louisiana

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Opelousas, LA (337) 942-5217

Abbeville, LA (337) 898-1497

New Iberia, LA (337) 364-4554

BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors Acadiana Legal Service Corporation Lafayette, Louisiana

We have audited the financial statements of Acadiana Legal Service Corporation (a nonprofit organization) as of and for the year ended December 31, 2003, and have issued our report thereon dated April 28, 2004. We conducted our audit 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 the Audit Guide for Recipients and Auditors and the Compliance Supplement for Audits of LSC Recipients, issued by Legal Services Corporation.

Church Point, LA (337) 684-2855

Eugene C. Gilder, CPA* Donald W. Kelley, CPA* Herbert Lemoine II. CPA* Frank A. Stagno, CPA* Scott J. Broussard, CPA* L. Charles Absture, CPA* Kenneth R. Dugas, CPA* P. John Blanchet III, CPA* Stephen L. Lambousy, CPA* Craig C. Babineaux, CPA* Peter C. Borrello, CPA* George J. Trappey IIL CPA* Gregory B. Milton, CPA* S. Scott Soileau, CPA* Patrick D. McCarthy, CPA* Martha B. Wyatt, CPA* Troy J. Breaux, CPA* Fayena T. Dupre', CPA* Mary A. Castille, CPA* Joey L. Breaux, CPA*

Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA 1980 Leon K. Poche', CPA 1984 James H. Breaux, CPA 1987 Erma R. Walton, CPA 1988 George A. Lewis, CPA* 1992 Geraldine J. Wimberley, CPA* 1995. Rodney L. Savoy, CPA * 1996 Larry G. Broussard, CPA* 1996 Lawrence A. Cramer. CPA* 1999 Michael P. Crochet, CPA* 1999 Ralph Friend, CPA 2002

Compliance

As part of obtaining reasonable assurance about whether Acadiana Legal Service Corporation'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 The results of our tests disclosed no instances of opinion. noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

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In planning and performing our audit, we considered Acadiana Legal Service Corporation'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

Members of American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

* A Professional Accounting Corporation.

To the Board of Directors Acadiana Legal Service Corporation Lafayette, Louisiana

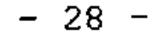
would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, Legislative Auditor, Federal awarding agencies, and pass-through entities, 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.

BROUSSARD, POCHE' LEWIS & BREAVE, L.L.P.

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Crowley, Louisiana April 28, 2004





122 East 5th St. P.O. Drawer 307 Crowley, Louisiana 70527-0307

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Abbeville, LA (337) 898-1497

New Iberia, LA (337) 364-4554

BROUSSARD. POCHE'. LEWIS & BREAUX. L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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 Acadiana Legal Service Corporation Lafayette, Louisiana

Compliance

We have audited the compliance of Acadiana Legal Service Corporation (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Compliance Supplement for Audits of LSC Recipients, issued by Legal Services Corporation, that are applicable to each of its major Federal programs for the year ended December 31, 2003. Acadiana Legal Service Corporation's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned Compliance with the requirements of laws, regulations, costs. contracts, and grants applicable to each of its major Federal programs is the responsibility of the Corporation's management. Our responsibility is to express an opinion on Acadiana Legal Service Corporation's compliance based on our audit.

Church Point, LA (337) 684-2855

Eugene C. Gilder, CPA* Donald W. Kelley, CPA* Herbert Lemoine II, CPA* Frank A. Stagno, CPA* Scott J. Broussard, CPA* L. Charles Abshire, CPA* Kenneth R. Dugas, CPA* P. John Blanchet HI, CPA* Stephen L. Lambousy, CPA* Craig C. Babineaux, CPA* Peter C. Borrello, CPA* George J. Trappey III, CPA* Gregory B. Milton, CPA* S. Scott Soileau, CPA* Patrick D. McCarthy, CPA* Martha B. Wyatt, CPA* Troy J. Breaux, CPA* Fayetta T. Dupre', CPA* Mary A. Castille, CPA* Joey L. Breaux, CPA* Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA 1980 Leon K. Poche', CPA 1984

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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the provisions of the Audit Guide for Recipients and Auditors and the Compliance Supplement for Audits of LSC Recipients, issued by Legal Services Corporation. 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 Acadiana Legal Service Corporation'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 determination of Acadiana Legal Service Corporation's leqal

James H. Breaux, CPA 1987 Erma R. Walton, CPA 1988 George A. Lewis, CPA* 1992 Geraldine J. Wimberley, CPA* 1995 Rodney L. Savoy, CPA* 1996 Larry G. Broussard, CPA* 1996 Lawrence A. Cramer, CPA* 1999 Michael P. Crochet, CPA* 1999 Ralph Friend, CPA 2002

Members of American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

* A Professional Accounting Corporation

compliance with those requirements.

