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AWOYELLES PROGRESS ACTION COMMITTEE, INC.

AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 1967

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, 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 SEP. 27 1968

Ducote & Company
Certified Public Accountants
P. O. Box 308
219 North Washington Street
Baton Rouge, LA 70801

AVOYELLES PROGRESS ACTION COMMITTEE

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Independent Auditors' Report

To the Board of Directors
Aryzelles Progress Action Committee, Inc.
Mer Rouge, Louisiana

We have audited the accompanying statement of financial position of the Aryzelles Progress Action Committee, Inc. (a nonprofit organization) as of September 30, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note C to the financial statements, depreciation on property and equipment purchased with grant funds is not recorded in the financial statements. In our opinion, generally accepted accounting principles require that depreciation on property and equipment be recorded in the financial statements. It was not practicable to determine the effects of the unrecorded depreciation on the financial statements.

In our opinion, except for the effects of not recording depreciation, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Aryzelles Progress Action Committee, Inc. as of September 30, 1997, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 23, 1998, on our consideration of Aryzelles Progress Action Committee, Inc.'s internal control structure and a report dated March 23, 1998 on its compliance with laws and regulations.

Board of Directors
Page 2
March 23, 1988

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information schedules contained in Appendix A as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the *Acropolis Progress Action Committee, Inc.* The accompanying schedule of expenditures of federal awards contained in Appendix B is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-110, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



DUCOTE & COMPANY
Metairie, Louisiana
March 23, 1988

AVONELLES PROGRESS ACTION COMMITTEE, INC.
Combined Statement of Financial Position
All Programs
September 30, 1997

	Direct Federal Program	Indirect Federal Programs	Non-Federal Program	Totals Memoranda
ASSETS				
Current Assets				
Cash and cash equivalents	\$2,682	\$78,471	\$7,328	\$88,481
Grants receivable	0	10,388	0	10,388
Due from other programs	18,248	9,673	1,800	29,721
Prepaid expenses	0	0	0	0
Total current assets	<u>20,930</u>	<u>98,532</u>	<u>9,128</u>	<u>128,590</u>
Property, Plant & Equipment				
Property and equipment	248,333	0	0	248,333
Other Assets				
Deposits	100	0	0	100
TOTAL ASSETS	<u>\$254,363</u>	<u>\$98,532</u>	<u>\$9,128</u>	<u>\$362,023</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$0	\$0	\$0	\$0
Accrued expenses	0	0	4,588	4,588
Due to other programs	1,800	18,028	0	19,828
Deferred revenues	0	59,012	0	59,012
Total liabilities	<u>1,800</u>	<u>77,040</u>	<u>4,588</u>	<u>83,428</u>
Net Assets				
Restricted for property	248,000	0	0	248,000
Unrestricted	4,330	91,492	4,548	100,370
Total net assets	<u>252,330</u>	<u>91,492</u>	<u>4,548</u>	<u>348,370</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$254,700</u>	<u>\$90,000</u>	<u>\$4,700</u>	<u>\$349,400</u>

The accompanying notes are an integral part of this financial statement.

ANDOVERLEES PROGRAMS ACTION COMMITTEE, INC.
Combined Statement of Activities
All Programs
For the Year Ended September 30, 1997

	<u>Direct Federal Programs</u>	<u>Indirect Federal Programs</u>	<u>Non-Federal Programs</u>	<u>Totals Money Only</u>
UNRESTRICTED NET ASSETS:				
Support				
Grants earned	\$1,380,870	\$556,834	\$0	\$1,937,704
In-kind contributions	498,399	0	0	498,399
Other support	1,000	2,580	200	4,780
Total Support	<u>1,880,269</u>	<u>559,414</u>	<u>200</u>	<u>2,440,883</u>
Expenses:				
Program Services				
Salaries	190,150	240,000	0	430,150
Fringe benefits	100,004	27,184	0	268,187
Contractual	17,007	3,383	0	19,390
Tuition	20,000	9,700	0	29,700
Books costs	21,280	191,750	0	213,030
Consumable supplies	89,977	60,304	0	150,281
Materials cost	35,100	66,000	0	101,100
Other expenses	140,344	18,000	0	158,344
In-kind contributions	498,399	0	0	498,399
Total Program Services	<u>1,003,561</u>	<u>566,537</u>	<u>0</u>	<u>1,570,098</u>
Increase (decrease) in unrestricted net assets	<u>87,708</u>	<u>(7,123)</u>	<u>200</u>	<u>80,785</u>
Net assets, beginning of year	<u>213,863</u>	<u>80,820</u>	<u>1,610</u>	<u>296,293</u>
Net assets, end of year	<u>301,571</u>	<u>73,697</u>	<u>1,810</u>	<u>377,078</u>

