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**ST. MARTIN, IBERIA, LAFAYETTE
COMMUNITY ACTION AGENCY, INC.**

Financial Report

Year Ended May 31, 2000

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 10-18-00

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

We have audited the accompanying statement of financial position of St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization) as of May 31, 2000, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 St. Martin, Iberia, Lafayette Community Action Agency, Inc. as of May 31, 2000, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 15, 2000 on our consideration of St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting and our test 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.

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Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information (pp. 17 - 45) is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
August 15, 2000

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Financial Position

May 31, 2000

	Unrestricted	Temporarily Restricted	Equipment Fund	Totals (Memorandum Only)	
				2000	1999
ASSETS					
Cash	\$ 18,664	\$ 522,208	\$ -	\$ 540,872	\$ 403,524
Receivables:					
Grant funds	-	729,546	-	729,546	423,994
Due from other funds	16,700	484,049	-	500,749	595,339
Other	-	2,100	-	2,100	-
Prepaid expenses	-	10,074	-	10,074	17,513
Inventory	-	15,837	-	15,837	16,048
Property and equipment	-	-	4,117,985	4,117,985	3,484,079
Accumulated depreciation	-	-	(1,760,187)	(1,760,187)	(1,557,525)
Total assets	\$ 35,364	\$ 1,763,814	\$ 2,357,798	\$ 4,156,976	\$ 3,382,972
LIABILITIES					
Accounts payable	\$ 2,187	\$ 683,795	\$ -	\$ 685,982	\$ 239,549
Retirement plan payable	-	22,753	-	22,753	90,943
Due to other funds	-	500,749	-	500,749	595,339
Unearned grants	-	57,008	-	57,008	105,180
Other liabilities	-	538,399	-	538,399	163,546
Total liabilities	2,187	1,802,704	-	1,804,891	1,194,557
NET ASSETS					
Investment in equipment	-	-	2,357,798	2,357,798	1,926,554
Unrestricted	33,177	-	-	33,177	(42,897)
Temporarily restricted	-	(38,890)	-	(38,890)	304,758
Total net assets (deficit)	33,177	(38,890)	2,357,798	2,352,085	2,188,415
Total liabilities and net assets	\$ 35,364	\$ 1,763,814	\$ 2,357,798	\$ 4,156,976	\$ 3,382,972

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Activities
Year Ended May 31, 2000

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Equipment Fund</u>	<u>Total</u>
<i>Public support:</i>				
In-kind contributions	\$ -	\$ 1,666,656	\$ -	\$ 1,666,656
Donations	<u>9,695</u>	<u>1,135</u>	-	<u>10,830</u>
Total public support	9,695	1,667,791	-	1,677,486
Grants from governmental agencies	-	9,356,095	-	9,356,095
<i>Other revenue:</i>				
Miscellaneous	<u>313</u>	<u>150,435</u>	-	<u>150,748</u>
Total public support, grants from governmental agencies and other revenue	<u>10,008</u>	<u>11,174,321</u>	-	<u>11,184,329</u>
<i>Expenses:</i>				
<i>Program services -</i>				
Transportation	-	215,385	38,397	253,782
Summer Enrichment	-	317,463	-	317,463
Project Independence Jobs	-	226,096	-	226,096
CSBG	-	634,288	27,463	661,751
Food Reimbursement	-	493,522	2,306	495,828
Shelter Fund	-	1,091	285	1,376
Olivier Street Project	-	-	4,205	4,205
Weatherization	-	142,574	294	142,868
HUD	-	7,500	530	8,030
Local Government Support	-	35,863	720	36,583
St. Martin Parish Emergency Assistance	-	28,648	-	28,648
Lafayette Community Action Council	-	-	-	-
Iberia Food & Medical	-	3,614	-	3,614
Homeless Family Shelter	-	-	-	-
Iberia Parish Special Trust	-	3,403	-	3,403
Lafayette Emergency Food & Shelter	-	3,445	-	3,445
Iberia Emergency Food & Shelter	-	14,281	-	14,281
Headstart	-	7,375,003	189,042	7,564,045
RSVP	-	67,705	1,451	69,156
Medicaid Enrollment	-	17,544	-	17,544
Cookbook Fund	1,013	-	-	1,013
Family Preservation	-	23,579	-	23,579
Home Energy Assistance	-	573,580	-	573,580
Needy Family Food Distribution	-	157,321	-	157,321
Early Childhood	-	248,645	13,246	261,891
Child Welfare Resource Center	-	166,014	4,502	170,516
Total program services	<u>1,013</u>	<u>10,756,564</u>	<u>282,441</u>	<u>11,040,018</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Activities (Continued)
Year Ended May 31, 2000

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Equipment Fund</u>	<u>Total</u>
Supporting services -				
General	3,453	-	-	3,453
Administrative	-	412,641	-	412,641
Total expenses	<u>4,466</u>	<u>11,169,205</u>	<u>282,441</u>	<u>11,456,112</u>
Public support, grants from governmental agencies, and other revenue over (under) expenses	5,542	5,116	(282,441)	(271,783)
Other changes in net assets:				
Operating transfers in	83,352	303,572	-	386,924
Operating transfers out	(12,820)	(374,104)	-	(386,924)
Indirect cost transferred from programs	-	445,357	-	445,357
Addition to property and equipment	-	(723,589)	723,589	-
Loss on disposal of equipment	-	-	(9,904)	(9,904)
Net assets (deficit), beginning of year	<u>(42,897)</u>	<u>304,758</u>	<u>1,926,554</u>	<u>2,188,415</u>
Net assets (deficit), end of year	<u>\$ 33,177</u>	<u>\$ (38,890)</u>	<u>\$ 2,357,798</u>	<u>\$ 2,352,085</u>

