

POINTE CREPE COMMUNITY ADVANCEMENT, INC.
NEW ORLEANS, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED MARCH 31, 1997

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NEW ORLEANS, LOUISIANA
(504) 838-8387

ADVISORY BOARD

Richard Roberts, President
Rev. Miller Armstrong
Robert Britton
Jayne Domingue
Donald Frazier
Ernie Robert
Frank Johnson
Martha S. Lindsey
Spencer Mackelvey
John Sims, Jr.
Madonette Patterson
Russell Peier
Ronald Selton
Eleanor Selfert
Irene S. Smith
Geraldine Turner
Walter Warr, Jr.
Linda Washington
Joseph Young

EXECUTIVE DIRECTOR
Clifton H. Price

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	3
Basic Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	5
Statement of Activity and Changes in Fund Balance	6
Statement of Functional Expenses	7
Notes to the Financial Statements -	
The Entity	8
Summary of Significant Accounting Policies -	
Basis of Presentation	8
Fund Accounting	8
Description of Programs	8
Depreciation	9
Deferred Revenues	9
Income Taxes	9
Donated Services and Facilities	10
Functional Expenses	10
Cash Deposits with Financial Institutions	10
Grant Funds Receivable	10
Inventories Receivable and Payable	10
Property and Equipment	10
Adjustments	12
Operating Lease Commitments	12
Compressed Accounts	12
Contingencies	13
Departure from Generally Accepted Accounting Principles	13
Additional Information -	
Current Unrestricted Funds -	
Balance Sheet	17
Schedule of Activity and Changes in Fund Balance	18
Current Restricted Funds -	
Combining Balance Sheet	20
Combining Schedule of Activity and Changes in Fund Balance	23
Schedule of Activity and Changes in Fund Balance - Budget to Actual - Head Start (Budget Basis)	25

Schedule of Per Diem and Other Compensation Paid to Members of the Board of Directors	25
Independent Auditor's Report on Schedule of Federal Awards	27
Schedule of Federal Awards	28
Independent Auditor's Report on Internal Control Structure Performed in Accordance with Government Auditing Standards	29
Independent Auditor's Report on Internal Control Structure Used in Administering Federal Awards	31
Independent Auditor's Report on Compliance Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	34
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Award Programs	35
Independent Auditor's Report on Compliance with General Requirements Applicable to Federal Award Programs	36
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Award Program Transactions	37
Schedule of Findings and Questioned Costs	38
Schedule of Reportable Conditions	39

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Office
1415 PINE STREET
PO BOX 10000
MONROE, LOUISIANA 70001-1000

Office
1415 PINE STREET
PO BOX 10000
MONROE, LA 70001

Member
AMERICAN INSTITUTE OF CPAs
LOUISIANA SOCIETY OF CPAs
NATIONAL ASSOCIATION OF STATE
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pointe Coupee Community Advancement, Inc.

I have audited the accompanying balance sheet of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.**, a Nonprofit Organization, as of March 31, 1997, and the related statements of activities and functional expenses for the year then ended. These financial statements are the responsibility of Pointe Coupee Community Advancement, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-133, *Audit of Institutions of Higher Education and Other Nonprofit Institutions*; and with provisions of Louisiana Revised Statute 28:513 and the provisions of the Louisiana *Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and OMB Circular A-133 require that I 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 includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As explained in Note 12 to the financial statements, Pointe Coupee Community Advancement, Inc. has not yet adopted FASB Statement of Financial Accounting Standards No. 116 "Accounting for Contributions Received and Contributions Made" and No. 117 "Financial Statements of Not-for-Profit Organizations". Generally accepted accounting principles require accounting and reporting in accordance with the provisions of these statements. It was not practicable to determine the effects of not adopting these statements.

In my opinion, except for the effects of not adopting SFAS No. 116 and No. 117, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Pointe Coupee Community Advancement, Inc. as of March 31, 1997, and the

results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 30, 1987, on my consideration of Pointe Coupee Community Advancements, Inc.'s internal control structure and a report dated October 30, 1987, on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The additional information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Pointe Coupee Community Advancements, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

