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ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

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JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Landry Community Services, Inc.
Opelousas, Louisiana

We have audited the accompanying statements of financial position of St. Landry Community Services, Inc., a nonprofit corporation, as of June 30, 2003 and 2002, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of St. Landry Community Services, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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. Landry Community Services, Inc., as of June 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years 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 October 16, 2003 on our consideration of the St. Landry Community Services, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of St. Landry Community Services, Inc. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

John S. Dowling & Company

Opelousas, Louisiana
October 16, 2003

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ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2003 AND 2002

			TEMPORARILY RESTRICTED					
	UNRESTRICTED		MID-SOUTH		SAVE OUR SONS AND DAUGHTERS		TOTAL (MEMORANDUM ONLY)	
	2003	2002	2003	2002	2003	2002	2003	2002
ASSETS								
Cash in noninterest-bearing account	$79,900	$(2,059)	$2,820	$2,820	$(3,858)	$1,300	$78,862	$2,061
Cash in interest-bearing accounts	43,491	26,148					43,491	26,148
TANF funds receivable					71,235	31,872	71,235	31,872
Project P.A.S.S. receivable	23,333						23,333	
Due from Save Our Sons and Daughters	1,697	19,222					1,697	19,222
Prepaid insurance	331	235					331	235
Office furniture and equipment, net	2,434	3,602			11,905		14,339	3,602
Total assets	151,186	47,148	2,820	2,820	79,282	33,172	233,288	83,140
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable	$3,672	$3,946			$2,068	$433	$5,740	$4,379
Due to unrestricted					1,697	19,222	1,697	19,222
Total liabilities	3,672	3,946	-0-	-0-	3,765	19,655	7,437	23,601
NET ASSETS								
Unrestricted, designated for Project P.A.S.S.	1,000	40,459					1,000	40,459
Unrestricted, designated for First Federal Cooperative Credit Union	143,861						143,861	
Unrestricted, undesignated	2,653	2,743					2,653	2,743
Temporarily restricted								
Mid-South contribution			$2,820	$2,820			2,820	2,820
Save Our Sons and Daughters					75,517	13,517	75,517	13,517
Total net assets	147,514	43,202	2,820	2,820	75,517	13,517	225,851	59,539
Total liabilities and net assets	151,186	47,148	2,820	2,820	79,282	33,172	233,288	83,140

The accompanying notes are an integral part of these financial statements.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	UNRESTRICTED		TEMPORARILY RESTRICTED			
			MID-SOUTH		SAVE OUR SONS AND DAUGHTERS	
	2003	2002	2003	2002	2003	2002
REVENUES AND OTHER SUPPORT						
Federal grant					$240,429	$82,140
State grants						
Governor's Office of Urban Affairs and Development	$188,000	$110,000				
Louisiana Department of Education	90,000					
Mini-grant					1,000	2,500
Interest income	367	821				
Miscellaneous	57	1,000				
Total revenues and other support	278,424	111,821	-0-	-0-	241,429	84,640
EXPENSES						
Administrative						
Personnel - salaries	34,820	28,520			9,136	5,800
Personnel - fringe benefits	5,697	5,166			513	444
Staff development					240	
Consultant					600	
Telephone and postage	1,222	1,146			1,535	901
Rent, utilities, and janitorial service	5,100	5,100			4,088	900
Audit	2,800	2,800			700	
Office supplies	2,218	1,586			797	1,470
Depreciation	1,168	1,042			511	
Travel	84	224			1,585	15
Interest expense		16				
Equipment rental and repairs		156				
Other		288			273	
Total administrative	53,109	46,044	-0-	-0-	19,978	9,530
Direct Services						
Salaries					37,733	
Fringe benefits					4,462	
Contract labor					54,421	33,382
Transportation labor					14,840	10,530

Continued on next page.
The accompanying notes are an integral part of these financial statements.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

			TEMPORARILY RESTRICTED			
					SAVE OUR SONS AND DAUGHTERS	
	UNRESTRICTED		MID-SOUTH			
	2003	2002	2003	2002	2003	2002
EXPENSES - Continued						
Direct Services - Continued						
Staff development					$2,667	
Classroom supplies					23,935	$8,309
Bus driver mileage					14,140	7,110
Tee shirts					1,189	899
Repair and maintenance					379	77
Field trip expense					5,121	501
Travel					564	785
PFCE Program (Parents, Family and Children Education)						
Personnel - salaries	$14,400	$12,000				
Personnel - fringe benefits	2,327	1,311				
Opelousas Junior Police Program mini-grant	2,350	4,000				
Palmetto VISTA mini-grant	470	1,000				
Christ the King Church - Black History Museum mini-grant	470	1,500				
4-H Foundation	581					
Immaculate Conception	940					
Sunset/Grand Coteau MLKC	500					
St. Marks Methodist Women	250					
First Cooperative FC Union	130					
Washington Elementary School mini-grant	470	2,000				
Playmaker's of Baton Rouge		578				
St. Landry Charter School		3,000				
City of Washington Library		6,000				
Sunset Elementary	470	2,000				
Project Home Grown	1,880	16,000				
Northwest High School	940	1,500				