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses
Year Ended May 31, 2000

	Transportation	Project			CSBG	Food Reimbursement	Shelter Fund	Olivier Street Project
		Summer Enrichment	Project Independence Jobs					
Salaries and wages	\$ 115,665	\$ 182,159	\$ 121,166	\$ 378,383	\$ 141,039	\$ -	\$ -	
Fringe benefits	23,304	17,029	26,159	55,516	26,766	-	-	
Retirement plan	3,470	5,465	3,636	11,351	4,231	-	-	
Total salaries and related expenses	142,439	204,653	150,961	445,250	172,036	-	-	
Contract services	-	-	-	38,484	-	-	-	
Travel	873	7,694	812	7,354	455	-	-	
Consumable supplies	3,505	27,614	4,684	25,529	17,416	-	-	
Space costs	-	-	-	47,821	4,700	-	-	
Repairs and maintenance	4,689	22,966	-	2,433	6,545	-	-	
Operating services	33,530	18,645	44,990	21,841	268,628	1,091	-	
Other	15,618	7,391	8,170	45,576	4,512	-	-	
Indirect costs	14,731	28,500	16,479	-	19,230	-	-	
In-kind contributions	-	-	-	-	-	-	-	
Total expenses before depreciation	215,385	317,463	226,096	634,288	493,522	1,091	-	
Depreciation of equipment	38,397	-	-	27,463	2,306	285	4,205	
Total expenses	\$ 253,782	\$ 317,463	\$ 226,096	\$ 661,751	\$ 495,828	\$ 1,376	\$ 4,205	

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses (Continued)

Year Ended May 31, 2000

	Weatherization	HUD	Local Government Support (Matching Fund)	St. Martin Emergency Assistance	Lafayette Community Action Council	Iberia Food & Medical	Homeless Family Shelter	Iberia Parish Special Trust
Salaries and wages	\$ 41,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843
Fringe benefits	13,477	-	-	-	-	-	-	-
Retirement plan	<u>1,256</u>	-	-	-	-	-	-	<u>150</u>
Total salaries and related expenses	56,596	-	-	-	-	-	-	2,993
Contract services	34,721	-	-	-	-	-	-	-
Travel	933	-	-	-	-	-	-	-
Consumable supplies	4,263	-	2,223	-	-	-	-	-
Space costs	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-
Operating services	38,748	-	26,871	26,725	-	-	-	-
Other	7,313	7,500	6,769	1,459	-	3,614	-	-
Indirect costs	-	-	-	464	-	-	-	410
In-kind contributions	-	-	-	-	-	-	-	-
Total expenses before depreciation	142,574	7,500	35,863	28,648	-	3,614	-	3,403
Depreciation of equipment	<u>294</u>	<u>530</u>	<u>720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 142,868</u>	<u>\$ 8,030</u>	<u>\$ 36,583</u>	<u>\$ 28,648</u>	<u>\$ -</u>	<u>\$ 3,614</u>	<u>\$ -</u>	<u>\$ 3,403</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses (Continued)
Year Ended May 31, 2000

	Lafayette Emergency Food & Shelter	Iberia Emergency Food & Shelter	Headstart	RSVP	Medicaid Enrollment	Cookbook Fund	Family Preservation	Payroll
Salaries and wages	\$ -	\$ -	\$ 2,220,883	\$ 36,420	\$ 14,315	\$ -	\$ 9,223	\$ -
Fringe benefits	-	-	381,192	6,808	2,801	-	2,178	-
Retirement plan	-	-	66,627	1,093	428	-	277	-
Total salaries and related expenses	-	-	2,668,702	44,321	17,544	-	11,678	-
Contract services	-	-	2,195,893	-	-	-	42	-
Travel	-	-	47,400	2,775	-	-	390	-
Consumable supplies	-	-	112,361	3,603	-	-	-	-
Space costs	-	-	137,059	-	-	-	-	-
Repairs and maintenance	-	-	37,522	-	-	-	-	-
Operating services	3,445	14,281	25,480	-	-	-	-	-
Other	-	-	240,156	7,798	-	1,013	1,371	-
Indirect costs	-	-	301,117	3,239	-	-	968	-
In-kind contributions	-	-	1,609,313	5,969	-	-	9,130	-
Total expenses before depreciation	3,445	14,281	7,375,003	67,705	17,544	1,013	23,579	-
Depreciation of equipment	-	-	189,042	1,451	-	-	-	-
Total expenses	\$ 3,445	\$ 14,281	\$ 7,564,045	\$ 69,156	\$ 17,544	\$ 1,013	\$ 23,579	\$ -

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses (Continued)
Year Ended May 31, 2000

	Accounts Payable	Home		Needy		Child Welfare		Indirect Cost Pool	Total
		Energy Assistance	Family Food Distribution	Early Childhood	Resource Center	General			
Salaries and wages	\$ -	\$ 12,120	\$ 11,028	\$ 66,077	\$ 74,337	\$ -	\$ 221,844	\$ 3,649,365	
Fringe benefits	-	1,891	4,409	14,532	9,254	-	30,728	616,044	
Retirement plan	-	29	331	1,982	2,230	-	6,657	109,213	
Total salaries and related expenses	-	14,040	15,768	82,591	85,821	-	259,229	4,374,622	
Contract services	-	-	-	-	8,289	-	41,520	2,318,949	
Travel	-	117	963	8,820	5,229	-	11,658	95,473	
Consumable supplies	-	-	4,877	-	27,931	-	4,681	238,687	
Space costs	-	-	-	-	24,190	-	-	213,770	
Repairs and maintenance	-	-	-	-	4,853	-	882	79,890	
Operating services	-	519,653	129,919	103,267	-	-	73,703	1,350,817	
Other	-	-	3,853	-	-	-	20,968	386,534	
Indirect costs	-	39,770	1,941	8,807	9,701	-	-	445,357	
In-kind contributions	-	-	-	45,160	-	-	-	1,669,572	
Total expenses before depreciation	-	573,580	157,321	248,645	166,014	3,453	412,641	11,173,671	
Depreciation of equipment	-	-	-	13,246	4,502	-	-	282,441	
Total expenses	\$ -	\$ 573,580	\$ 157,321	\$ 261,891	\$ 170,516	\$ 3,453	\$ 412,641	\$ 11,456,112	

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Cash Flows
Year Ended May 31, 2000

Cash flows from operating activities:	
Change in net assets	<u>\$163,670</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	282,441
Loss on disposals	9,904
Increase in grant receivables	(305,552)
Increase in other receivables	(2,100)
Decrease in prepaid expenses	7,439
Decrease in inventory	211
Increase in accounts payable	446,433
Decrease in retirement plan payable	(68,190)
Decrease in unearned grants	(48,172)
Increase in other liabilities	<u>395,353</u>
Total adjustments	<u>717,767</u>
Net cash provided by operating activities	881,437
Cash flows from investing activities:	
Payments for property and equipment	(723,589)
Cash flows from financing activities:	
Payments of van notes	<u>(20,500)</u>
Net increase in cash and cash equivalents	137,348
Beginning cash and cash equivalents	<u>403,524</u>
Ending cash and cash equivalents	<u><u>\$540,872</u></u>

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The St. Martin, Iberia, Lafayette Community Action Agency, Inc. (SMILE) was created under the Economic Opportunity Act of 1964, as amended, to serve as the antipoverty agency, providing human services for the indigent and disadvantaged through research, planning, development, financing, implementation and evaluation of programs, either directly or through coordinating with other agencies, to attain social and economic independence for the benefit of all present and future generations of disadvantaged people in the Tri-Parish area. St. Martin, Iberia, Lafayette Community Action Agency, Inc. is comprised of eighteen board members, who are equal in numbers from the Community Action Councils of the St. Martin, Iberia, and Lafayette Parishes of Louisiana.

