

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixes assets follows:

	Balance <u>7/01/95</u>	Additions	Deletions	Balance <u>6/30/96</u>
Building and Improvements . . .	\$107,096	\$ -	\$ -	\$107,096
Automobiles	154,526	30,820	-	185,346
Furniture and Equipment	<u>109,871</u>	<u>2,276</u>	-	<u>112,147</u>
Totals	<u>\$371,493</u>	<u>\$ 33,096</u>	<u>\$ -</u>	<u>\$404,589</u>

NOTE 5 - IN-KIND CONTRIBUTIONS

Allen Action Agency, Inc. received various in-kind contributions during the year, which consisted of commodities furnished at no cost by the State of Louisiana. The total amount of commodities furnished to the Agency during the year ended June 30, 1996 totaled \$6,501. These commodities were distributed to needy families during the year. The value of these commodities has been recorded in the Commodities Special Revenue as a revenue and an expenditure.

The Agency also records in-kind contributions for the Headstart Program for various personal services rendered, space donated, travel expenditures incurred, and other miscellaneous donations. These amounts have been recorded in the Headstart Special Revenue Fund.

NOTE 6 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

Management has represented that there is no litigation pending against the Agency at June 30, 1996. Furthermore, the Agency's management believes that any potential lawsuits would be adequately covered by insurance. The Agency has not retained the risk of loss in relation to insurance matters. Their policy is to purchase commercial insurance for any of their needs.

The Agency 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 normally recognized in the period in which agreed upon between the parties involved. 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 the Agency's financial position.

NOTE 7 - ECONOMIC DEPENDENCY

The Agency receives the majority of its revenue from funds provided through grants. 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.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Emergency Food and Shelter (United Way) Fund. The Emergency Food and Shelter (United Way) Fund accounts for funds granted by the Emergency Food and Shelter National Board Program.

Safe & Drug Free Fund. The Governor's Safe & Drug Free Fund accounts for funds granted by the United States Department of Education for drug education to school age children.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Governmental fund revenues are susceptible to accrual if the related expenditure has been incurred as of the balance sheet date. Other revenue, not related to a specific expenditure, is recognized when received.

Budget Policy

The Agency is not required and did not adopt a budget for this fiscal year.

Fixed Assets

General fixed assets are not capitalized in the funds used to acquire them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Asset Account Group. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. No depreciation has been provided for any general fixed assets and presentation of this account information is not intended to purport them as available resources for present or future Agency operations.

Deposits with Financial Institutions

As reflected in the Balance Sheet, the Agency has cash carrying value totaling \$32,440 at June 30, 1996. Total bank deposits at year end were \$40,391. The total amount is fully insured through federal deposit insurance. The Agency has a bank overdraft, in the amount of \$41 for the Headstart parent and staff funds, that is not presented in these financial statements or the above disclosure.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Fund

The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the funding source (federal, state, or local) from which they are derived.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are the funds which comprise the Agency's Special Revenue Funds:

CSBG Funds (Regular and Homeless Grants). The CSBG Fund accounts for funds granted by the United States Department of Health and Human Services under the Community Services Block Grant Program. This program provides funds to assist in ameliorating the causes and consequences of poverty.

Emergency Energy Assistance Fund. The Emergency Energy Assistance Fund accounts for funds donated to local utility companies by the public to provide to low income families.

Commodity Distribution Fund. The Commodity Fund accounts for commodity distributions granted by the United States Department of Agriculture under the Food Distribution Program.

Food & Nutrition Program Fund. This fund accounts for funds received from the State of Louisiana Department of Education to be used for the expenditures relating to the operations of the child care food program.

Headstart Fund. The Headstart Fund accounts for monies received from the U.S. Department of Health and Human Services. This program provides comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children.

LiHeap Fund. The LiHeap Fund accounts for funds granted by the United States Department of Health and Human Services under the Low Income Home Energy Assistance Block Grant Program. This program assist low income persons with meeting the costs of home energy.

Weatherization Program Fund. This fund accounts for funds granted by the Louisiana Department of Social Services and U.S. Department of Energy. This program attempts to conserve energy and reduce the impact of rising energy costs on low-income persons through the installation of energy-conserving measures in their dwellings.

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ALLEN ACTION AGENCY, INC.