George F. Robinson, CPA

October 30, 1987

BASIC FINANCIAL STATEMENTS

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 1997

	<u>Current Assets</u>		<u>Equipment</u> Fund	<u>Long-term</u> Investments	<u>Total</u> Assets
	<u>Unrestricted</u>	<u>Restricted</u>			
ASSETS					
Cash	\$31	\$4,581			\$4,612
State bonds receivable		\$4,794			\$4,794
Payable under bond	\$54	\$1,000			\$1,054
Prepaid insurance		\$4,828			\$4,828
Property and equipment, net			\$50,000		\$50,000
Investment in profitable enterprise fund				\$15,751	\$15,751
TOTAL ASSETS	\$74	\$107,483	\$50,000	\$15,751	\$173,908
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	\$104	\$7,046			\$7,150
Accrued liability		\$1,000			\$1,000
Accrued employee annual leave				\$15,751	\$15,751
Due to other funds		\$1,000			\$1,000
Other liabilities		\$1,885			\$1,885
Total liabilities	\$104	\$10,971		\$15,751	\$27,826
Fund Equity					
Investment in fund assets			\$50,000		\$50,000
Fund balances -					
Restricted		\$1,433			\$1,433
Unrestricted - available for general activities	\$74				\$74
Total fund equity	\$74	\$1,433	\$50,000		\$51,507
TOTAL LIABILITIES AND FUND EQUITY	\$74	\$107,483	\$50,000	\$15,751	\$173,908

The accompanying notes are an integral part of these statements.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 1997

	Current Funds		Equipment Fund	Total All Funds
	Unrestricted	Restricted		
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Grants		\$1,111,532		\$1,111,532
Reimbursements		34,147		34,147
Commitments		19,425		19,425
Grantee contributions		\$1,752		\$1,752
Total Public Support		1,174,856		1,174,856
Revenues:				
Interest income		299		299
Miscellaneous	\$41	526		567
Total Revenues	\$41	526		567
Total Public Support and Revenues	\$41	1,175,382		1,175,382
EXPENSES				
Program Services:				
Head Start		719,629	\$44,095	763,724
Child & Adult Food - School Lunch Program		34,224		34,224
Home Energy Assistance		45,895		45,895
Child & Adult Food - Family Day Care		\$22,620		\$22,620
The Emergency Food Program - Meals Family		26,818		26,818
Community Services Block Grant		1,295		1,295
Emergency Food and Shelter		\$4,872		\$4,872
Total Program Services		1,129,353	44,095	1,173,448
Management and general	1,371	67,587	1,412	69,370
Total Expenses	1,371	1,196,940	45,507	1,197,818
Excess (Deficiency) of Public Support and Revenues over Expenses	(1,330)	78,442	(41,025)	29,087
OTHER CHANGES IN FUND BALANCES				
Equipment acquisitions		(33,862)	33,862	
Total Other Changes in Fund Balances		(33,862)	33,862	
FUND BALANCE - BEGINNING	129	35,222	152,774	288,125
Adjustments	1,759	3,881		5,640
Adjusted Fund Balance - Beginning	1,888	39,103	152,774	293,765
FUND BALANCE - ENDING	\$558	\$76,645	\$101,749	\$233,952

The accompanying notes are an integral part of these statements.

POINTS COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 1997

	Total Program Services	Supporting Services		Total Expenses
		Management and General	Fund Raising	
Salaries	\$64,500	\$66,500	\$1,000	\$132,000
fringe benefits	18,625	19,250	625	38,500
Total salaries and related expenses	83,125	85,750	1,625	170,500
Traavel	4,000	1,000	1,000	6,000
Supplies	43,100	100	100	43,300
Contracted		4,000	4,000	8,000
Other -				
Rent	70	1,000	1,000	2,070
Utilities		1,600	1,600	3,200
Telephone		10,000	10,000	20,000
Business insurance		4,000	4,000	8,000
Child welfare insurance	500			500
Miscellaneous & other	1,427	4,000	1,000	6,427
Cover insurance fees	500			500
CNA insurance	500			500
Vehicle insurance	11,400			11,400
Travel & operating expenses	11,500			11,500
Field trips	1,700			1,700
Other fees	1,500			1,500
Travel - food	1,800			1,800
Fund	20,400			20,400
Committees - general		600		600
Committees - activities	1,800			1,800
Medical & dental services	4,000			4,000
Committees - special needs	400			400
Fund by phone fundraising, mailing	100			100
Bank charges	600			600
Miscellaneous	600	1,000		1,600
Training & related activities -				
FOA	600			600
Travel & expenses	14,000			14,000
Tuition	0			0
Other	600			600
Supplies	100			100
Miscellaneous (supplies)	1,000			1,000
Community travel & conference services	11,000			11,000
Energy assistance	14,000			14,000
Committees - distributed	14,000			14,000
Governor's dinner - salaries and rent	60,000			60,000
Grant funds received in support	10,000			10,000
	<u>1,010,000</u>	<u>107,000</u>	<u>60,000</u>	<u>1,177,000</u>
Depreciation	6,000	1,000	1,000	8,000
TOTAL FUNCTIONAL EXPENSES	\$1,016,000	\$108,000	\$61,000	\$1,185,000