B. Basis of Accounting

The Agency has adopted the provisions of Statements of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made". As such, contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Those donor restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support.

The Agency reports gifts of buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments available for current use to be cash equivalents.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (Continued)

D. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred.

E. Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. No liability is accrued in these financial statements because the accumulated amount of accrued compensated absences is immaterial at year end.

F. Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

G. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, changes in net assets and cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(2) Cash

At May 31, 2000, SMILE had cash (book balances) totaling \$540,872. These deposits are stated at cost which approximates market. These deposits (bank balances) totaled \$716,166, and are fully insured by FDIC insurance and securities pledged at May 31, 2000.

(3) Inventory

Inventory consists of commodities valued at cost determined by the U. S. Department of Agriculture.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (Continued)

(4) Due To/From Other Funds

Individual balances due to/from other funds at May 31, 2000 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Transportation	\$ 3,977	\$ 21,020
Summer Enrichment	7,319	2,138
Early Headstart	26,583	11,467
Child Welfare Resource Center	1,307	10,280
Project Independence	41,390	18,913
CSBG	2,170	108,498
Food Reimbursement	-	70,681
Olivier Street Project	-	10
Weatherization	2,473	-
HUD	8,121	3,601
Local Government Support	18,717	19,409
St. Martin Parish Emergency Food Shelter	-	385
Iberia Food and Medical	583	263
Homeless Family Shelter	1,868	-
Iberia Parish Special Trust	12,082	1,017
Lafayette Emergency Food Shelter	26	-
Headstart	165,365	106,272
RSVP	419	14,692
Medicaid Enrollment	3,521	971
Family Preservation	4,052	2,939
Payroll Fund	163,113	-
Accounts Payable	186	62,246
Home Energy Assistance	3,254	9,408
Needy Family Food Distribution	-	10,741
General	16,700	-
Indirect Cost Pool	17,523	25,798
	<u>\$ 500,749</u>	<u>\$ 500,749</u>

Of the amounts recorded as due to/from other funds, \$163,113 relates to accrued payroll and \$17,523 relates to indirect costs payable.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (Continued)

(5) Line of Credit

SMILE, Inc. has an open line of credit of \$500,000 with Hibernia Bank, bearing interest at 8.71 percent, due February 17, 2001. At May 31, 2000 the amount drawn on the available line of credit was \$197,125 with a balance of \$302,875 remaining to be drawn from the account.

(6) Commitments and Contingencies

A. Contingent Liabilities

At May 31, 2000, the St. Martin, Iberia, Lafayette Community Action Agency, Inc. was involved in one lawsuit. In the opinion of legal counsel for SMILE, Inc., because of the stage of litigation, an evaluation of the likelihood of an unfavorable outcome and an estimate of the dollar amount or range of potential loss cannot be made.

B. Grant audits

SMILE, Inc. receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and SMILE, Inc. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect SMILE, Inc.'s financial position.

(7) Retirement Plan

The Agency has a retirement plan that covers all employees meeting specific age and length of service requirements. The Agency will contribute to the plan the amount determined by the Agency at its discretion. The Agency may choose not to contribute to the plan for a particular plan year. Agency contributions for the year ending May 31, 2000, was \$109,547.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (Continued)

(8) Economic Dependency

The Agency receives the majority of its revenue from funds provided through grants administered by the U.S. Department of Health and Human Services. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Agency receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Agency will receive in the next fiscal year.

(9) In-Kind Contributions

The Agency is allowed free use of certain facilities by landlords and is donated services by individuals. In-kind contributions are valued at the fair market value of the rent or services donated on the date of donation.

(10) Property, Equipment and Depreciation

Depreciation of property and equipment is calculated on the straight line basis over the estimated useful lives of the assets. The Agency follows the capitalization policy of its cognizant agency by capitalizing all equipment costing \$250 or more. The cost of such assets at May 31, 2000, is as follows:

Furniture, Fixtures and equipment	\$ 783,929
Automobiles	999,039
Buildings and improvements	2,018,636
Construction in progress	316,381
	<hr/>
Total	4,117,985
Less: Accumulated depreciation	(1,760,187)
	<hr/>
	<u>\$2,357,798</u>

(11) Notes Payable

In February, 2000, the Agency entered into an agreement to purchase two vehicles. The original amounts of the loans were \$39,481 bearing interest at 7.5 percent, with monthly payments of \$791 for 60 months. The notes payable balance is included in other liabilities on the Statement of Financial Position.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (Continued)

Following is the maturity of the loan for next five years:

2001	\$ 6,598
2002	7,424
2003	8,001
2004	8,621
2005	6,903
Total	<u>\$ 37,547</u>

The total amount of interest charged to expense at May 31, 2000 is \$854. It is the Agency's intent to use local funds to retire this debt each year.

(12) Individual Program Deficits

The following programs had deficit net assets at May 31, 2000:

Transportation	\$ 42,421
Early Childhood	255,339

The deficits are expected to be funded by future program revenues and/or local support monies.

(13) Operating Leases

The Agency is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, therefore the results of these agreements are not reflected in the agency's Equipment Fund.

The following is a schedule, by years, of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of May 31, 2000:

<u>Year Ending May 31,</u>	<u>Amounts</u>
2001	\$ 40,694
2002	<u>26,998</u>
Total minimum payments required	<u>\$ 67,692</u>

SUPPLEMENTAL INFORMATION

SCHEDULE OF INDIVIDUAL FUNDS

DIRECT FEDERAL PROGRAMS

Department of Health and Human Services

Head Start Program

The Head Start Program provides comprehensive early child development for disadvantaged pre-school children and their families. As part of this program, the grantee also operates a food program for qualifying students on a cost reimbursement basis through the United States Department of Agriculture. The grantee has contracted with the Lafayette Parish School Board to act as its delegate agency in Lafayette Parish.

