THE ASSIST AGENCY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2004

THE ASSIST AGENCY, INC.

TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 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.
Chris Kohlenberg, C.P.A., M.B.A., M.H.A.
Ashley V. Breaux, C.P.A.

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, 2004, 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, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2005, 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.

Langlinais + Broussard

LANGLINAIS & BROUSSARD
(A Corporation of Certified Public Accountants)

April 20, 2005

2419 Veterans Memorial Drive • 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, 2004**

ASSETS

CURRENT ASSETS:		
Cash	$	52,691
Accounts Receivable		5,971
Investments in Partnerships		100
Prepaid Expenses		5,410
Notes Receivable - Current		3,283
Total Current Assets		67,455
NON-CURRENT ASSETS:		
Notes Receivable - Non-current		44,855
Total Non-current Assets		44,855
FIXED ASSETS:		
Furniture and Equipment		117,267
Vehicles		13,315
Gross Fixed Assets		130,582
Less: Accumulated Depreciation		(97,958)
Net Fixed Assets		32,624
TOTAL ASSETS	$	144,934

The Accompanying Notes are an Integral Part of This Statement.

THE ASSIST AGENCY, INC.

STATEMENT OF FINANCIAL POSITION **DECEMBER 31, 2004**

LIABILITIES AND NETS ASSETS

LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable	$	4,476
Insurance Note Payable		3,900
Payroll Liabilities		19,473
Accrued Compensated Absences		5,704
Other Accrued Expenses		665
Current Portion of Accrued Disallowances and Contingencies		52,676
Current Portion of Long-term Debt		7,877
Total Current Liabilities		94,771
LONG-TERM DEBT:		
Long-term Portion of Accrued Disallowances and Contingencies		78,025
Total Long-term Debt		78,025
OTHER LIABILITIES:		
Security Deposits		1,450
TOTAL LIABILITIES		174,246
NET ASSETS:		
Unrestricted		(29,312)
TOTAL NET ASSETS		(29,312)
TOTAL LIABILITIES AND NET ASSETS	$	144,934

The Accompanying Notes are an Integral Part of This Statement.

THE ASSIST AGENCY, INC.

STATEMENT OF ACTIVITIES	FOR THE YEAR ENDED DECEMBER 31, 2004
CHANGES IN UNRESTRICTED NET ASSETS:	
Revenues and Gains:	
Contributions	$ 8,526
Interest Income	8,114
Partnership Income	19,185
Sales-type Lease Income	480
Other	23,823
Total Unrestricted Revenue	60,128
Net Assets Released From Restrictions:	
Program Restrictions Satisfied	550,526
Total Assets Released From Restrictions	550,526
Total Support	610,654
Less Expenses and Losses:	
Programs:	
Community Services Block Grant Program	475,455
Emergency Energy Assistance	320
HUD-McKinney Program - Homeless Grant Program	15,109
Other Government Programs	1,906
United Way Emergency Assistance Program	17,799
United Way FEMA Program	16,995
United Way Pharmaceutical	5,229
RWJ - Pharmaceutical Program	10
Small Programs	427
Total Program Expenses	533,250
General and Administrative Expenses	56,281
Fundraising Costs	4,223
Total Expenses and Losses	593,754
INCREASE IN UNRESTRICTED NET ASSETS	16,900
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:	
Grants	499,854
Contributions	50,672
Net Assets Released From Restrictions	(550,526)
INCREASE IN NET ASSETS	16,900
NET ASSETS, BEGINNING OF YEAR	(46,212)
NET ASSETS, END OF YEAR	$ (29,312)

The Accompanying Notes are an Integral Part of This Statement.

THE ASSIST AGENCY, INC.