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

HOVELLES PROGRESS ACTION COMMITTEE, INC.
Combined Statement of Cash Flows
All Programs
For the Year Ended September 30, 1997

	Direct Federal Programs	Indirect Federal Programs	Non-Federal Programs	Totals Memo Data
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$29,417	\$(19,262)	\$222	\$10,377
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
(Increase) decrease in operating assets:				
Grants receivable	3,923	(1,822)	0	2,101
Other receivable	(78,248)	(5,827)	0	(84,075)
Prepaid expenses	5,288	0	0	5,288
Increase (decrease) in operating liabilities:				
Accounts payable	0	(4,271)	0	(4,271)
Accrued expenses	(2,891)	(88)	(2,832)	(5,811)
Other payables	0	78,343	0	78,343
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$1,906	\$6,573	(2,610)	\$5,869
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	\$(7,134)	0	0	\$(7,134)
NET CASH FLOWS FROM INVESTING ACTIVITIES	\$(7,134)	0	0	\$(7,134)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,228)	6,573	(2,610)	(1,265)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$1,730	\$8,128	3,222	\$13,080
CASH AND CASH EQUIVALENTS, END OF YEAR	\$3,502	\$14,701	6,212	\$24,415

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

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements
SEPTEMBER 30, 1997

NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization:

The Avoyelles Progress Action Committee, Inc. (APAC) was organized in 1955, its purpose being to serve as a community action agency for the parish of Avoyelles, Louisiana. Its goal is to provide a central agency to focus on available local, state, federal and private resources to assist the disadvantaged residents of Avoyelles Parish.

The Avoyelles Progress Action Committee, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Nature of Activities:

The primary funding sources and their purposes of APAC are:

Direct Federal Programs

Department of Health & Human Services:

Head Start - a full year (nine month) program which provides comprehensive early child development for disadvantaged pre-school children.

Indirect Federal Programs

Department of Agriculture:

The Child and Adult Food Care Program operates in conjunction with the Head Start Program.

This program allows APAC to operate a food program for qualifying students on a cost reimbursement basis.

The Emergency Food Assistance Program - Admin. Costs and Food Commodities Programs provide reimbursement for the direct costs of distribution of food commodities and the actual commodities themselves to needy families.

Department of Energy:

The Weatherization Assistance for Low Income Persons Program provides services to assist needy individuals with home energy conservation measures.

Department of Health & Human Services:

The Community Services Block Grant and the Emergency Community Services for the Homeless Programs help to defray a portion of APAC's administrative costs as well to provide various program services to the needy.

Department of Social Services:

The Summer Child Care Program provides full day (six) enrichment programs during the summer months of June and July for disadvantaged children up to age 13.

ANDYVELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
SEPTEMBER 30, 1997

NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(continued)

Nature of Activities (continued):

Non-Federal Programs

This accounts for general fund and state appropriated monies to cover other administrative costs of operating the APAC agency. During the year ended September 30, 1997, APAC received no state appropriation monies.

Method of Accounting:

The financial statements of APAC have been prepared utilizing the accrual basis of accounting.

Financial Statement Presentation:

In 1996, APAC adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, APAC is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. As permitted by the new standard, APAC has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. The reclassification had no cumulative effect on the change in net assets for the year ended September 30, 1997.

APAC also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The adoption had no cumulative effect on net assets at the date of the adoption. In addition, APAC has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Cash Equivalents:

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Support and Revenues:

Grant revenues are recognized as follows:

For entitlement grants in which unexpended funds are subjected to future reprogramming, the entire amount of the grant award is recognized over the life of the grant. In cases where such grants span the Agency's fiscal year and revenues are recognized in an amount equal to expenditures in the initial portion of the grant, and any excess is recognized in the period in which the grant terminates.

ANDYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
SEPTEMBER 30, 1997

NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Support and Revenue (continued):

In cases of cost reimbursement grants where unexpended funds revert to the grantor at the conclusion of the grant period, grant revenues are recognized in an amount equal to expenditures, up to the maximum amount of the grant awarded.