Training and Technical Assistance Programs

This special grant provides for the training and certification of Head Start Program instructors.

Handicapped Program

This grant extends the Head Start Program to include handicapped children.

Medicaid Enrollment

This grant allows SMILE to offer outreach medicaid eligibility services to specific groups of individuals by assisting potential medicaid eligibles to complete an initial application for health care coverage and in some instances by assisting medicaid beneficiaries with the recertification process.

The Corporation for National Service

Retired Senior Volunteer Program (RSVP)

The purpose of this grant is to involve senior citizens in community participation projects.

Department of Housing and Urban Development

HUD Housing Counseling Program

The purpose of this grant is to provide comprehensive housing counseling to assist in improving the individual's housing conditions.

INDIRECT FEDERAL PROGRAMS

The Agency receives federal funds as the subgrantee of various departments of the State of Louisiana. The various state departments have the ultimate responsibility of reporting to the federal grantors.

Project Independence Jobs

Provides transportation for participants and their designated children.

Department of Labor

The Community Services Block Grant Program (CSBG) provides various direct program services to the needy and defrays a portion of the Agency's administrative costs.

Department of Agriculture

The Needy Family Food Distribution Program provides USDA-donated food commodities to needy households in the Tri-Parish area.

Department of Social Services

Weatherization Assistance Program grants and Low Income Home Energy Assistance Program (LIHEAP) grants provide services to assist needy individuals in home insulation.

Department of Social Services

Low Income Home Energy Assistance Program - This program provides direct payments to home energy suppliers on behalf of eligible households.

Department of Social Services

Child Welfare Resource Center -- This program will establish a center to ensure the safety, well being and permanency of families who are at risk of dissolution as a result of child abuse and/or neglect.

Department of Education

The Child Care Feeding Program provides balanced meals to qualified children and adults in the Tri-Parish area Child Development Programs.

Emergency Food and Shelter National Board Program

This grant provides emergency food and shelter assistance to qualified individuals in the parishes of St. Martin, Iberia and Lafayette.

Department of Housing and Urban Development

The Community Development Block Grant Program (CDBG) is to provide funds to renovate homeless shelters and provide emergency shelter for homeless persons. These funds were obtained by a grant agreement with the Lafayette Consolidated Government.

STATE PROGRAMS

Louisiana Housing Finance Agency

The Community Housing Development Organization Program provides funds for operational expenses and expenses for training and technical, legal, engineering and other assistance necessary to identify potential sites for housing projects.

LOCAL PROGRAMS

The Agency receives grants from local governmental bodies and non-profit organizations.

Lafayette Community Action Council

Funded by United Way of Acadiana and other local grants and contributions, this program provides energy, rent, medical and food assistance on a one time basis to qualified individuals in Lafayette parish.

Iberia Food and Medical

Funded by United Way of Iberia and other local grants and contributions, this grant provides medical and food assistance on a one time basis to qualified individuals in Iberia Parish.

Iberia Parish Special Trust

This is a special grant from the Iberia Parish Council in support of the U.S.D.A. Commodity Distribution Program for Iberia Parish.

St. Martin Parish Emergency Assistance

Funded by local contributions, this program provides emergency energy, rent and medical assistance to the qualified elderly of St. Martin Parish.

Local Government Support (Matching Fund)

Programs that provide supplementary assistance for established programs or matching requirements for established programs.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position - Current Funds
May 31, 2000

	Transportation	Summer Enrichment	Project Independence Jobs	CSBG	Early Childhood	Food Reimbursement
ASSETS						
Cash	\$ 14,828	\$ 369	\$ 7,111	\$ 71,870	\$ 17,842	\$ 22,320
Receivables:						
Grant funds	-	-	9,480	44,656	-	131,557
Due from other funds	3,977	7,319	41,390	-	26,583	2,170
Other	-	-	-	-	-	-
Prepaid expenses	86	-	769	644	-	784
Inventory	-	-	-	-	-	-
Total assets	<u>\$ 18,891</u>	<u>\$ 7,688</u>	<u>\$ 58,750</u>	<u>\$117,170</u>	<u>\$ 44,425</u>	<u>\$ 156,831</u>
LIABILITIES						
Accounts payable	\$ 1,449	\$ 85	\$ 708	\$ 4,164	\$ 1,694	\$ 13,750
Retirement plan payable	1,296	5,465	1,818	4,508	-	1,305
Due to other funds	21,020	2,138	18,913	108,498	11,467	70,681
Unearned grants	-	-	-	-	-	-
Other liabilities	37,547	-	24,139	-	286,603	21,798
Total liabilities	<u>61,312</u>	<u>7,688</u>	<u>45,578</u>	<u>117,170</u>	<u>299,764</u>	<u>107,534</u>
NET ASSETS						
Unrestricted	-	-	-	-	-	-
Temporarily restricted	(42,421)	-	13,172	-	(255,339)	49,297
Total net assets (deficit)	<u>(42,421)</u>	<u>-</u>	<u>13,172</u>	<u>-</u>	<u>(255,339)</u>	<u>49,297</u>
Total liabilities and net assets	<u>\$ 18,891</u>	<u>\$ 7,688</u>	<u>\$ 58,750</u>	<u>\$117,170</u>	<u>\$ 44,425</u>	<u>\$ 156,831</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position - Current Funds (Continued)
May 31, 2000

	Shelter Fund	Olivier Street Project	Weatherization	IIUD	Local Government Support (Matching Fund)	St. Martin Parish Emergency Assistance
ASSETS						
Cash	\$ 903	\$ 10	\$ 1,300	\$ 20,724	\$ 33,344	\$ 9,961
Receivables:						
Grant funds	-	-	-	-	4,405	-
Due from other funds	-	-	2,473	8,121	18,717	-
Other	-	-	-	-	-	-
Prepaid expenses	-	-	29	-	-	-
Inventory	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 903</u>	<u>\$ 10</u>	<u>\$ 3,802</u>	<u>\$ 28,845</u>	<u>\$ 56,466</u>	<u>\$ 9,961</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 1,640	\$ 107	\$ 4,559	\$ -
Retirement plan payable	-	-	1,520	-	-	-
Due to other funds	-	10	-	3,601	19,409	385
Unearned grants	-	-	-	-	-	9,576
Other liabilities	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>10</u>	<u>3,160</u>	<u>3,708</u>	<u>23,968</u>	<u>9,961</u>
NET ASSETS						
Unrestricted	-	-	-	-	-	-
Temporarily restricted	903	-	642	25,137	32,498	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets (deficit)	<u>903</u>	<u>-</u>	<u>642</u>	<u>25,137</u>	<u>32,498</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 903</u>	<u>\$ 10</u>	<u>\$ 3,802</u>	<u>\$ 28,845</u>	<u>\$ 56,466</u>	<u>\$ 9,961</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position - Current Funds (Continued)
May 31, 2000