The accompanying notes are an integral part of these statements.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - THE ENTITY

Pointe Coupee Community Advancement, Inc. (the Agency) was organized in 1968 as a non-profit corporation under the Nonprofit Corporation Law of Louisiana, Section 2011(7) of Title 17 of the Louisiana Revised Statutes and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The corporation is organized on a non-stock basis. It functions as a community action agency whose purpose is to improve the quality of life for low income, needy persons throughout the area with emphasis on providing educational, nutritional, health and social assistance to underprivileged children and nutritional and energy assistance to low income persons.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

State of Presentation

The accompanying financial statements of the Pointe Coupee Community Advancement, Inc. have been prepared in accordance with the recommendations of the American Institute of Certified Public Accountants in its industry audit guide, *State of Voluntary Health and Welfare Organizations*. The financial statements have been prepared on an accrual basis of accounting.

Fund Accounting

To ensure observance of certain restrictions placed on the use of resources, the amounts are maintained in accordance with the principles of fund accounting. Accordingly, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the nature and purpose of each fund. The assets, liabilities and fund balances are reported in the following self-balancing fund groups:

Current Unrestricted Funds represent resources over which the Board of Directors has discretionary control and are used to carry out operations of the Agency in accordance with its bylaws.

Current Restricted Funds represent all funds currently available for use, but expendable only for operating purposes specified by the grantor. Resources of this fund originate from federal and state grants.

The *Equipment Fund* is designated for recording the acquisition cost of furniture, equipment, and vehicles, and accumulated depreciation.

Description of Programs

Head Start - a federally funded program whose objectives are to provide comprehensive educational, nutritional, health and social services to economically disadvantaged preschool

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

children and their families and to involve parents in activities with their children so that the children will attain overall social competence. Parents also participate in various decision making processes related to operation of the program.

Child & Adult Food - School Lunch Program and Family Day Care - this program provides financial reimbursement to the Head Start program for school lunches and to caretakers who provide free and reduced price meals to children of parents who work or are in school.

Home Energy Assistance - the objective of this program is to assist low-income persons in paying for energy and reduce the impact of rising energy costs on eligible participants.

Community Service Block Grant - a federally-funded grant implemented to provide community-based programs that assist in ameliorating the causes and consequences of poverty.

Temporary Emergency Food Program - distribution of food commodities donated by the federal government to those persons meeting certain income and other eligibility criteria.

State Appropriations - the State of Louisiana appropriated funds to assist the Agency in furthering its services to low-income individuals in Pointe Coupee and West Feliciana Parishes.

Emergency Food and Shelter Program - the objective of this program is to provide food to needy people on an emergency basis.

Depreciation

Property and equipment are recorded at historical cost and are being depreciated over estimated useful lives using the straight-line method of depreciation as follows:

Furniture and equipment	5 Years
Vehicles	7 Years
Reservations and temporary buildings	10 Years

Deferred Expenses

Consists of advances for administrative expenses in the Adult and Child Food Program - Family Day Care.

Income Taxes

Income taxes are not provided for in the financial statements since the Agency is exempt from federal and state income taxes under section 501(c)(4) of the Internal Revenue Code and similar state provisions. The Agency is not classified as a private foundation.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

Donated Services and Facilities

As required by grant regulations, Head Start Grantees must provide, in the form of cash or in-kind contributions, an amount equal to 20% of the cost of the program. The value of donated services and facilities included in the financial statements is reported as both a revenue and expense. The value of donated services is based on the minimum wage rate in effect at the time, the value of donated facilities is based on current market rates for the area, less net paid.

Functional Expenses

Functional expenses have been allocated between Program Services and Supporting Services based on an analysis of personnel time and space utilized for the related activities.