In the case of unrestricted grants, the entire amount of the grant award is recognized as revenue upon receipt.

Expenditures:

Purchases of consumables and supplies are recorded as expenditures in the grant period when purchased. Should grant funding cease, such equipment could be returned to the grantor. Because of these expenditures, a perpetual record is maintained on those assets acquired.

Totals - Memo Only

The total columns on the statements are captioned *Memo Only* to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment acquired by APAC are considered to be owned by APAC. However, federal funding sources may maintain an equitable interest in the property purchased with grant monies, as well as the right to determine the use of any proceeds from the sale of these assets. The equitable interest maintained by the grantor agency decreases as the age of the asset increases.

As of September 30, 1997, all property and equipment owned by APAC has been acquired with grant monies.

Property and equipment consist of the following:

	<u>Balance</u> <u>\$20096</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance</u> <u>\$20097</u>
Direct Federal Programs	\$213,180	\$ 37,714	\$ -0-	\$250,894
Indirect Federal Programs	5,104	-0-	-0-	5,104
Non-Federal Programs	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	<u>\$218,284</u>	<u>\$ 37,714</u>	<u>-0-</u>	<u>\$256,000</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
SEPTEMBER 30, 1997

NOTE C - DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

SFAS No. 83, effective for fiscal years beginning after May 15, 1988, requires the recognition of depreciation in the financial statements of a non-profit organization. This statement provides that the nonprofit organization adopt accounting changes needed to conform to statement's provisions.

In order to apply the provisions of SFAS No. 83, estimates of the useful lives and salvage values of property and equipment must be determined. Depreciation is then calculated using a method of depreciation recognized under generally accepted accounting principles.

APAC maintains a descriptive property ledger which details property and equipment acquired since its inception. The number of individual assets in the ledger is large and the calculation of depreciation to conform with SFAS No. 83 would be burdensome. The majority of the assets were acquired over five to seven years ago and would be fully depreciated under the provisions of SFAS No. 83.

The Agency has not adopted the provisions of SFAS No. 83 for the fiscal year ended September 30, 1997, and instead has reserved a portion of net assets to reflect the amount of property and equipment.

NOTE D - DONATED SERVICES, MATERIAL, AND FACILITIES

Valuation of in-kind services is made at current market rates for services, at not more than the federal minimum wage plus applicable fringe costs.

Costs of materials and facilities use is valued at the estimated fair market value of the material or facility at the time of the donation.

NOTE E - INTERPROGRAM RECEIVABLES/PAYABLES

As of September 30, 1997, the following interprogram receivables/payables existed:

	<u>Receivable</u>	<u>Payable</u>
Non-Federal Program:		
General Fund	\$ 1,508	\$ -0-
Indirect Federal Program:		
Weatherization	5,877	-0-
Child Care Food	0-	10,348
Transportation	100	5,877
Summer Child Care	0-	100
Direct Federal Program:		
Fixed Staff	<u>10,348</u>	<u>1,508</u>
Totals	<u>\$17,833</u>	<u>\$17,833</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
SEPTEMBER 30, 1997

NOTE F - GRANTS RECEIVABLE

As of September 30, 1997, grants receivable was composed of:

Child Care Food: State Dept. of Treasury	<u>\$ 12,292</u>
Total	<u>\$ 12,292</u>

NOTE G - SUMMARY OF GRANTS

APAC was primarily funded through the following grants for the year ended September 30, 1997:

<u>Funding Source</u>	<u>Program Year(s)</u> <u>Covered</u>	<u>Recognized</u> <u>Support</u>
Direct Federal Programs: Head Start	71/96-6/97/97 71/97-6/99/98	\$1,076,575
JTPA Title I Program	10/1/96-9/30/97	-4,399
Inirect Federal Programs: Community Services Block Grant	1/1/96-12/31/96 1/1/97-12/31/97	106,469
Summer Child Care Program	71/96-6/97/97 71/97-6/99/98	171,767
Dept. of Energy Weatherization	4/1/95-3/31/97	18,289
LIHEAP Energy Assistance Program	4/1/95-3/31/97 4/1/97-3/31/98	123,480
Child and Adult Food Care Program	10/1/96-9/30/97	106,964
Emergency Food Assistance Program	10/1/96-9/30/97	<u>8,752</u>
Total Grants		<u>\$1,621,767</u>

Some of the programs have program years which overlap the Agency's fiscal year. In those cases revenue and expenditures are recognized according to the Agency's fiscal year.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
SEPTEMBER 30, 1997

NOTE H - DEFERRED GRANT REVENUE

The funding period for the Summer Child Care Program covers the period July 1 to June 30 of each year. The program for each summer spans two funding periods. The program was funded in July 1997 for the July 1997 through June 1998 Summer Programs. As of September 30, 1997, \$63,815 was still available for the program to be held in June 1998 and therefore is recorded as a deferred revenue on the financial statements.