	Lafayette Community Action Council	Iberia Food & Medical	Homeless Family Shelter	Iberia Parish Special Trust	Lafayette Emergency Food & Shelter	Iberia Emergency Food & Shelter
ASSETS						
Cash	\$ 5	\$ 1,837	\$ 1,421	\$ 58	\$ 2,555	\$ 4,885
Receivables:						
Grant funds	-	-	-	-	-	-
Due from other funds	-	583	1,868	12,082	26	-
Other	-	-	-	-	-	-
Prepaid expenses	-	-	15	8	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 5	\$ 2,420	\$ 3,304	\$ 12,148	\$ 2,581	\$ 4,885
LIABILITIES						
Accounts payable	\$ -	\$ 576	\$ -	\$ 397	\$ -	\$ -
Retirement plan payable	-	-	-	633	-	-
Due to other funds	-	263	-	1,017	-	-
Unearned grants	-	-	-	-	2,581	-
Other liabilities	-	-	-	-	-	-
Total liabilities	-	839	-	2,047	2,581	-
NET ASSETS						
Unrestricted	-	-	-	-	-	-
Temporarily restricted	5	1,581	3,304	10,101	-	4,885
Total net assets (deficit)	5	1,581	3,304	10,101	-	4,885
Total liabilities and net assets	\$ 5	\$ 2,420	\$ 3,304	\$ 12,148	\$ 2,581	\$ 4,885

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position - Current Funds (Continued)

May 31, 2000

	<u>Headstart</u>	<u>RSVP</u>	<u>Medicaid Enrollment</u>	<u>Cookbook Fund</u>	<u>Family Preservation</u>	<u>Payroll</u>
ASSETS						
Cash	\$ 35,602	\$ 16,880	\$ 6,878	\$ 581	\$ 1,522	\$ 7,071
Receivables:						
Grant funds	449,385	7,083	3,752	-	2,592	-
Due from other funds	165,365	419	3,521	-	4,052	163,113
Other	-	-	-	-	-	2,100
Prepaid expenses	6,592	34	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	<u>\$ 656,944</u>	<u>\$ 24,416</u>	<u>\$ 14,151</u>	<u>\$ 581</u>	<u>\$ 8,166</u>	<u>\$ 172,284</u>
LIABILITIES						
Accounts payable	\$ 548,162	\$ 399	\$ -	\$ -	\$ 541	\$ 5,178
Retirement plan payable	2,510	485	180	-	140	-
Due to other funds	106,272	14,692	971	-	2,939	-
Unearned grants	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	167,106
Total liabilities	<u>656,944</u>	<u>15,576</u>	<u>1,151</u>	<u>-</u>	<u>3,620</u>	<u>172,284</u>
NET ASSETS						
Unrestricted	-	-	-	581	-	-
Temporarily restricted	-	8,840	13,000	-	4,546	-
Total net assets (deficit)	<u>-</u>	<u>8,840</u>	<u>13,000</u>	<u>581</u>	<u>4,546</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 656,944</u>	<u>\$ 24,416</u>	<u>\$ 14,151</u>	<u>\$ 581</u>	<u>\$ 8,166</u>	<u>\$ 172,284</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position - Current Funds (Continued)
May 31, 2000

	Child Welfare Resource Center	Accounts Payable	Home Energy Assistance	Needy Family Food Distribution	General	Indirect Cost Pool	Total
ASSETS							
Cash	\$ 14,052	\$ 99,437	\$ 35,465	\$ 215	\$ 18,083	\$ 93,743	\$ 540,872
Receivables:							
Grant funds	-	-	64,029	7,246	-	5,361	729,546
Due from other funds	1,307	186	3,254	-	16,700	17,523	500,749
Other	-	-	-	-	-	-	2,100
Prepaid expenses	-	-	-	-	-	1,113	10,074
Inventory	-	-	-	15,837	-	-	15,837
Total assets	\$ 15,359	\$ 99,623	\$ 102,748	\$ 23,298	\$ 34,783	\$117,740	\$1,799,178
LIABILITIES							
Accounts payable	\$ 2,155	\$ 37,377	\$ 60,662	\$ 119	\$ 2,187	\$ 73	\$ 685,982
Retirement plan payable	-	-	-	-	-	2,893	22,753
Due to other funds	10,280	62,246	9,408	10,741	-	25,798	500,749
Unearned grants	-	-	32,413	12,438	-	-	57,008
Other liabilities	941	-	265	-	-	-	538,399
Total liabilities	13,376	99,623	102,748	23,298	2,187	28,764	1,804,891
NET ASSETS							
Unrestricted	-	-	-	-	32,596	-	33,177
Temporarily restricted	1,983	-	-	-	-	88,976	(38,890)
Total net assets (deficit)	1,983	-	-	-	32,596	88,976	(5,713)
Total liabilities and net assets	\$ 15,359	\$ 99,623	\$ 102,748	\$ 23,298	\$ 34,783	\$117,740	\$1,799,178

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities - Current Funds
Year Ended May 31, 2000