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Regulations require that deposits of the Agency be insured by Federal depository insurance or collateralized by securities held in the name of the Agency by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 1987, the status of deposited funds and collateralized balances are as follows:

Demanded accounts	\$57,000
Federal deposit insurance coverage	<u>57,000</u>
Uninsured	<u> 0</u>

NOTE 4 - GRANT FUNDS RECEIVABLE

At March 31, 1987, the Agency is due to receive funds as follows:

U.S. Department of Health & Human Services - Head Start	457,190
Louisiana Department of Education - Child & Adult Food Program: School Lunch Program	15,071
Family Day Care	29,067
Louisiana Department of Labor - Community Services Block Grant	<u> 0</u>
Total Grant Funds Receivable	<u>\$501,328</u>

POINTE COUPE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

At March 31, 1997, interfund receivables and payables were comprised of the following:

	<u>Receivables</u>	<u>Payables</u>
Unrestricted Funds:		
Local Administration -		
Child Care Food - Family Day Care	\$552	
Total Unrestricted Fund	552	
Restricted Funds:		
Head Start -		
Child Care Food - Family Day Care	3,829	
Child & Adult Food - School Lunch Program -		
Child Care Food - Family Day Care	3,128	
Home Energy	5,754	
Head Start		\$3,829
Child Care Food - Family Day Care -		
Local Administration		692
Child & Adult Food - School Lunch Program		3,128
Home Energy -		
Child & Adult Food - School Lunch Program		5,754
Total Restricted Funds	12,793	13,503
Total All Funds	\$13,345	\$13,503

NOTE 4 - PROPERTY & EQUIPMENT

	March 31, 1996	Additions	Deletions	March 31, 1997
Furniture and fixtures	\$16,087			\$16,097
Office equipment	85,075	\$30,463		115,758
Vehicles	143,488			143,488
Center equipment	21,384			21,384
Center renovations	13,138	1,500		13,858
Buildings	37,277			37,277
Totals	315,459	\$32,163	\$0	\$447,872
Less Accumulated Depreciation	144,685	\$42,082		186,667
	\$170,774			\$261,205

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - ADJUSTMENTS

The Agency was indebted to a Handicap Consortium in the amount of \$2,799 as a result of underpaying of grant revenues in prior year programs. This amount was discharged when the Agency failed to locate an Agency to receive the funds now that the original organization is not in operation.

NOTE 8 - OPERATING LEASE COMMITMENTS

The Agency is engaged in a leasing agreement with Livonia Lodge #120 for the lease of office space located at 128 Poydras Street which houses the Head Start offices. The lease was for an original term of three years. On June 28, 1996, the lease was extended for another three year term with monthly payments of \$400.00. Rent expense is recorded for the current year in the amount of \$4,350. Future minimum lease payments over the lease term are as follows:

<u>Fiscal Year</u>	<u>Annual Payment</u>
3/31/98	\$4,800
3/31/99	4,800
3/31/00	4,800
	<u>\$14,400</u>

NOTE 9 - COMPENSATED ABSENCES

The Agency has adopted the following policy on compensated absences:

After 1 year of service	5 vacation days and 5 sick days
After 2 years of service	10 vacation days and 10 sick days
After 6 years of service	15 vacation days and 15 sick days
After 10 years of service	20 vacation days and 20 sick days

Employees of the Agency are entitled to paid vacation and sick days, depending on length of service. Payment for unused vacation leave time shall be made upon the discharge, resignation, removal of employee due to reduction in force, or retirement or death of employee. The rate of payment will be an hourly rate which is an average of the three highest years of employment. A maximum of 500 hours may be paid. No unused sick leave shall be paid upon termination.

Accrued vacation pay for the fiscal year ending March 31, 1997, in the amount of \$13,740 is recorded as a long-term liability.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 - CONTINGENCIES

The Agency receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State for expenditures disallowed under the terms and conditions of the appropriate agency.

NOTE 11 - DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

In June 1995, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made", which standardizes the accounting for contributions for all entities and generally requires measuring contributions received and promises to give at their fair value and reporting them as an increase in net assets immediately, even if the donor has restricted their use and the restriction will be met in a future reporting period; and No. 117 "Financial Statements of Not-for-Profit Organizations" which establishes standards for external financial statements and requires statements of financial position, activities, cash flows, and for Voluntary health and welfare organizations, a statement of functional expenses. Both statements are effective for fiscal years beginning after December 15, 1994, with a one year delay for organizations that have less than \$5 million in total assets and \$1 million in annual expenses. For the current fiscal year, which began April 1, 1995, the Agency had \$25,391 in total assets and \$1,379,044 in annual expenses, and therefore was required by generally accepted accounting principles to implement the provisions of these statements into the accounting records and financial reporting. The Board of Pointe Coupee Community Advancement, Inc. did not adopt these statements, consequently, the opinion on the financial statements was qualified. It was not practicable to determine the effects of not adopting these statements.