NOTE I - EMPLOYEE BENEFIT PLAN

APAC established a defined contribution salary deferral plan, covering employees of the Head Start Division of the agency. The plan has been adopted in accordance with Section 403(b) of the Internal Revenue Code. Under the plan, the APAC contributes a discretionary matching contribution equal to a percentage of the amount of the salary reduction elected by the employee, up to 5% of compensation. The employee may elect a salary reduction up to the maximum annual allowable amount established by applicable Internal Revenue Code Sections. During the year ended September 30, 1997, APAC contributed \$29,486, as the agency's match, to the plan.

NOTE J - COMMITMENTS

APAC leases various buildings on a one-year, renewable basis. The buildings are used primarily for CSBG and Head Start.

NOTE K - BOARD MEMBERS PER DIEM

Board Members of the Avoyelles Progress Action Committee have not received per diem or any other type of compensation during this audit period.

INDIRECT FEDERAL PROGRAMS

Department of Health & Human Services:

The Community Services Block Grant helps to defray a portion of APAC's administrative costs as well to provide various program services to the needy.

Department of Energy:

The Weatherization Assistance for Low Income Persons Program provides services to assist needy individuals with home energy conservation measures.

The LIHEAP Program assist needy individuals with home energy payments.

Department of Agriculture:

The Child and Adult Food Care Program operates in conjunction with the Head Start Program. This program allows APAC to operate a food program for qualifying students on a cost reimbursement basis.

The Emergency Food Assistance Program - Admin Costs and Food Commodities Programs provide reimbursement for the direct costs of distribution of food commodities and the actual commodities themselves to needy families.

Department of Transportation:

APAC previously received funding through the State's Title 19 Medicaid Transportation program. The funding was discontinued in 1989; the remaining funds are being utilized to fund other agency eligible expenses.

Department of Social Services:

The Summer Child Care Program provides full day child enrichment programs during the summer months of June and July for disadvantaged children up to age 13 (except for those with disabilities, which have different eligibility criteria).

ARROYELLES PROGRAMS ACTION COMMITTEE, INC.
 Combining Statement of Financial Position
 National Federal Programs

For the Year Ended September 30, 1997

ASSETS	Dept of Energy		LEMAP Energy		Child Care		Temporary		Transportation		Business		Totals
	CBIC	Residuals	Residuals	Programs	Residuals	Programs	Residuals	Programs	Residuals	Programs	Residuals	Programs	
Current Assets													
Cash and cash equivalents	12,078	0	11,068	908	18,875	832	100,898	80,178	0	0	0	0	219,941
Short-term investments	0	0	0	0	12,280	0	0	0	0	0	0	0	12,280
Due from other programs	0	0	3,875	0	0	0	0	0	0	0	0	0	3,875
Prepaid expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Property, Plant & Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Property and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets													
Accounts	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	<u>12,078</u>	<u>0</u>	<u>11,068</u>	<u>908</u>	<u>18,875</u>	<u>832</u>	<u>100,898</u>	<u>80,178</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>219,941</u>
LIABILITIES AND NET ASSETS													
Current Liabilities													
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Due to other programs	0	0	0	0	16,948	0	0	0	0	0	0	0	16,948
Deferred expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,948</u>
Net Assets													
Residuals for property	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted	2,078	0	1,068	908	14,927	832	48,178	48,178	0	0	0	0	105,231
Total net assets	<u>2,078</u>	<u>0</u>	<u>1,068</u>	<u>908</u>	<u>14,927</u>	<u>832</u>	<u>48,178</u>	<u>48,178</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>105,231</u>
TOTAL LIABILITIES & NET ASSETS	<u>2,078</u>	<u>0</u>	<u>11,068</u>	<u>908</u>	<u>33,803</u>	<u>864</u>	<u>149,076</u>	<u>128,356</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>325,172</u>

ANDOVERVILLE PROGRESS ACTION COMMITTEE, INC.
 Condensed Statement of Activities
 For the Year Ended September 30, 1997