Oberlin, Louisiana

A Component Unit of the Allen Parish Police Jury

GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year ended June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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 ~~DEC 18 1996~~



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To the Board of Directors
 Allen Action Agency, Inc.
 A Component Unit of the Allen Parish Police Jury
 Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc., component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 1996, and we have issued our report thereon dated October 14, 1996.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertion of management in the financial statements. However, we feel these matters should be communicated to management.

Comment:

Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, recording the disbursements in the journal, and posting to the general ledger. This individual also prepares the majority of the monthly bank reconciliations. We do note that this situation is inherent to most agencies of this type and it is difficult to solve due to the funding limitations of the Agency. We recommend that the Executive Director as well as the Board of Directors take an active interest in the review of all financial information.

Management Response:

The Executive Director reviews all bank statements, reconciliations, and monthly projections. All accounting procedures are overseen by the Executive Director. The Agency has implemented a procedure, whereby someone other than the bookkeeper periodically performs the function of reconciling the bank accounts.

Comment:

During our review of disbursements, we noted that purchase orders were not used for all expenditures. We recommend that only the program director, for each respective program, issue purchase orders and no expenditure be allowed without a purchase order. This procedure will strengthen the internal controls necessary to prevent unallowable costs being charged to programs.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 10 - DEFERRED COMPENSATION PLAN

The Agency established a 403(b) plan during the fiscal year for its employees of the Headstart program and Agency administrative personnel. Under this plan, there is no fixed dollar amount of retirement benefits. Employee and employer contributions determine the retirement benefits available. Contributions are invested in mutual funds, which will be the custodian. Participants are eligible by completing one month of service with the Agency. Employee contributions cannot exceed 10% of compensation. Employer contributions are discretionary. Vesting is automatic. Participants may receive loans from their individual accounts up to the lesser of \$50,000 or 50% of their account balance. Loans will bear interest at a rate determined by the plan administrator. The term of loans may not exceed 5 years.

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Page 2

Management Response:

The Agency has implemented a purchase order system for all programs.

Comment:

The cost allocation program currently in use is not as well developed as it could be. It is based on a percentage of funding to expense. We feel a study should be done to derive an actual percentage of expenditures of indirect costs in the grant programs and use this percentage for the cost allocation formula.

Management Response:

The Agency has begun a study to derive a new cost allocation formula similar to the recommendation above.

This report is intended for the use of management, Board of Directors, and the Legislative Auditor of the State of Louisiana.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996

M & Co.

ALLEN ACTION AGENCY, INC.
 A Component Unit of the Allen Parish Police Jury
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1996

NOTE 8 - OTHER REQUIRED DISCLOSURES

Deficit Fund Balances - The following Special Revenue Funds have deficit fund balances due to timing of expenditure recognition:

(1) CSBG Regular Grant Fund \$325, (2) Weatherization Grant Fund \$1,236, and (3) Headstart Grant Fund \$122.

Due from Other Governments - Amounts due from other agencies are comprised of the following:

Headstart Grant - Exp. Reimbursement . . .	\$ 4,539
LiHeap Grant - Exp. Reimbursement	<u>4,691</u>
Total	<u>\$ 9,230</u>

Interfund Assets/Liabilities - The following funds had short term loan transactions at June 30, 1996:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 4,383	\$ -
Special Revenue Funds:		
Weatherization	-	910
CSBG Fund	-	260
Headstart	-	382
LiHeap	<u>-</u>	<u>2,831</u>
Total	<u>\$ 4,383</u>	<u>\$ 4,383</u>

Reserved Fund Balances - The special revenue fund balances are reflected as reserved for restricted purposes due to the nature of the funds. All of the special revenue funds are grant programs, whose funds are required to be expended for specific purposes outlined in the various grant documents.

NOTE 9 - OPERATING LEASES

The Agency leases a building for the Headstart program for \$250 per month for nine months of each year. The total lease expenditure for this fiscal year was \$2,500.

ALLEN ACTION AGENCY, INC.
Oberlin, Louisiana

A Component Unit of the Allen Parish Police Jury

GENERAL PURPOSE FINANCIAL STATEMENTS

For The Year Ended June 30, 1996

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen
Parish Police Jury
Oberlin, Louisiana

We have audited the accompanying general purpose financial statements of the Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Allen Action Agency, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, as of June 30, 1996, and the results of its operations 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 October 14, 1996 on our consideration of Allen Action Agency, Inc.'s internal control structure and a report dated October 14, 1996 on its compliance with laws and regulations.

Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Page 2

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "supplementary reports and schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996



GENERAL PURPOSE FINANCIAL STATEMENTS

<u>Account Groups</u>		
<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Total (Memorandum Only)</u>
\$ -	\$ -	\$ 32,440
-	-	9,230
-	-	4,383
404,589	-	404,589
<u>-</u>	<u>1,412</u>	<u>1,412</u>
<u>\$ 404,589</u>	<u>\$ 1,412</u>	<u>\$ 452,054</u>
\$ -	\$ -	\$ 6,069
-	-	4,383
-	-	5,814
<u>-</u>	<u>1,412</u>	<u>1,412</u>
-	1,412	17,678
-	-	25,599
-	-	4,188
<u>404,589</u>	<u>-</u>	<u>404,589</u>
<u>404,589</u>	<u>-</u>	<u>434,376</u>
<u>\$ 404,589</u>	<u>\$ 1,412</u>	<u>\$ 452,054</u>

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 1996

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
REVENUES			
State and federal grants	\$ -	\$ 756,817	\$ 756,817
In-kind contributions	-	168,038	168,038
Other	<u>13,482</u>	<u>3,012</u>	<u>16,494</u>
Total Revenues	13,482	927,867	941,349
EXPENDITURES			
Salaries	8,875	412,520	421,395
Fringe benefits	1,113	55,097	56,210
Travel	432	11,948	12,380
Program services	1,065	251,252	252,317
Capital outlay	-	33,096	33,096
Other	<u>7</u>	<u>168,038</u>	<u>168,045</u>
Total Expenditures	<u>11,492</u>	<u>931,951</u>	<u>943,443</u>
Excess (Deficiency) of Revenues over Expenditures	1,990	(4,084)	(2,094)
FUND BALANCES - BEGINNING	<u>23,609</u>	<u>8,272</u>	<u>31,881</u>
FUND BALANCES - ENDING	<u>\$ 25,599</u>	<u>\$ 4,188</u>	<u>\$ 29,787</u>

See accompanying notes.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury,
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Allen Action Agency, Inc., incorporated under the laws of the State of Louisiana on November 12, 1965, is a nonprofit organization as defined by Section 501(c)(3) of the Internal Revenue Code. The laws of the State of Louisiana exempt the Agency from Louisiana taxation. The majority of this agency's funding comes from government grants renewable annually.

The financial statements of the Allen Action Agency, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity.

Based on the following application of criteria, there are no potential component units which should be included in the Agency's financial statements. The Agency is a component unit of the Allen Parish Police Jury based on a review of various entities performed by the Louisiana Legislative Auditor's Office. It is the opinion of that office that community action agencies are nonprofit corporations established to perform a public purpose which the parish police jury is statutorily authorized to perform. The police jury appoints one-third of the members of the governing board of the community action agencies (which is not considered a voting majority.) However, because the nature and significance of the relationship between the community action agency and the police jury are such, exclusion from the financial reporting of the police jury would render the financial statements incomplete or misleading. This report includes all funds which are controlled by the Allen Action Agency, Inc.'s Board of Directors.

Fund Accounting

The accounts of the Allen Action Agency, Inc. are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, recording the disbursements in the journals, and posting to the general ledger. This individual also prepares the majority of the monthly bank reconciliations. We do note that this situation is inherent to most agencies of this type and is difficult to solve due to the funding limitations of the Agency. The Agency has implemented a previous suggestion of having someone other than the bookkeeper periodically perform the function of reconciling the bank accounts. We recommend that the Executive Director as well as the Board of Directors take an active interest in the review of all of the financial information.

Management Response: The Executive Director reviews bank statements and monthly projections. All accounting procedures are overseen by the Executive Director.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition discussed above is a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, for the year ended June 30, 1996.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, in the Schedule of Findings and Questioned Costs as well as a separate letter dated October 14, 1996.

This report is intended for the information of management, other within the organization, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996



ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
SCHEDULE OF FEDERAL AWARDS
For the Year Ended June 30, 1996

Note A: The expenditures reported in this schedule for this grant are presented before the questioned costs noted in the Schedule of Findings and Questioned Costs due to the uncertainty of the disposition of those questioned items by the grantor agency.