	Transportation	Summer Enrichment	Project Independence Jobs	CSBG	Early Childhood	Food Reimbursement
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ 45,160	\$ -
Donations	-	-	-	-	-	-
Total public support	-	-	-	-	45,160	-
Grants from governmental agencies	164,834	229,335	153,239	650,795	351,992	501,820
Other revenue:						
Miscellaneous	22,666	-	-	-	-	105,052
Total public support, grants from governmental agencies and other revenue	187,500	229,335	153,239	650,795	397,152	606,872
Expenses:						
Direct costs -						
Salaries and wages	115,665	182,159	121,166	378,383	66,077	141,039
Fringe benefits	23,304	17,029	26,159	55,516	14,532	26,766
Retirement plan	3,470	5,465	3,636	11,351	1,982	4,231
Contract services	-	-	-	38,484	-	-
Travel	873	7,694	812	7,354	8,820	455
Consumable supplies	3,505	27,614	4,684	25,529	-	17,416
Space costs	-	-	-	47,871	-	4,700
Repairs and maintenance	4,689	22,966	-	2,433	-	6,545
Operating services	33,530	18,645	44,990	21,841	103,267	268,628
Other	15,618	7,391	8,170	45,576	-	4,512
Indirect costs	14,731	28,500	16,479	-	8,807	19,230
In-kind contributions	-	-	-	-	45,160	-
Total expenses	215,385	317,463	226,096	634,288	248,645	493,522
Public support, grants from governmental agencies and other revenue over (under) expenses	(27,885)	(88,128)	(72,857)	16,507	148,507	113,350
Other changes in net assets:						
Operating transfers in	101,575	37,794	105,474	-	10,926	34,299
Operating transfers out	(29,433)	-	(63,094)	-	-	(98,352)
Indirect cost transferred from programs	-	-	-	-	-	-
Addition to property and equipment	(86,678)	-	-	(16,507)	(414,772)	-
Net assets (deficit), beginning of year	-	50,334	43,649	-	-	-
Net assets (deficit), end of year	\$ (42,421)	\$ -	\$ 13,172	\$ -	\$ (255,339)	\$ 49,297

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities - Current Funds (Continued)
Year Ended May 31, 2000

	Shelter Fund	Olivier Street Project	Weatherization	HUD	Local Government Support (Matching Fund)	St. Martin Parish Emergency Assistance
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ 1,746	\$ -
Donations	1,000	-	-	-	-	-
Total public support	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,746</u>	<u>-</u>
Grants from governmental agencies	-	-	152,536	1,206	140,335	28,648
Other revenue:						
Miscellaneous	160	-	-	-	5,246	-
Total public support, grants from governmental agencies and other revenue	<u>1,160</u>	<u>-</u>	<u>152,536</u>	<u>1,206</u>	<u>147,327</u>	<u>28,648</u>
Expenses:						
Direct costs -						
Salaries and wages	-	-	41,863	-	-	-
Fringe benefits	-	-	13,477	-	-	-
Retirement plan	-	-	1,256	-	-	-
Contract services	-	-	34,721	-	-	-
Travel	-	-	933	-	-	-
Consumable supplies	-	-	4,263	-	2,223	-
Space costs	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Operating services	1,091	-	38,748	-	26,871	26,725
Other	-	-	7,313	7,500	6,769	1,459
Indirect costs	-	-	-	-	-	464
In-kind contributions	-	-	-	-	-	-
Total expenses	<u>1,091</u>	<u>-</u>	<u>142,574</u>	<u>7,500</u>	<u>35,863</u>	<u>28,648</u>
Public support, grants from governmental agencies and other revenue over (under) expenses	69	-	9,962	(6,294)	111,464	-
Other changes in net assets:						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	(145,143)	-
Indirect cost transferred from programs	-	-	-	-	-	-
Addition to property and equipment	-	-	-	-	(13,577)	-
Net assets (deficit), beginning of year	<u>834</u>	<u>-</u>	<u>(9,320)</u>	<u>31,431</u>	<u>79,754</u>	<u>-</u>
Net assets (deficit), end of year	<u>\$ 903</u>	<u>\$ -</u>	<u>\$ 642</u>	<u>\$ 25,137</u>	<u>\$ 32,498</u>	<u>\$ -</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities - Current Funds (Continued)
Year Ended May 31, 2000

	Lafayette Community Action Council	Iberia Food & Medical	Homeless Family Shelter	Iberia Parish Special Trust	Lafayette Emergency Food & Shelter	Iberia Emergency Food & Shelter
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-	-
Total public support	-	-	-	-	-	-
Grants from governmental agencies	-	2,916	-	-	3,445	19,100
Other revenue:						
Miscellaneous	-	-	-	-	-	-
Total public support, grants from governmental agencies and other revenue	-	2,916	-	-	3,445	19,100
Expenses:						
Direct costs -						
Salaries and wages	-	-	-	2,843	-	-
Fringe benefits	-	-	-	-	-	-
Retirement plan	-	-	-	150	-	-
Contract services	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-
Space costs	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Operating services	-	-	-	-	3,445	14,281
Other	-	3,614	-	-	-	-
Indirect costs	-	-	-	410	-	-
In-kind contributions	-	-	-	-	-	-
Total expenses	-	3,614	-	3,403	3,445	14,281
Public support, grants from governmental agencies and other revenue over (under) expenses	-	(698)	-	(3,403)	-	4,819
Other changes in net assets:						
Operating transfers in	-	-	-	13,504	-	-
Operating transfers out	-	-	-	-	-	-
Indirect cost transferred from programs	-	-	-	-	-	-
Addition to property and equipment	-	-	-	-	-	-
Net assets (deficit), beginning of year	5	2,279	3,304	-	-	66
Net assets (deficit), end of year	\$ 5	\$ 1,581	\$ 3,304	\$ 10,101	\$ -	\$ 4,885

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities - Current Funds (Continued)
Year Ended May 31, 2000