(680) Program	Dept of Energy Program	United Energy Assistance Program	Cold Care Fund Program	Temporary Emergency Food Program	Transportation Program	Business Child Care Program	Tools Maintenance
Checks issued	\$10,489	\$125,400	\$100,000	\$6,761	\$0	\$0	\$0
Initial contributions	0	0	0	0	0	0	0
Other support	0	0	0	0	2,880	0	2,880
Total Support	\$10,489	\$125,400	\$100,000	\$6,761	\$2,880	\$0	\$2,880
Expenses:							
Program Services:							
Salaries	19,200	6,473	10,000	1,249	10,000	11,400	261,300
Fringe benefits	12,000	395	5,000	1,144	0	14,021	27,136
Contributed	1,200	0	0	0	0	1,500	2,700
Taxes	150	0	2,000	0	0	3,007	5,157
Supplies	6,662	0	114,000	0	0	1,000	121,662
Communications	2,500	0	12,000	0	0	11,250	25,750
Manufactured goods	0	0	80,000	0	0	1,000	81,000
Other expenses	2,000	1,473	3,000	477	600	10,268	18,818
Initial contributions	0	0	0	0	0	0	0
Total Program Services	\$42,652	\$24,871	\$130,000	\$2,867	\$10,000	\$17,178	\$282,490
Income (losses) in unrestricted net assets	\$1,000	\$0	\$10,000	\$0	\$11,000	\$0	\$10,000
Net assets, beginning of year	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0
Net assets, end of year	\$2,000	\$0	\$10,000	\$0	\$11,000	\$0	\$10,000

1997-1998 (110-007) 4/4/97/15

Report

AVONDELLES PROGRESS ACTION COMMITTEE, INC.
 Continuing Statement of Cash Flows
 Indian Federal Programs
 For the Year Ended September 30, 1992

CFO Program	Dept of Energy Weatherization Program	LEAP/ Energy Assistance Program	Cold Care Fund Program	Temporary Emergency Food Fund Program	Transportation Program	Summer Child Care Program	Total From Main C/O
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0	0	0	(7,802)	0	0	0	(7,802)
0	(5,871)	0	0	0	(268)	0	(6,139)
0	0	0	(8,271)	0	0	0	(8,271)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	5,872	0	5,872
1,428	278	0	(19,879)	528	19,288	82,112	82,077
83	2,178	882	4,888	478	28,248	0	36,687
1,511	2,456	882	(14,991)	1,006	37,536	82,112	130,612

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets
 adjustments to reconcile changes in
 net assets to net cash provided by
 operating activities:
 (Increase) decrease in operating assets
 Grant receivable
 Other receivable
 Increase (decrease) in liability/deferred
 account credits
 Accrued expenses
 Other payables

NET INCREASE (DECREASE) IN CASH
 AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS,
 BEGINNING OF YEAR

CASH AND CASH EQUIVALENTS,
 END OF YEAR

**REPORT REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

The following pages contain a report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Governmental Auditing Standards, issued by the Comptroller General of the United States. The report includes, where appropriate, compliance matters and any reportable conditions and/or internal weaknesses that would be material to the presented financial statements.

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

To the Members of the
Arycettes Progress Action Committee, Inc.
Monroe, Louisiana

We have audited the general-purpose financial statements of Arycettes Progress Action Committee, Inc. for the year ended September 30, 1997, and have issued our report thereon dated March 23, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Arycettes Progress Action Committee, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Arycettes Progress Action Committee, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted the following matter which we consider to be a material weakness:

Finding One

Condition

The agency utilizes a centralized payroll system, whereby all payroll checks are issued from one bank account and then each program reimburses the payroll account. The following were noted about the payroll accounting during the course of the audit:

- The payroll account was not included as an account in any of the programs, nor was it presented as a separate program account
- No reconciliations were performed to tie the payroll from all programs back to the quarterly payroll reports

Criteria and Effect

The proper functioning of all the conditions listed above are an integral part of a strong internal control system. In order for the internal control system to function properly, an imprest account must be properly accounted and included in the general ledger system of an entity. Also, to ensure all payroll is properly reported and all payroll taxes verified, a reconciliation must be performed tying total payroll from the general ledger to the quarterly reports.

Finding Two

Condition

A manual, detailed property ledger is kept for property and equipment. The ledger is not indexed and is not reconciled to the general ledger. The ledger should be updated for acquisitions and dispositions and reconciled to the general ledger.