ADDITIONAL INFORMATION

CURRENT UNRESTRICTED FUNDS

The "Local Administration Fund" is the general operating fund of the Agency. It is used to account for all financial resources over which the Board of Directors has discretionary control and is used to carry out the operations of the Agency in accordance with its bylaws.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
BALANCE SHEET - UNRESTRICTED FUNDS
MARCH 31, 1997

	<u>Local Administration</u>
ASSETS	
Cash	\$ 81
Due from other funds	<u>33</u>
TOTAL ASSETS	<u>\$ 114</u>
LIABILITIES AND FUND EQUITY	
<i>Liabilities:</i>	
Accounts payable	<u>\$ 114</u>
Total Liabilities	<u>114</u>
<i>Fund Equity:</i>	
Fund Balance -	
Unreserved - undesignated	<u>114</u>
Total Fund Equity	<u>114</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 228</u>

CURRENT RESTRICTED FUNDS

Current restricted funds are used to account for all funds currently available for use, but expendable only for the purposes specified by the grantor. Restricted funds of the Agency are as follows:

Head Start

Child and Adult Food Program - School Lunch Program

Home Energy Assistance

Child and Adult Food Program - Family Day Care Homes

Temporary Emergency Food Program

Community Services Block Grant

State Appropriations

Emergency Food and Shelter

POWER SYSTEMS TECHNOLOGY SERVICES LIMITED INC.
 CONDENSED BALANCE SHEET
 MARCH 31, 1997

	Share Capital	Retained Earnings	Accumulated Depreciation	Accumulated Amortization	Accumulated Deferred Income Tax	Accumulated Other Comprehensive Income	Total
ASSETS							
Cash	1,000	1,000	—	—	—	—	2,000
Accounts receivable	1,000	1,000	—	—	—	—	2,000
Prepaid expenses	1,000	—	—	—	—	—	1,000
TOTAL ASSETS	3,000	2,000	—	—	—	—	5,000
LIABILITIES AND SHARE EQUITY							
Accounts payable	—	1,000	—	—	—	—	1,000
Accounts receivable payable	—	—	—	—	—	—	—
Accumulated depreciation	—	—	—	—	—	—	—
Accumulated amortization	—	—	—	—	—	—	—
Accumulated deferred income tax	—	—	—	—	—	—	—
Shareable funds	—	—	—	—	—	—	—
Shareholders' equity	3,000	1,000	—	—	—	—	4,000
TOTAL LIABILITIES AND SHARE EQUITY	3,000	2,000	—	—	—	—	5,000

(2)

PROFESSIONAL CONSULTANTS REVENUES, INC.
 COMPANIES WHICH DO NOT QUALIFY FOR SMALL BUSINESS STATUS - CURRENT RESTRICTED PERIOD
 YEAR ENDED MARCH 31, 1979

	Total Inc.	Cost of Add'l Costs	Net Emp. Costs	Cost of Add'l Costs	Employ- ment Costs	Company Costs	Net Assets	Total
NET REVENUES FROM SERVICES								
Public Support :								
State	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Federal	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
State	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses								
Salaries	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Benefits	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Travel	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Telephone	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Printing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Supplies	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Repairs	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Utilities	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Insurance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Depreciation	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Net Income	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Retained Earnings								
Beginning	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Ending	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000

POINTS COLLEGE COMMUNITY ADVANCEMENT, INC.
 SCHEDULE OF ACTIVITY AND CHANGES IN FUND BALANCE
 - BUDGET - ACTUAL (BUDGET BASIS) - HEAD START PROGRAM
 YEAR ENDED MARCH 31, 1997

	Budget	Actual	Variance Favorable / (Unfavorable)
PUBLIC SUPPORT AND REVENUES			
Public Support -			
Grant revenue	\$68,714	\$68,490	(224)
Grants contribution	<u>162,411</u>	<u>130,700</u>	<u>(31,711)</u>
Total Public Support	<u>231,125</u>	<u>199,190</u>	<u>(31,935)</u>
Revenue -			
Interest income		299	299
Miscellaneous and donations		<u>115</u>	<u>115</u>
Total Revenue		<u>414</u>	<u>414</u>
Total Public Support and Revenue	<u>231,125</u>	<u>203,717</u>	<u>(27,408)</u>
EXPENSES			
Salaries	\$82,874	\$82,499	375
Fringe benefits	72,107	50,179	21,928
Toural	4,949	7,440	(2,491)
Supplies	80,260	88,430	(8,170)
Equipment	18,000	32,365	(14,365)
Contracted services		5,000	(5,000)
Other costs	110,314	114,076	(3,762)
In-kind salaries and rent	<u>162,411</u>	<u>180,700</u>	<u>(18,289)</u>
Total Expenses	<u>691,115</u>	<u>782,591</u>	<u>(91,476)</u>
Excess of Public Support and Revenue over Expenses		<u>25,226</u>	<u>25,226</u>
FUND BALANCE - BEGINNING		24,108	
Adjustments:			
Reclassification of unobligated fund balance		1,083	
Prepaid insurance 5/31/96		<u>(22,940)</u>	
Prepaid insurance 5/31/97		<u>16,611</u>	
Adjusted Fund Balance - Beginning		<u>2,862</u>	
FUND BALANCE - ENDING		<u>27,090</u>	