STATEMENT OF CASH FLOWS	FOR THE YEAR ENDED DECEMBER 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	$ 16,900
Adjustments to Reconcile the Increase in Net Assets to Net Cash Flows From Operating Activities	
Depreciation	11,679
Decrease in Accounts Receivable	(3,849)
Decrease in Prepaid Insurance	299
Decrease in Accounts Payable	(7,025)
Decrease in Insurance Note Payable	(341)
Decrease in Payroll Liabilities	(9,216)
Decrease in Accrued Compensated Absences	(8,106)
Decrease in Other Accrued Expenses	148
Decrease in Accrued Disallowances and Contingencies	(12,521)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(28,932)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Principal Payments Received on Sales-type Leases	52,305
Principal Payments Received on RBEG Program Loan	11,960
Issuance of RBEG Program Loan	(23,544)
Proceeds from Sale of Land	6,500
NET CASH FLOWS FROM INVESTING ACTIVITIES	47,221
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal Repayments to Banks	(62,115)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(62,115)
NET DECREASE IN CASH	(26,926)
CASH, BEGINNING OF YEAR (Including Restricted Cash of $460)	79,617
CASH, END OF YEAR	$ 52,691

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 banks 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 the 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 $52,237.

Advertising Costs

The Agency expenses all advertising costs in the year incurred.

NOTE 2: CASH

At December 31, 2004, the book balance and bank balance of all cash accounts of the Agency totaled $52,691 and $69,261, respectively. This total balance was covered by FDIC Insurance at year end.

NOTE 3: ACCOUNTS RECEIVABLE

At December 31, 2004, accounts receivable was composed of the following:

Homeless Shelter Grant	$	4,571
State of Louisiana - OSRAP (Medicaid Reimbursement)		1,400
	$	5,971

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. During 2004 it was found that the buyers could not obtain financing to purchase the home. The home was sold for less than the payoff amount resulting in a loss of $5,222.

NOTE 5: LONG-TERM DEBT OWED TO BANKS

At December 31, 2004, the Agency had the following notes payable with banks:

Bank loan bearing interest at 9.375%, with monthly payments of $923 secured by three vehicles. Although this note matures July 25, 2006, it will be paid in full in the year 2005 pending continuous regular monthly payments.	7,877
Total Notes Payable	7,877
Less: Current Portion of Long-term Debt	(7,877)
Long-term Portion of Debt Owed to Banks	$ -

Maturities of long-term debt owed to banks for each of the five years succeeding December 31, 2004 including $307 of interest, are as follows:

Year Ended December 31,	Principal	Interest	Total
2005	$ 7,877	$ 307	$ 8,184
Thereafter	-	-	-
Total	$ 7,877	$ 307	$ 8,184

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. The resulting liability at year end was $5,704.

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, 2004, was $5,884.

NOTE 8: ACCRUED DISALLOWANCES AND CONTINGENCIES

At December 31, 2004, 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 $9,771 of program income due to the State of Louisiana. This remaining balance is under appeal but has not been resolved.	$	9,771
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 was set forth to allow repayment over a period of time, with quarterly payments of $700.		3,098
In the prior years, the Agency received notification of numerous violations and overpayments in the Weatherization Program. The Agency has agreed to pay $317.01/month until the balance is paid in full.		13,949
During the prior audit we were notified of a letter from Lafayette Catholic Services indicating that the Agency owed the program for 20 months of rent at the old Rice Hotel location at $1,000 per month due to the fact that the facility did not meet the program standards for acceptable facilities for reimbursement. On February 26 2004, the Agency agreed to make monthly installments of $300.00 until paid in full.		17,600
In prior years, the Agency received services from an Architect for services performed on various housing projects of the Agency. No action was taken during the year to clear these amounts due.		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.	59,880
Total Amounts Owed Grantors and Other Governments	130,701
Less: Current Portion	(52,676)
Long-term Portion of Debt owed to Grantors and Other Governments	$ 78,025

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 potentially 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 potentially 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 potentially 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 potentially liable for all debts of the partnership.