In our opinion, Acadiana Legal Service Corporation 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.

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To the Board of Directors Acadiana Legal Service Corporation Lafayette, Louisiana

Internal Control over Compliance

The management of Acadiana Legal Service Corporation 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 Acadiana Legal Service Corporation'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.

We noted a certain matter involving the internal control over compliance and its operation that we 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 compliance that, in our judgment, could adversely affect Acadiana Legal Service Corporation's ability to administer a major Federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. This reportable condition is described in the accompanying schedule of findings and questioned costs as item #2003-1.

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 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. Our consideration of the internal control over compliance 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. We believe that the reportable conditions described above are material weaknesses.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, Legislative Auditor, Federal awarding agencies, and pass-through entities, 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.

BROUSSARD, POCHE, LEWIS & BREANX, L.L.P.

April 28, 2004

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended December 31, 2003

We have audited the financial statements of Acadiana Legal Service Corporation as of and for the year ended December 31, 2003, and have issued our report thereon dated April 28, 2004. We conducted our audit 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; the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the provisions of Legal Services Corporation's Audit Guide for Recipients and Auditors and Compliance Supplement for Audits of LSC Recipients. Our audit of the financial statements as of December 31, 2003, resulted in an unqualified opinion.

Section I. Summary of Auditor's Reports

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

Internal Control Material Weaknesses [] Yes 🛛 No

Reportable Conditions 📘 Yes

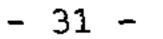
	Compliance Compliance Material to Financial	Statements 🗍 Yes 🔀 No
b.	Federal Awards	
	Internal Control Material Weaknesses 🔀 Yes	🗌 No Reportable Conditions 🔀 Yes 🗌 No
Type of Opinion on Compliance Unqualified 🛛 Qual For Major Programs Disclaimer 🗌 Adver		Unqualified 🛛 Qualified 🗌 Disclaimer 🗌 Adverse 🔲
	Are their findings required to Section 510(a)? 🔀 Yes 🗌 No	be reported in accordance with Circular A-133,
c.	Identification of Major Programs	
	CDFA Number Name	of Federal Program
	09.619051 Basid	: Field - General
	Dollar threshold used to distinguish between Type A and Type B Programs: <u>\$ 300,000</u>	
	Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?	

Section II. Financial Statement Findings

There were no matters noted relating to reportable conditions, material weaknesses, or instances of noncompliance related to the financial statements for the year ended December 31, 2003.

(Continued)

No No



SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended December 31, 2003

Section III. Federal Award Findings and Questioned Costs

#2003-1 - LSC Reporting Requirements

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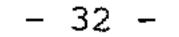
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- Finding: While performing our compliance testing relating to case files, we noted that two cases randomly selected for testing that should have been reported on the Corporation's Semiannual Case Disclosure Reports were not.
- Recommendation: We recommend that a revised Semiannual Case Disclosure Report for the period July 1 December 31, 2003, be submitted to LSC that includes the two cases referred to above.
- Response: Management concurs with this recommendation and will prepare and submit a revised Semiannual Case Disclosure Report for the period July 1 December 31,

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2003, to Legal Services Corporation.



SCHEDULE OF PRIOR YEAR FINDINGS Year Ended December 31, 2003

Internal Control and Compliance Material to the Financial Statements Section I.

There were no matters noted relating to reportable conditions, material weaknesses, or instances of noncompliance related to the financial statements reported for the year ended December 31, 2002.

Internal Control and Compliance Material to Federal Awards Section II.

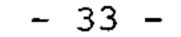
There were no matters noted relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to Federal awards reported for the year ended December 31, 2002.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended December 31, 2002.

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LAW OFFICES OF

ACADIANA LEGAL SERVICE CORPORATION

1020 SURREY STREET

P.O. Box 4823

LAFAYETTE, LOUISIANA 70502-4823

(337) 237-4320 FAX: (337) 237-8839

MANAGEMENT'S CORRECTIVE ACTION PLAN Year Ended December 31, 2003

Section I. Internal Control and Compliance Material to the Financial Statements

There were no matters noted relating to reportable conditions,

material weaknesses, or instances of noncompliance related to the financial statements for the year ended December 31, 2003.

Section II. Internal Control and Compliance Material to Federal Awards

#2003-1 - LSC Reporting Requirements

Management will prepare and submit a revised Semiannual Case Disclosure Report for the period July 1 - December 31, 2003, to Legal Services Corporation.

Section III. Management Letter

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There were no matters reported in a separate management letter for the year ended December 31, 2003.

Responsible Party: Joseph R. Oelkers, III, Executive Director

SERVING THE PARISHES OF ACADIA, EVANGELINE, IBERIA, LAFAYETTE, ST. LANDRY, ST. MARTIN, ST. MARY AND VERMILION