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF PER DIEM AND OTHER COMPENSATION
PAID TO MEMBERS OF THE BOARD OF DIRECTORS
YEAR ENDED MARCH 31, 1997

Roland J. Roberts	\$	0
Ronald Salzon		0
Russell Polar		0
Irma R. Smith		0
Donald Fuselier		0
Blanche R. Lindly		0
Pearl Johnson		0
Eleanor Seibert		0
Sylvester Mackleroy		0
Walter Warr, Jr.		0
John Glindt, Sr.		0
Rev. Miller Armstrong		0
Robert Britton		0
Joseph Young		0
Gerakline Turner		0
Joyce Domingue		0
Annoinette Patterson		0
Rose Hebert		0
Lizzie Washington		0
		0
	\$	0

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
Practicing Limited to Commercial Accounting, Auditing and Financial Reporting

Office
10000 WOODBURN ROAD
WALKERSVILLE, MISSISSIPPI 39351
601-938-2200

Office
100 WASHINGTON SQUARE
MEMPHIS, TENNESSEE 38102

Member
AMERICAN INSTITUTE OF CPAs
MEMBER SOCIETY OF COLLEGE
ADMINISTRATORS (FACAA) &
SOCIETY OF PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPE COMMUNITY ADVANCEMENT, INC.** (a Nonprofit Organization), as of and for the year ended March 31, 1997, and have issued my report thereon dated October 30, 1997. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my 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, "Audit of Institutions of Higher Education and Other Non-profit Institutions". These standards and OMB Circular A-133 require that I 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of Pointe Coupee Community Advancement, 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 basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

George F. Delaune, CPA

October 30, 1997

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED MARCH 31, 1997

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Revenue Recognized	Total Expenses
U.S. Department of Health & Human Services			
Direct Program			
Head Start	*	\$1,400	\$637,574
LA Department of Labor			
Community Service Block Grant	93-568	48,160	48,879
LA Department of Social Services			
Home Energy Assistance	93-568	66,799	65,085
U.S. Department of Agriculture			
LA Department of Education			
Child and Adult Care Food Program - Family Day Care	*	10,558	122,612
Emergency Food Assistance Program	10-550	28,905	28,513
Child & Adult Care Food Program - School Lunches	10-550	54,349	54,254
Federal Emergency Management Agency			
Disaster Program			
Emergency Food & Shelter Program	43-523	10,480	14,140
Total Federal Awards		<u>\$1,126,776</u>	<u>\$1,178,064</u>

* Major Grant

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

Member Licensed in Governmental Accounting, Auditing and Financial Reporting

Phone
OFFICE: 608-785-1111
FAX: 608-785-1112
HOME: 608-785-1113
CELL: 608-785-1114

Office
1001 UNIVERSITY DRIVE
VERONA, WI 53593

Member
AMERICAN INSTITUTE OF CPAs
INTERNATIONAL FEDERATION OF CPAs
GOVERNMENT ACCOUNTING
COUNCIL ON EDUCATION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued my report thereon dated October 30, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Pointe Coupee Community Advancement, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments 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 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 my audit of the financial statements of Pointe Coupee Community Advancement, Inc. for the year ended March 31, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions noted are described in the accompanying *Schedule of Reportable Conditions*.

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 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.

My 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 not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of Pointe Coupee Community Advancement, Inc. for the year ended March 31, 1997. The material weakness noted is described in the accompanying *Schedule of Reportable Conditions*.

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

George F. Robinson, CPA

October 16, 1997

George F. Delaune

CHARTERED PUBLIC ACCOUNTANT
Practices Limited in Government Accounting, Auditing and Financial Reporting

Phone
CONNECTION FOR THE
FAX LINE SERVICE
PHONE IN THE
COLUMBIA AREA

Office
NEW BRUNSWICK OFFICE
PRINCIPAL OFFICE

Member
MEMBERSHIP IN THE
COLUMBIA COUNTY IN THE
COLUMBIAN COUNTY IN THE
COLUMBIAN COUNTY IN THE
COLUMBIAN COUNTY IN THE

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

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued my report thereon dated October 30, 1997. I have also audited the compliance of Pointe Coupee Community Advancement, Inc. with requirements applicable to major federal award programs and have issued my report thereon dated October 30, 1997.