Continued on next page.
The accompanying notes are an integral part of these financial statements.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	UNRESTRICTED		TEMPORARILY RESTRICTED			
			MID-SOUTH		SAVE OUR SONS AND DAUGHTERS	
	2003	2002	2003	2002	2003	2002
EXPENSES - Continued						
Direct Services - Continued						
North Central High	$940	$1,500				
Thensted Outreach Center	940	2,200				
Boys and Girls Club		1,500				
Opelousas High School	1,000	1,500				
East Jr. High School		1,000				
St. Landry Alternative		1,000				
Save Our Sons and Daughters	1,000	2,500				
Grand Coteau Elementary	470	1,000				
Opelousas Jr. High		1,000				
Plaisance Elementary	470	1,000				
Project P.A.S.S.	90,000	25,000				
Total direct services	120,998	90,089	-0-	-0-	$159,451	$61,593
Nonprogram Costs	5	5				
Total expenses	174,112	136,138	-0-	-0-	179,429	71,123
Change in Net Assets	104,312	(24,317)			62,000	13,517
NET ASSETS, beginning of year	43,202	67,519	$2,820	$2,820	13,517	
NET ASSETS, end of year	147,514	43,202	2,820	2,820	75,517	13,517

The accompanying notes are an integral part of these financial statements.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

			TEMPORARILY RESTRICTED			
					SAVE OUR SONS AND DAUGHTERS	
	UNRESTRICTED		MID-SOUTH			
	2003	2002	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from federal grant					$201,066	$50,268
Cash received from state grants	$254,667	$110,000				
Cash received - mini-grant					1,000	2,500
Cash paid for salaries and fringes	(57,244)	(47,580)			(51,844)	(50,156)
Cash paid for subcontracts	(104,271)	(76,778)				
Cash paid to suppliers	(11,799)	(10,909)			(125,439)	(20,534)
Interest earned	367	821				
Other receipts	57	1,000				
Net cash provided (used) by operating activities	81,777	(23,446)	-0-	-0-	24,783	(17,922)
CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES						
Operating loan	17,525	(19,222)			(17,525)	19,222
CASH FLOWS USED BY CAPITAL FINANCING ACTIVITIES						
Purchase of fixed assets		(2,907)			(12,416)	
NET INCREASE (DECREASE) IN CASH	99,302	(45,575)			(5,158)	1,300
CASH, beginning of year	24,089	69,664	$2,820	$2,820	1,300	
CASH, end of year	123,391	24,089	2,820	2,820	(3,858)	1,300

Continued on next page.

The accompanying notes are an integral part of these financial statements.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

			TEMPORARILY RESTRICTED			
					SAVE OUR SONS AND DAUGHTERS	
	UNRESTRICTED		MID-SOUTH			
	2003	2002	2003	2002	2003	2002
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Increase (decrease) in net assets	$104,312	$(24,317)			$62,000	$13,517
Adjustments to reconcile:						
Depreciation	1,168	1,042			511	
(Increase) decrease in prepaid insurance	(96)	223				
(Increase) decrease in receivables	(23,333)				(39,363)	(31,872)
Increase (decrease) in accounts payable	(274)	190			1,635	433
Increase (decrease) in payroll taxes withheld		(378)				
Increase (decrease) in accrued payroll taxes		(206)				
Net cash provided (used) by operating activities	81,777	(23,446)	-0-	-0-	24,783	(17,922)

The accompanying notes are an integral part of these financial statements.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

St. Landry Community Services, Inc. is a nonprofit corporation which has been sponsoring the Save Our Sons and Daughters Program since November 1, 2001. The Program's primary purpose is to encourage the formation and maintenance of two-parent families through the provision of supervised, structured out-of-school activities for students to reduce out of wedlock births. The program also provides homework assistance to approximately one hundred fifty students ages nine through fourteen. St. Landry Community Services, Inc. also sponsors after school church-based tutorial programs and supports worthwhile eligible community programs. Support for St. Landry Community Services, Inc. comes primarily from the Governor's Office of Urban Affairs and Development of the State of Louisiana and the Save Our Sons and Daughters Program through the Louisiana Department of Education.

B. BASIS OF ACCOUNTING

The financial statements of St. Landry Community Services, Inc., have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless material.

C. PROPERTY AND EQUIPMENT

Fixed assets are recorded at cost. Donated assets are recorded at fair market value. Such donated assets are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed using the straight-line method based on the estimated useful life of each asset. Average lives for office furniture and equipment are estimated to be 5-7 years. Maintenance and repairs are charged to operations when incurred.

D. ESTIMATES

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

E. INCOME TAXES

St. Landry Community Services, Inc. is a nonprofit corporation exempt from income taxes under the Internal Revenue Code Section 501(c)(4) and similar provisions of the State Code. Therefore, no provision for income taxes has been made.