Note B: The expenditures reported here include the value of commodities distributed during the year. The total value of the commodities for the fiscal year distribution dates were \$6,501. This amount is recorded in the Commodities Special Revenue Fund as an in-kind revenue and expenditure.



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INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL AWARDS

Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, for the year ended June 30, 1996, and have issued our report thereon dated October 14, 1996. We have also audited the compliance of Allen Action Agency, Inc. with requirements applicable to major federal award programs and have issued our report thereon dated October 14, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Governmental Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." 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 and about whether the Allen Action Agency, Inc. complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing our audits, for the year ended June 30, 1996, we considered the internal control structure of Allen Action Agency, Inc. in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the Allen Action Agency, Inc. and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated October 14, 1996.

The management of Allen Action Agency, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of polices and procedures may deteriorate.

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Page 2

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

Accounting Controls (All Programs)

- * Cash and Cash Equivalents
- * Revenue/Receipts
- * Purchases/Disbursements
- * Payroll
- * Property and Equipment
- * Donated Materials, Facilities, and Services

General Administrative Controls

- * Political Activity
- * Civil Rights
- * Cash Management
- * Federal Financial Reports
- * Allowable Costs/Cost Principles
- * Drug-Free Workplace
- * Administrative Requirements

Specific Administrative Controls

- * Types of Services Allowed or Not Allowed
 - * Eligibility
 - * Matching , Level of Effort, or Earmarking
 - * Reporting
 - * Special Tests and Provisions
 - * Cost Allocation
- * Claims for Advances and Reimbursements
 - * Amounts Claimed or Used for Matching

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Allen Action Agency, Inc. expended 75% of its total federal awards under major federal award programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Agency's major federal award program, which is identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

M & Co.

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Page 3

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the Agency's ability to administer federal award programs in accordance with applicable laws and regulations.

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the functions of preparing disbursements, recording the disbursements in the journals, and posting to the general ledger. This individual also prepares the majority of the monthly bank reconciliations. We do note that this situation is inherent to most agencies of this type and is difficult to solve due to the funding limitations of the Agency. The Agency has implemented a previous suggestion of having someone other than the bookkeeper periodically perform the function of reconciling the bank accounts. We recommend that the Executive Director as well as the Board of Directors take an active interest in the review of all of the financial information.

Management Response: The Executive Director reviews bank statements and monthly projections. All accounting procedures are overseen by the Executive Director.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program 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 structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and , accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition discussed above is material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the compliance of Allen Action Agency, Inc. with requirements applicable to its major federal award program for the year ended June 30, 1996, and this report does not affect our report thereon dated October 14, 1996.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Allen Action Agency, Inc. in the Schedule of Findings and Questioned Costs as well as a separate letter dated October 14, 1996.

This report is intended for the information of management, others within the organization, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Mires & Company, CPAs, APC
October 14, 1996





Mires & Company
A Professional Corporation
Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury,
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 14, 1996

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." 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.

Compliance with laws, regulations, contracts, and grants applicable to the Allen Action Agency, Inc. is the responsibility of Allen Action Agency, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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 Governmental Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of Allen Action Agency, Inc. in the attached Schedule of Findings and Questioned Costs.

This report is intended for the information of management, others within the organization, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE
GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL AWARD PROGRAMS

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 14, 1996.

We have applied procedures to test the compliance of Allen Action Agency, Inc. with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug-free workplace, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Education and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Allen Action Agency, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of prior procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Allen Action Agency, Inc. had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, others within the organization, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL AWARD PROGRAMS

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 14, 1996.

We have also audited the compliance of Allen Action Agency, Inc. with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal award program, which is identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996. The management of the Allen Action Agency, Inc. is responsible for Agency's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Allen Action Agency, Inc., complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to its major federal award program for the year ended June 30, 1996.

This report is intended for the information of management, others within the organization, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL AWARD PROGRAM TRANSACTIONS

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Oberlin, Louisiana

We have audited the general purpose financial statements of Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 14, 1996.

In connection with our audit of the general purpose financial statements of the Allen Action Agency, Inc. and with our consideration of the Agency's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions", we selected certain transactions applicable to certain nonmajor federal award programs for the year ended June 30, 1996. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Allen Action Agency, Inc.'s compliance with these requirements. Accordingly, we do not express on such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Allen Action Agency, Inc. had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, others within the organizations, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1996

A. Headstart Program

1. Interfund Transfers:

Condition: The standards for this program state that no Headstart funds can be used for interfund loans. There were 4 interfund transfers in the prior year. Two were clerical oversights and the other were verbally approved by the grantor. However, these were not in compliance with grantor requirements.