I conducted my audits 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'. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether Pointe Coupee Community Advancement, Inc. complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing my audits for the year ended March 31, 1997, I considered the internal control structure of Pointe Coupee Community Advancement, Inc. in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements of Pointe Coupee Community Advancement, 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 my considerations of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. I have addressed internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated October 30, 1997.

The management of Pointe Coupee Community Advancement, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of 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.

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

Accounting controls -

Cash receipts/disbursements

General requirements -

Political activity

Civil Rights

Cash management

Federal financial reports

Allowable cost/cost principles

Drug-free Workplace Act

Administrative requirements

Specific requirements -

Types of services allowed or unallowed

Eligibility

Matching, level of effort, and cost-sharing

Special tests and provisions

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 I assessed control risk.

During the year ended March 31, 1999, Pointe Cooper Community Advancement, Inc. expended 81% of its total federal awards under major federal award programs.

I performed tests on controls, as required by OMB Circular A-123, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I 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 each of Pointe Cooper Community Advancement, Inc.'s major federal award programs, which are identified in the accompanying Schedule of Federal Awards. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Pointe Cooper Community Advancement, Inc.'s ability to administer federal

award programs in accordance with applicable laws and regulations. The reportable conditions noted are described in the accompanying *Schedule of Reportable Conditions*.

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.

My 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, I noted the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the compliance of Police Cooper Community Advancement, Inc. with requirements applicable to its major federal award programs for the year ended March 31, 2007, and this report does not affect my report thereon dated October 30, 1997.

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

George F. Shelton, CPA

October 30, 1997

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

Former Limited to Government Accounting, Auditing and Financial Reporting

Office
1000 PINE BLVD
SUITE 1000
MONROE, LA 70601
504.235.1000

Office
1000 PINE BLVD
SUITE 1000
MONROE, LA 70601

Member
AMERICAN INSTITUTE OF CPAs
AMERICAN SOCIETY OF CPAs
LOUISIANA SOCIETY OF CPAs
SOCIETY OF CPAs

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued my report thereon dated October 30, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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 Pointe Coupee Community Advancement, Inc. is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Pointe Coupee Community Advancement, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

George F. Delaune, CPA

October 30, 1997

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

Member Louisiana Governmental Accounting, Auditing and Financial Reporting

Home
OFFICE: MONROE, LA
COLUMBIAN
BUILDING
SUITE 2000
NEW ORLEANS, LA 70112

Office
1000 CANAL CENTER
SUITE 1400
NEW ORLEANS, LA 70112

Member
AMERICAN INSTITUTE OF CPAs
LOUISIANA SOCIETY OF CPAs
LOUISIANA SOCIETY OF CPAs
GOVERNMENT FINANCE
CERTIFIED ACCOUNTANT

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

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued my report thereon dated October 30, 1997.

I have also audited the compliance of Pointe Coupee Community Advancement, Inc. with the requirements governing types of services allowed or unallowable; eligibility; matching; level of effort; or cost-sharing; reporting; state licensing requirements; financial reports and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying *Schedule of Federal Awards*, for the year ended March 31, 1997. The management of Pointe Coupee Community Advancement, Inc. is responsible for the agency's compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

I conducted my audit of compliance with these requirements 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, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that I 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 these requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, Pointe Coupee Community Advancement, Inc. complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended March 31, 1997.

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

George F. Delaune, CPA

October 30, 1997

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Phone
OFFICE: 584-5211
HOME: 584-5211
FAX: 584-5211
CELL: 584-5211

Office
100 W. BROADWAY
SUITE 1000
NEW ORLEANS, LA 70119

Member
AMERICAN INSTITUTE OF CPAs
SOCIETY OF CPAs
SOCIETY OF CPAs
SOCIETY OF CPAs

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

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued my report thereon dated October 30, 1997.

I have applied procedures to test the compliance of Pointe Coupee Community Advancement, 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 March 31, 1997 — political activity, civil rights, cash management, federal financial reports, allowable costs/unit principles, drug-free workplace act, administrative requirements.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions". My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Pointe Coupee Community Advancement, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of my 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 my attention that caused me to believe that Pointe Coupee Community Advancement, Inc. had not complied, in all material respects, with those requirements. Also, the results of my procedures did not disclose any intentional instances of noncompliance with those requirements.