	<u>Headstart</u>	<u>RSVP</u>	<u>Medicaid Enrollment</u>	<u>Cookbook Fund</u>	<u>Family Preservation</u>	<u>Payroll</u>
Public support:						
In-kind contributions	\$1,609,313	\$ 439	\$ -	\$ -	\$ 9,998	\$ -
Donations	-	-	-	245	135	-
Total public support	<u>1,609,313</u>	<u>439</u>	<u>-</u>	<u>245</u>	<u>10,133</u>	<u>-</u>
Grants from governmental agencies	5,973,186	53,763	19,596	-	13,442	-
Other revenue:						
Miscellaneous	<u>6,185</u>	<u>4,956</u>	<u>-</u>	<u>89</u>	<u>-</u>	<u>-</u>
Total public support, grants from governmental agencies and other revenue	<u>7,588,684</u>	<u>59,158</u>	<u>19,596</u>	<u>334</u>	<u>23,575</u>	<u>-</u>
Expenses:						
Direct costs -						
Salaries and wages	2,220,883	36,420	14,315	-	9,223	-
Fringe benefits	381,192	6,808	2,801	-	2,178	-
Retirement plan	66,627	1,093	428	-	277	-
Contract services	2,195,893	-	-	-	42	-
Travel	47,400	2,775	-	-	390	-
Consumable supplies	112,361	3,603	-	-	-	-
Space costs	137,059	-	-	-	-	-
Repairs and maintenance	37,522	-	-	-	-	-
Operating services	25,480	-	-	-	-	-
Other	240,156	7,798	-	1,013	1,371	-
Indirect costs	301,117	3,239	-	-	968	-
In-kind contributions	<u>1,609,313</u>	<u>5,969</u>	<u>-</u>	<u>-</u>	<u>9,130</u>	<u>-</u>
Total expenses	<u>7,375,003</u>	<u>67,705</u>	<u>17,544</u>	<u>1,013</u>	<u>23,579</u>	<u>-</u>
Public support, grants from governmental agencies and other revenue over (under) expenses	213,681	(8,547)	2,052	(679)	(4)	-
Other changes in net assets:						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(34,362)	-	-	-	-	-
Indirect cost transferred from programs	-	-	-	-	-	-
Addition to property and equipment	(179,319)	-	-	-	-	-
Net assets (deficit), beginning of year	<u>-</u>	<u>17,387</u>	<u>10,948</u>	<u>1,260</u>	<u>4,550</u>	<u>-</u>
Net assets (deficit), end of year	<u>\$ -</u>	<u>\$ 8,840</u>	<u>\$ 13,000</u>	<u>\$ 581</u>	<u>\$ 4,546</u>	<u>\$ -</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities - Current Funds (Continued)
Year Ended May 31, 2000

	Child Welfare Resource Center	Accounts Payable	Home Energy Assistance	Needy Family Food Distribution	General	Indirect Cost Pool	Total
Public support:							
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,666,656
Donations	-	-	-	-	9,450	-	10,830
Total public support	-	-	-	-	9,450	-	1,677,486
Grants from governmental agencies	180,733	-	559,924	155,250	-	-	9,356,095
Other revenue:							
Miscellaneous	-	-	-	-	224	6,170	150,748
Total public support, grants from governmental agencies and other revenue	<u>180,733</u>	<u>-</u>	<u>559,924</u>	<u>155,250</u>	<u>9,674</u>	<u>6,170</u>	<u>11,184,329</u>
Expenses:							
Direct costs -							
Salaries and wages	74,337	-	12,120	11,028	-	221,844	3,649,365
Fringe benefits	9,254	-	1,891	4,409	-	30,728	616,044
Retirement plan	2,230	-	29	331	-	6,657	109,213
Contract services	8,289	-	-	-	-	41,520	2,318,949
Travel	5,229	-	117	963	-	11,658	95,473
Consumable supplies	27,931	-	-	4,877	-	4,681	238,687
Space costs	24,190	-	-	-	-	-	213,770
Repairs and maintenance	4,853	-	-	-	-	882	79,890
Operating services	-	-	519,653	129,919	-	73,703	1,350,817
Other	-	-	-	3,853	3,453	20,968	386,534
Indirect costs	9,701	-	39,770	1,941	-	-	445,357
In-kind contributions	-	-	-	-	-	-	1,669,572
Total expenses	<u>166,014</u>	<u>-</u>	<u>573,580</u>	<u>157,321</u>	<u>3,453</u>	<u>412,641</u>	<u>11,173,671</u>
Public support, grants from governmental agencies and other revenue over (under) expenses	14,719	-	(13,656)	(2,071)	6,221	(406,471)	10,658
Other changes in net assets:							
Operating transfers in	-	-	-	-	83,352	-	386,924
Operating transfers out	-	-	-	(3,720)	(12,820)	-	(386,924)
Indirect cost transferred from programs	-	-	-	-	-	445,357	445,357
Addition to property and equipment	(12,736)	-	-	-	-	-	(723,589)
Net assets (deficit), beginning of year	-	-	13,656	5,791	(44,157)	50,090	261,861
Net assets (deficit), end of year	<u>\$ 1,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,596</u>	<u>\$ 88,976</u>	<u>\$ (5,713)</u>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Indirect Cost Pool
 Statement of Revenue and Expenses
 Year Ended May 31, 2000

	<u>Indirect Cost Pool</u>
Revenue	
Indirect cost revenues	<u>\$ 451,527</u>
Expenses	
Direct costs:	
Salaries and wages	221,844
Fringe benefits	30,728
Retirement expense	6,657
Contract services	41,520
Travel	11,658
Consumable supplies	4,681
Repairs and maintenance	882
Other	20,968
Operating services -	
Copy machine expense	14,185
Auto expenses	6,355
Professional fees	9,060
Rent	10,127
Utilities and telephone	11,209
Office supplies	6,414
Publications and subscriptions	5,864
Insurance - general	7,990
Employee development	<u>2,499</u>
Total expenses	<u>412,641</u>
Excess of revenue over expenses	<u><u>\$ 38,886</u></u>

COMPLIANCE, INTERNAL CONTROL

AND

OTHER GRANT INFORMATION

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

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

We have audited the financial statements of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization) as of and for the year ended May 31, 2000, and have issued our report thereon dated August 15, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 St. Martin, Iberia, Lafayette Community Action Agency, Inc. 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 an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned cost in Part II, Section A, reference number 00-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule findings and questioned cost in Part II, Section B, reference number 00-2.

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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 the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management, 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.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
August 15, 2000

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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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
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

Compliance

We have audited the compliance of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. (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 that are applicable to each of its major federal programs for the year ended May 31, 2000. The St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, the St. Martin, Iberia, Lafayette Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended May 31, 2000. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs in Part III, reference number 00-3.