The Agency receives income monthly from the partnerships. For the year ended December 31, 2004, the Agency received $19,185 from these 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. This receivable was paid off during the 2004 fiscal year.

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 $32,455 at December 31, 2004. At year end, the market value of this note approximated the reported cost. The note was increased as a result of a judgment against the borrower for court fees and accrued interest due to the borrower's delinquency.

During 2004, the Agency loaned $18,000 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 at 7.00% for 60 months. The monthly payment is $356.42 with a balance of $15,684 at December 31, 2004. At year end, the market value of this note approximated the reported cost.

NOTE 11: INTEREST

For the year ended December 31, 2004, the Agency paid interest totaling $4,759.

NOTE 12: CONCENTRATIONS - COMMUNITY SERVICE BLOCK GRANT

The agency receives funding from the U.S. Department of Health and Human Services in the form of Community Services Block Grant funds which are passed through the Louisiana Department of Employment and Training. During 2004, the Agency received $483,904 of Community Services Block Grants. This amount represented 96.80% of total resources received by the Agency for the year ended December 31, 2004.

LANGLINAIS & BROUSSARD
(A Corporation of Certified Public Accountants)

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

Gayle Falcon, C.P.A.
Patrick M. Guidry, C.P.A.
Chris Kohlenberg, C.P.A., M.B.A., M.H.A.
Ashley V. Breaux, C.P.A.

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, 2004, and have issued our report thereon dated April 20, 2005. 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 April 20, 2005.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

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 April 20, 2005.

2419 Veterans Memorial Drive • P.O. Box 1123 • Abbeville, Louisiana 70511-1123 • Telephone (337) 893-6232 • Fax (337) 893-6249

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)

April 20, 2005

ASSIST AGENCY
A Self Sufficiency Improvement Support Team
Voice (337) 783-7490 - Fax (337) 783-9353
125 West Third Street - Crowley, LA 70527-1404 - Post Office Box 1404

June 22, 2005

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 statements of ASSIST Agency, Inc. for the year ending December 31, 2003 to determine what prior year findings have been resolved in the current year. The following corrective actions have been taken in response to prior year findings.

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 has purchased and installed a new accounting software package, MIP, and has been recording transactions in the software since January of 2005. After the completion of the 2004 audit, beginning balances for the year 2005 will be entered and maintenance of the general ledger system will ensue. 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 the third-party grantor agencies. This will 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 as unrestricted funds become available.

Corrective Action

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

Cash Account Overdrafts

During the year, we noted that the Agency had numerous bank overdrafts in one 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 has been taken to prevent re-occurrence of overdraft charges. We have determined funds availability before any checks were issued.

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
Executive Director

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

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.
Chris Kohlenberg, C.P.A., M.B.A., M.H.A.
Ashley V. Breaux, C.P.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, 2004, 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. We noted no matters involving the internal control and its operations that we consider to be a reportable condition under the standards established by the American Institute of Certified Public Accountants (AICPA). 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 Agency's ability to record, process,summarize, and report financial data consistent with the assertions of management in the financial statements. However, during our audit we became aware of other matters that represent improvements in internal controls and operating efficiencies. The following summarizes our comments regarding these matters.

1. 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 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, in one 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.

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)

April 20, 2005

ASSIST AGENCY
A Self Sufficiency Improvement Support Team
Voice (337) 783-7490 - **Fax** (337) 783-9353
125 West Third Street - Crowley, LA 70527-1404 - Post Office Box 1404

June 22, 2005

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 statements of ASSIST Agency, Inc. for the year ending December 31, 2004 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 has purchased and installed a new accounting software package, MIP, and has been recording transactions in the software since January of 2005. After the completion of the 2004 audit, beginning balances for the year 2005 will be entered and maintenance of the general ledger system will ensue. 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 the third-party grantor agencies. This will 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 as unrestricted funds become available.

Corrective Action

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

Cash Account Overdrafts

During the year, we noted that the Agency had numerous bank overdrafts in one 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.