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

George F. Delaune, CPA

October 30, 1997

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Phone
OPERATING OFFICE
1404 BARRINGER
SUITE 1000
MONROE, LA 70001

Office
THE ARCHON CENTER
1000 BAYOU LACOUR
MONROE, LA 70001

Member
MEMBER INSTITUTE OF COST
ACCOUNTING ACCOUNTS OF THE
INTERNATIONAL SOCIETY OF
CERTIFIED ACCOUNTANTS

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

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued my report thereon dated October 30, 1997.

In connection with my audit of the financial statements of Pointe Coupee Community Advancement, Inc. and with my 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, "Audit of Institutions of Higher Education and Other Nonprofit Institutions," I selected certain transactions applicable to certain nonmajor federal award programs for the year ended March 31, 1997. As required by OMB Circular A-133, I 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. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Pointe Coupee Community Advancement, Inc.'s compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of my procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Pointe Coupee Community Advancement, Inc. had not complied, in all material respects, with those requirements. Also, the results of my procedures did not disclose any immaterial instances of noncompliance with those requirements.

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

George F. Delaune, CPA

October 30, 1997

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 1997

Program

Finding/Noncompliance

Questioned
Cost

There were no current year material noncompliance findings.

There were no prior year material noncompliance findings.

POINTE COUVEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF REPORTABLE CONDITIONS
YEAR ENDED MARCH 31, 1997

MATERIAL INTERNAL CONTROL WEARNESES - CURRENT YEAR

1. General Ledger Out-of-Balance

Condition and Criteria: The accounting system for all funds other than Head Start is an outdated manual set of books. Several funds were out in balance, debits and credits were reversed, and prior year audit adjustments were not posted.

Effect: Inaccurate accounting records to produce reliable financial reports.

Cause: Insufficient review of records by management and only the accountant was familiar with the accounting system.

Recommendation: Computerization of accounting records is necessary. Given the capabilities of the office staff, I would recommend the purchase of QuickBooks and the subsequent training of the accountant and executive director on its use.

Response: Management concurred with the finding and will update its accounting system as recommended.

2. In-Kind Services Not Recorded in Accounting System

Condition and Criteria: Head start failed to record in-kind services in the accounting system.

Effect: Inaccurate accounting records to produce reliable financial reports used to monitor its budget.

Cause: Inadequate review of records by management.

Recommendation: On a monthly basis in-kind services should be posted to the accounting system.

Response: Management concurred with the finding and will post all in-kind services to the accounting system.

OTHER REPORTABLE CONDITIONS - CURRENT YEAR

1. Indirect Cost Principles Not Being Applied to Programs

Condition and Criteria: Management and general expenses are being paid on a random basis by funds. Federal regulations require that all management and general expenses that affect all funding sources be allocated in accordance with an approved indirect cost formula.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF REPORTABLE CONDITIONS
YEAR ENDED MARCH 31, 1997

Effect: Program costs per financial statements are inaccurate.

Cause: Management was not aware that these costs should be allocated under indirect cost principles.

Recommendation: Management should develop an indirect cost formula and submit it to the Louisiana Department of Education for approval. After approval all management and general expenses should be allocated for in the Local Administration fund and charged to program services based upon the approved formula.

Response: Management concurred with the finding and will contact the Louisiana Department of Education for guidance in adopting an indirect cost rate.

COMPLIANCE VIOLATION - CURRENT YEAR

1. Audit Not Completed in Accordance with LSA-R.S. 24:513

Condition and Criteria: In accordance with LSA-R.S. 24:513, the Agency's audit should have been completed and submitted to the Legislative Auditor within six months of the close of the Agency's fiscal year (September 30, 1997).

Effect: A violation of state law.

Cause: With the assurance of the Executive Director as to the accuracy of the accounting records, I rescheduled my time table to another starting date which I felt would give me enough time to complete the engagement by September 30, 1997. However, after I started the audit, I found the accounting records in insufficient status and requests for information required several requests before the information was received where I could complete the examination.

Recommendation: The Agency must improve its accounting system where the it will enable the auditor to accomplish the audit engagement as required by state law.

Response: Management concurred with the finding and requested me to assist them in improving its accounting system to comply with all regulations.

PRIOR YEAR REPORTABLE CONDITIONS

All prior year reportable conditions were corrected by management.