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Internal Control Over Compliance

The management of the St. Martin, Iberia, Lafayette, Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management, 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.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
August 15, 2000

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Expenditures of Federal Awards
Year Ended May 31, 2000

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Health and Human Services</u>			
Direct Programs:			
Headstart*	93.600	-	\$ 3,846,117
Early Headstart	93.600	-	301,876
Passed-Through:			
Lafayette Parish School Board			2,127,069
State Department of Social Services -			
Office of Community Services -			
Home Energy Assistance Program	93.568	528403	573,580
Family Preservation	93.556	549540	23,579
State Department of Social Services -			
Office of Family Support -			
Project Independence	93.561	543283	226,096
Summer Enrichment	93.561	519989	317,463
Child Welfare Resource Center	93.556	539927	178,750
State Department of Labor -			
Community Service Block Grant*	93.569	99N0024	650,795
State Department of Health and Hospitals -			
Medicaid Enrollment Program	93.775	4050668	<u>17,544</u>
Total Department of Health and Human Services			<u>8,262,869</u>
<u>The Corporation for National Service</u>			
Direct Program:			
Retired Senior Volunteer Program	94.002	-	<u>67,705</u>
<u>U. S. Department of Housing and Urban Development</u>			
Direct Program:			
Housing Counseling Assistance Program	14.169	-	<u>7,500</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Expenditures of Federal Awards (continued)
Year Ended May 31, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Agriculture</u>			
Passed-Through:			
State Department of Agriculture - Needy Family Food Distribution	10.550	-	157,321
State Department of Education - Food Reimbursement*	10.558	-	<u>493,522</u>
Total Department of Agriculture			<u>650,843</u>
 <u>Department of Energy</u>			
Passed-Through:			
State Department of Social Services - Office of Community Services - Weatherization	81.042	515946	<u>142,574</u>
 <u>Other Federal Assistance</u>			
FEMA:			
Emergency Food and Shelter			
Iberia	83.523	-	14,281
St. Martin	83.523	-	<u>28,648</u>
Total other federal assistance			<u>42,929</u>
Total expenditures of federal awards			<u>\$ 9,174,420</u>

*Major federal financial assistance programs.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Schedule of Expenditures of Federal Awards
Year Ended May 31, 2000

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. The St. Martin, Iberia, Lafayette, Community Action Agency, Inc. reporting entity is defined in Note 1 to the financial statements for the year ended May 31, 2000. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Head Start, Community Service Block Grant and Food Reimbursement Programs were considered major federal programs for the St. Martin, Iberia, Lafayette Community Action Agency, Inc.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the St. Martin, Iberia, Lafayette, Community Action Agency, Inc. 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.

(3) Relationship to Federal Financial Reports

A reconciliation of total expenditures of federal awards reported in the Schedule of Expenditures of Federal Awards to total expenses per statement of functional expenses is as follows:

Total expenses per statement of functional expenses	\$11,456,112
Add: Equipment additions	723,589
Less: In-kind contributions	1,664,910
Depreciation	282,441
Non-federal expenses	<u>1,057,930</u>
Total expenditures per schedule of federal awards	<u>\$ 9,174,420</u>

The total in-kind contributions of \$1,664,910 and depreciation expense in the amount of \$282,441 were for federal programs.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Costs
Year Ended May 31, 2000

Part I. Summary of Auditor's Results:

1. The auditors' report expresses an unqualified opinion on the financial statements of St. Martin, Iberia, Lafayette Community Action Agency, Inc.
2. A reportable condition in internal control was disclosed by the audit of the financial statements.
3. An instance of noncompliance was disclosed by the audit of the financial statements.
4. No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.
5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion on all major programs.
6. Audit findings relative to the major federal award programs are reported in this schedule.
7. The major programs were:
U. S. Department of Health and Human Services: Headstart, CFDA 93.600.
U. S. Department of Health and Human Services/ State Department of Labor, CFDA 93.569.
U. S. Department of Agriculture/Department of Education: Food Reimbursement, CFDA 10.558.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. SMILE did not qualify as a low risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Finding -

00-1 Noncompliance with Debt Restriction Laws

Condition: SMILE incurred debt without proper approval from the State Bond Commission.

Criteria: SMILE is required by LSA-R.S. 39:1410.60-1410.65 to receive State Bond Commission approval before incurring debt.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended May 31, 2000

Effect: SMILE is in violation of LSA-R.S. 39:1410.60-1410.65, Debt Restriction Laws.

Recommendation: We recommend that proper approval be obtained before any debt is incurred.

Response: We were unaware of this statute. We concur with the recommendation. SMILE will apply to the State Bond Commission for any further debt.

B. Internal Control Finding --

00-2 Accurate reconciliation of certain Balance Sheet accounts

Condition: Reconciliation of certain balance sheet accounts to supporting documentation were not being performed.

Criteria: Internal controls should be in place that provide reasonable assurances that balance sheet accounts are being reconciled on a monthly basis to supporting documentation.

Effect: Amounts were recorded in the financial statements twice or remained on the financial statements when they should have been removed. This resulted in inaccurate financial statements during the year.

Recommendation: We recommend that all balance sheet accounts be accurately reconciled on a monthly basis.

Response: We concur with the recommendation. The reconciliation of accounts will be performed on a monthly basis.

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

00-3 U. S. Department of Health and Human Services/ State Department of Labor, CFDA 93.569

Condition: Application for assistance could not be located in an applicants file.

Criteria: Compliance requirements for this grant require that applications for assistance for all applicants be maintained in the applicants file.

Effect: The applicants file was not completed properly.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended May 31, 2000

Population and sample size: A population of 25 applicant files were selected for compliance testing. One instance of noncompliance was noted.

Recommendation: We recommend that all applicant files be checked to verify that all required information is included.

Response: We concur with the recommendation. All applicant files will be checked to verify that all required information is included.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Summary Schedule of Prior Audit Findings
Year Ended May 31, 2000

Description of Finding/ Management letter comment	Status
I. <u>Internal control finding</u>	
99-1 Monthly bank reconciliations were not being performed.	Corrective action was taken.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Management's Corrective Action Plan
Year Ended May 31, 2000

Schedule of Findings and Questioned Costs – part II, Section A, Finding 00-1:

The St. Martin, Iberia, Lafayette Community Action Agency, Inc. will apply for State Bond Commission approval for all future debt with a maturity beyond one year. Ms. Helen Boyance, Executive Director, will ensure that State Bond Commission approval is obtained for all future debt.

Schedule of Findings and Questioned Costs – part II, Section B, Finding 00-2

The St. Martin, Iberia, Lafayette Community Action Agency, Inc. will reconcile balance sheet accounts on a monthly basis. Brenda Foulcard, Director of Finance, will begin to reconcile all balance sheet accounts. Anticipated date of completion will be October 2000.

Schedule of Findings and Questioned Costs – part III, Finding 00-3

The St. Martin, Iberia, Lafayette Community Action Agency, Inc. will check applicant files to verify all required information is included. This finding was addressed by Ms. Irma Bourgeois on June 8, 2000.