Current Status: The Agency has improved its record keeping and all personnel are aware of the grantor's requirements in regards to interfund transfers. No interfund transfers were noted involving the Headstart program in the current year.

Management Response: Noted.

2. In-kind Documentation:

Condition: In the prior year, the month of March 1995 in-kind documentation for expenditures was reviewed. Clerical errors and lack of documentation for a donation of computer software was noted.

Current status: The Agency implemented new procedures for compiling and reviewing in-kind documentation during the current year. Our review of one month's in-kind documentation noted no problems.

Management Response: Noted.

3. Headstart Child Care Program:

Condition: In the prior year, twenty-five participant files were reviewed to determine eligibility. The following exceptions were noted. (1) Sample of applicants files resulted in 12% of the applicants being above the official poverty guidelines. The program requires a minimum of 90%. (2) The form created for verification was not completed and/or signed in eleven cases.

Current status: The Agency has since trained all staff in the proper procedures of completing forms of income verification. Our review of applicant files noted all forms were properly completed.

Management Response: Noted.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences/Changes in Long Term Debt

Vested or accumulated vacation leave that is not expected to be liquidated with expendable available financial resources is reported in the General Long-term Debt Account Group. No liability for sick leave is reported in the financial statements since the Agency does not pay any accrued sick leave amounts at separation.

Employees accrue vacation and sick leave based on years of service. Employees with three years of service or less accrue 8 hours of vacation and sick leave, three to five years of service permits 10 hours of accrual, and employees with five or more years of service accrue 12 hours. At June 30, 1996, accrued vacation leave was \$1,412. Sick leave was \$7,610. Accrued vacation leave (General Long-term Debt Account Group) decreased by \$3,823 from \$5,235 at June 30, 1995 to \$1,412 at June 30, 1996.

Short-term Interfund Receivable/Payables

During the course of operations, transactions occur between the General Fund and other funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the Balance Sheet.

Total Columns of Combined Statements - Overview

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position 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 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 3 - INCOME TAX STATUS

The Allen Action Agency, Inc., a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1996

A. LIHEAP

1. Condition: During our review of 15 applications (all for the year) we denoted an immaterial instance where there was an under payment of benefits of \$100.

Cause: The wrong percentage was used in calculating the applicant's benefit.

Criteria: The grantor maintains that applicants shall be paid according to certain guidelines.

Effect: This results in questioned cost of \$100, due to the applicant. The Agency will need to correspond with the grantor agency.

Recommendation: We recommend that an Agency employee, other than the employee taking the application, preferably the bookkeeper, review all applications for correctness.

Management's Response: Recommendation has been noted and a change will be affected.

B. Weatherization Program

1. Condition: We reviewed 9 completed cases (all for the year). One case was found to be ineligible according to the income level used to figure eligibility. There was also no documentation of the applicant's income in the file.

Criteria: The grantor specifies certain income levels based on number of occupants, etc., to be used to determine eligibility. Documentation of the applicant's income is also required.

Cause: Proper procedures for processing applications was not followed.

Effect: This results in a questioned cost of \$920.33.

Recommendation: An Agency employee, other than the employee taking the application, preferably the bookkeeper, should review all applications for correctness before approval is given to enter the homeowner in the program.

Management's Response: Recommendation has been considered and a change will be affected.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1996

B. United Way Program

1. Condition: In the prior year review of twenty-five disbursements for eligibility and allowability, two immaterial instances of overpayment and no approval by the Executive Director were noted.

Current Status: In our review of expenditures for this program, no instances of errors or noncompliance with procedures was noted.

Management Response: Noted.

C. LiHeap Program

1. Condition: In the prior year, a net questioned cost of \$30 was noted due to miscalculations.

Current Status: The questioned costs were resolved. However, during our review of applications for the current year, the same problems were noted.

Management Response: Noted.

D. Commodity Program

1. Condition: In the prior year, one immaterial instance whereby an expenditure was not properly approved was noted.

Current Status: Greater care has been given to the review and approval process, and no discrepancies were noted in the current year.