F. BUDGET ACCOUNTING

St. Landry Community Services, Inc., prepares a budget on the cash basis which is approved by the funding agency.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. STATEMENTS OF CASH FLOWS

For purposes of reporting the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

H. COMPENSATED ABSENCES

Annual leave of fifteen (15) working days with pay is granted to the Coordinator and ten (10) working days with pay to the Secretary/Receptionist. Annual leave for all employees is required to be used in December of each year. There is no carry-over of annual leave.

All employees are entitled to a maximum of ten (10) days absences per year for sick leave. Any unused days shall be accumulated up to twenty (20) days a year. Employees are not paid for accumulated sick leave.

The amount of unused vacation, family and sick leave is not material at June 30, 2003 and 2002 and has not been accrued in these financial statements.

I. CONTRIBUTIONS

In accordance with SFAS NO. 117, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

J. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the accompanying statement of financial position are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE (2) - CASH

The book value of cash and cash equivalents for June 30, 2003 and 2002 consist of the following:

	2003	2002
Cash in noninterest-bearing account	$78,862	$2,061
Cash in interest-bearing accounts	43,491	26,148
	122,353	28,209

All cash balances are covered by FDIC insurance.

NOTE (3) - RETIREMENT PLAN

Employees of St. Landry Community Services, Inc. are on the Social Security Retirement System.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002

NOTE (4) - OFFICE FURNITURE AND EQUIPMENT

The following is a summary of office furniture and equipment at June 30, 2003 and 2002:

	UNRESTRICTED		TEMPORARILY RESTRICTED SAVE OUR SONS AND DAUGHTERS	
	2003	2002	2003	2002
Office furniture and equipment - at cost or fair market value	$16,318	$16,318	$12,416	
Accumulated depreciation	(13,884)	(12,716)	(511)	
Net	2,434	3,602	11,905	-0-
Depreciation expense	$1,168	$1,042	$511	-0-

The cost of office furniture and equipment at June 30, 2003 and 2002 includes a copier donated to St. Landry Community Services, Inc. in a prior year with a fair market value of $2,400.

NOTE (5) - NONPROGRAM COSTS

The nonprogram costs at June 30, 2003 and 2002 consist of the following:

	2003	2002
Filing fees	$5	$5
	5	5

NOTE (6) - TEMPORARILY RESTRICTED NET ASSETS

During the fiscal year ended June 30, 1996, St. Landry Community Services, Inc. received a grant of $5,000 to support the development of a model program which would empower parents and other adults to encourage and motivate children and youth. Grant money in the amount of $2,180 was expended in prior years. The remainder of $2,820 remains temporarily restricted as of June 30, 2003 and 2002.

During the current fiscal year, St. Landry Community Services, Inc. received a grant through the Federal program called "Temporary Assistance for Needy Families" (TANF), CFDA #93.558. The objective of the Community Services program is to provide homework assistance and after school tutoring to students of ages nine through fourteen. The grant is reimbursed to St. Landry Community Services, Inc. based on the number of students and contact hours submitted. The program fiscal year is November 1, 2002 through September 30, 2003. The total grant is for $250,000. At June 30, 2003, program revenue was $240,429.

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002

NOTE (7) - CONCENTRATIONS OF CREDIT RISK

St. Landry Community Services, Inc. maintains cash in a local bank which may, at the time of initial receipt, exceed the FDIC limits.

Credit risk for revenue is concentrated as well because of the volume of business transacted with a particular grantor.

NOTE (8) - FUND BALANCES DESIGNATED

During the prior fiscal year, the Board of St. Landry Community Services, Inc. awarded a mini-grant to Edu. Comm Communications, Inc. in collaboration with the St. Landry Parish School District, for Parents Assisting Student Success or Project P.A.S.S. The total mini-grant was for $65,459 and was designed to stimulate positive action on the part of parents. Pursuant to the budget revision adopted at a regular board meeting held April 2, 2003, the remaining designated fund balance of $40,459 was allocated to the First Federal Cooperative Credit Union. An additional $103,532 of current year grant funds were also designated for First Federal Cooperative Credit Union. The total amount of $143,991 for both years has not been remitted at June 30, 2003 and is reported as designated for such.

During the current fiscal year, St. Landry Community Services, Inc. received an additional grant from the Louisiana Department of Education for $90,000 which was all allocated to Project P.A.S.S.

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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. Landry Community Services, Inc.
Opelousas, Louisiana

We have audited the financial statements of St. Landry Community Services, Inc., a nonprofit corporation, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 16, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether St. Landry Community Services, Inc.'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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Landry Community Services, 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.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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To the Board of Directors
St. Landry Community Services, Inc.
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This report is intended solely for the information and use of management and the Governor's Office of Urban Affairs and Development of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

John S. Dowling & Company

Opelousas, Louisiana
October 16, 2003

ST. LANDRY COMMUNITY SERVICES, INC.
OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

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

N/A

Section II - Internal Control and Compliance Material to Federal Awards

N/A

Section III - Management Letter

N/A