Management Response: Noted.

E. Weatherization Program

1. Condition: In the prior year, one instance was noted whereby an expenditure was not supported by an invoice.

Current Status: The Agency has compiled a form for contractors to sign as an invoice for labor. During the current year, our review of applicant files noted all contained the proper documentation in regards to this prior year finding.

Management Response: Noted.

<u>Headstart Fund</u>	<u>LiHeap Grant</u>	<u>Weatherization Program</u>	<u>United Way</u>	<u>Safe and Drug Free</u>	<u>Total</u>
\$ -	\$ -	\$ 4	\$ 4,578	\$ -	\$ 5,377
4,539	4,691	-	-	-	9,230
-	-	-	-	-	-
<u>\$ 4,539</u>	<u>\$ 4,691</u>	<u>\$ 4</u>	<u>\$ 4,578</u>	<u>\$ -</u>	<u>\$ 14,607</u>
\$ 4,279	\$ 1,040	\$ 330	\$ -	\$ -	\$ 6,036
382	2,831	910	-	-	4,383
-	-	-	-	-	-
4,661	3,871	1,240	-	-	10,419
(122)	820	(1,236)	4,578	-	4,188
(122)	820	(1,236)	4,578	-	4,188
<u>\$ 4,539</u>	<u>\$ 4,691</u>	<u>\$ 4</u>	<u>\$ 4,578</u>	<u>\$ -</u>	<u>\$ 14,607</u>

SUPPLEMENTARY REPORTS AND SCHEDULES

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1996

2. Condition: We reviewed 9 completed cases (all for the year). One case was found to have been incorrectly calculated for the income level used to determine eligibility. We recalculated the income level and found the homeowner was eligible.

Criteria: The grantor specifies certain income levels to be used to determine eligibility.

Cause: Administrative oversight.

Effect: Because the homeowner was eligible, this did not result in a questioned cost. However, proper calculation is essential on all applications.

Recommendation: An Agency employee, other than the employee taking the application, preferably the bookkeeper, should review all applications for correctness before approval is given to enter the homeowner in the program.

Management's Response: Recommendation has been considered and a change will be affected.

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
Year Ended June 30, 1996

	<u>CSBG Regular Grant</u>	<u>CSBG Homeless Grant</u>	<u>Emergency Energy</u>	<u>Commodity Distribution</u>	<u>Food and Nutrition Program</u>
ASSETS					
Cash	\$ -	\$ -	\$ 243	\$ -	\$ 552
Due from other governments . . .	-	-	-	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 552</u>
LIABILITIES					
Accounts payable	\$ 65	\$ -	\$ -	\$ -	\$ 322
Due to other funds	260	-	-	-	-
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	325	-	-	-	322
FUND EQUITY					
Fund Equity	<u>(325)</u>	<u>-</u>	<u>243</u>	<u>-</u>	<u>230</u>
Total Fund Equity	<u>(325)</u>	<u>-</u>	<u>243</u>	<u>-</u>	<u>230</u>
Total Liabilities and Fund Equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 552</u>

<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>	
\$ 604,461	\$ 236,433	\$ 236,313	
582,358	344,545	344,787	
65,918	3,677	4,753	
47,022	1,014	62	(Note A)
87,078	39,018	38,528	
69,506	31,957	32,772	
6,951	6,605	6,605	
-	8,256	8,256	(Note B)
-	50,136	53,788	
29,850	9,729	12,638	(Note A)
13,048	13,048	12,792	
19,440	<u>18,900</u>	<u>18,900</u>	
	<u>\$ 763,318</u>	<u>\$ 770,194</u>	

ALLEN ACTION AGENCY, INC.

A Component Unit of the Allen Parish Police Jury

COMBINING STATEMENT OF REVENUES,

EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1996

	<u>CSBG Regular Grant</u>	<u>CSBG Homeless Grant</u>	<u>Emergency Energy Program</u>	<u>Commodity Distribution</u>	<u>Food and Nutrition Program</u>
REVENUES					
State and federal grants	\$ 70,975	\$ 6,605	\$ -	\$ 1,755	\$ 50,136
In-kind contributions	-	-	-	6,501	-
Other	<u>-</u>	<u>-</u>	<u>562</u>	<u>-</u>	<u>-</u>
Total Revenues	70,975	6,605	562	8,256	50,136
EXPENDITURES					
Salaries	49,982	800	-	-	25,614
Fringe benefits	5,900	105	-	-	-
Travel	5,873	-	-	-	-
Program services	9,545	5,700	344	1,755	28,174
Capital outlay	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,501</u>	<u>-</u>
Total Expenditures	<u>71,300</u>	<u>6,605</u>	<u>344</u>	<u>8,256</u>	<u>53,788</u>
Excess (Deficiency) of Revenues over Expenditures	(325)	-	218	-	(3,652)
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>3,882</u>
FUND BALANCES - ENDING	<u><u>\$ (325)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 243</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 230</u></u>

<u>Headstart Fund</u>	<u>LiHeap Grant</u>	<u>Weatherization Program</u>	<u>United Way</u>	<u>Safe and Drug Free</u>	<u>Total</u>
\$ 580,978	\$ 4,691	\$ 9,729	\$ 13,048	\$ 18,900	\$ 756,817
161,537	-	-	-	-	168,038
<u>-</u>	<u>-</u>	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>3,012</u>
742,515	4,691	12,179	13,048	18,900	927,867
329,072	3,209	3,843	-	-	412,520
47,924	404	764	-	-	55,097
5,690	33	352	-	-	11,948
165,318	1,045	7,679	12,792	18,900	251,252
33,096	-	-	-	-	33,096
<u>161,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,038</u>
<u>742,637</u>	<u>4,691</u>	<u>12,638</u>	<u>12,792</u>	<u>18,900</u>	<u>931,951</u>
(122)	-	(459)	256	-	(4,084)
<u>-</u>	<u>820</u>	<u>(777)</u>	<u>4,322</u>	<u>-</u>	<u>8,272</u>
<u>\$ (122)</u>	<u>\$ 820</u>	<u>\$ (1,236)</u>	<u>\$ 4,578</u>	<u>\$ -</u>	<u>\$ 4,188</u>

ALLEN ACTION AGENCY, INC.
A Component Unit of the Allen Parish Police Jury
COMPENSATION OF BOARD MEMBERS
Year Ended June 30, 1996

SCHEDULE III

During the period covered by our audit, there were no payments made to or on behalf of board members.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

To the Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc., Oberlin, Louisiana, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 14, 1996.

We conducted our audit in accordance with generally accepted auditing standards, 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 Institutions of Higher Education and other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.



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INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL AWARDS

To The Board of Directors
Allen Action Agency, Inc.
A Component Unit of the Allen Parish Police Jury
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc., Oberlin, Louisiana, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 14, 1996. These general purpose financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, 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 Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Allen Action Agency, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
October 14, 1996

ALLEN ACTION AGENCY, INC.
 A Component Unit of the Allen Parish Police Jury
 SCHEDULE OF FEDERAL AWARDS
 For the Year Ended June 30, 1996

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Program Year</u>	<u>CFDA Number</u>	<u>Grantors Number</u>
<u>Major Program</u>			
U.S. Department of Health and Human Services			
Headstart	94-95	13.600	06CH5125/29
Headstart	95-96	13.600	06CH5125/30
<u>Other Federal Awards</u>			
U.S. Department of Health and Human Services			
Passed Through the State Department of Social Services:			
LiHeap (DSS# 05862)	1995	13.789	FACS 370-5123
LiHeap (DSS# 06790)	1996	13.789	FACS 370-7560
Passed Through the State Department of Employment and Training:			
Community Services Block Grant (CSBG) -			
Regular	94-95	13.792	95N0010
CSBG - Regular	95-96	13.792	96N0010
CSBG - Homeless	93-96	13.792	94N0010H
U.S. Department of Agriculture			
Passed Through the State Department of Agriculture and Forestry:			
Commodity Distribution	95-96	10.550	N/A
Passed Through the State Department of Education:			
Child Care Food	95-97	10.558	N/A
U.S. Department of Energy			
Passed Through the State Department of Social Services:			
Weatherization DSS 05319	94-97	81.042	FACS 370-9920
Federal Emergency Management Agency			
Passed through the Emergency Food and Shelter Program National Board:			
Food and Shelter	95-96	83.523	N/A
U.S. Department of Education			
Passed through the Louisiana Department of Education:			
Governor's Safe and Drug Free Program	1996	84.186A	28-96-731M-D

TOTAL FEDERAL AWARDS