Criteria and Effect

All property and equipment have been acquired with grant funds and some grants allow the granting agency to maintain a reversionary interest in the property. Also, the method of disposition of the assets is often determined by the granting agency.

In order to maintain control of fixed property, all property should be tagged. The master listing of property should include tag numbers and an accounting of used tag numbers, unused tag numbers, and numbers for disposed equipment. The schedule needs to be reviewed annually and adjustments made for disposition and/or obsolete property.

The property ledger must be kept current and reconciled to the general ledger accounting system.

We noted other matters involving the internal control over financial reporting that we have reported to management of Anoyelles Progress Action Committee, Inc. in a separate letter dated March 23, 1988.

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

DeLoach & Company
DeLoach & Company
Metairie, Louisiana
March 23, 1988

APPENDIX B

REPORTS REQUIRED BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR

The following pages contain reports on the Schedule of Expenditures of Federal Awards and on compliance with requirements applicable to each Major Program and Internal control over compliance in accordance with OMB Circular A-133

**REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

To the Members of the
Avoyelles Progress Action Committee, Inc.
Mottville, Louisiana

We have audited the general-purpose financial statements of the Avoyelles Progress Action Committee, Inc. for the year ended September 30, 1997, and have issued our report thereon dated March 23, 1998. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.


Ducote & Company
Mottville, Louisiana
March 23, 1998

JAYWELLS PROGRESS ACTION COMMITTEE, INC
BARRISVILLE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended September 30, 1997

Federal Grantor Pass-Through (Grantor) Program Name	Federal CFDA Number	Program Expenditures
U.S. Department of Agriculture		
Passed through the State of Louisiana, Dept of Education		
Child and Adult Food Care Program	10.098	\$ 100,000
Passed through the State of Louisiana, Dept. of Agriculture		
Emergency Food Assistance Program-Adults	10.099	10,000
Emergency Food Assistance Program-Communities	10.099*	20,000
U.S. Department of Labor		
Passed through Louisiana Dept. Employment Center		
JTPA Title II Program	17.260	4,999
U.S. Department of Energy		
Passed through the State of Louisiana, Dept. of Social Services		
Residential Assistance for Low Income Persons	10.042	10,400
Energy Assistance Payment Program		100,400
U.S. Department of Health		
Medicaid Services		
Medicaid Program		
Head Start	64.607*	1,240,040
Passed through the State of Louisiana, Dept of Labor:		
Community Services (Block Grant)	65.007*	500,000
State of Louisiana, Dept of Social Services		
Summer Child Care Program	65.590	111,500
Other Federal Assistance Related Programs:		
Transportation	-	10,000
Total Federal Expenditures Awards		\$ 1,602,130

* Denotes a major program

** Denotes a non-conf program

ARCYELLES PROGRESS ACTION COMMITTEE, INC
Notes to the Schedule of
Expenditures of Federal Awards
SEPTEMBER 30, 1987

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards of APAC has been prepared utilizing the accrual basis of accounting.

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Members of the
Avoyesles Progress Action Committee, Inc.
Marksville, Louisiana

Compliance

We have audited the compliance of the Avoyesles Progress Action Committee, Inc. with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 1997. Avoyesles Progress Action Committee, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Avoyesles Progress Action Committee, Inc.'s management. Our responsibility is to express an opinion on Avoyesles Progress Action Committee, Inc.'s compliance based on our audit.

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

In our opinion, Avoyesles Progress Action Committee, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1997.

Internal Control Over Compliance

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

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

This report is intended solely for the use of the Board Members and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Dwyer & Company
Martyville, Louisiana
March 23, 1998

**ANDREYELUS PROGRESS ACTION COMMITTEE, INC
 BAYSVILLE, LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED SEPTEMBER 30, 1987**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	_____ yes <u> x </u> no
Reportable condition(s) identified not Considered to be material weakness(es)	_____ yes <u> x </u> no
Non-compliance material to financial statements noted?	_____ yes <u> x </u> no

Federal Awards

Internal Control over major programs: Material weakness(es) identified?	_____ yes <u> x </u> no
Reportable condition(s) identified not Considered to be material weakness(es)	_____ yes <u> x </u> none reported

Type of auditor's report issued on compliance For major programs:	Unqualified
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Any audit findings disclosed that are required To be reported in accordance with Circular A-133, Section .810(a)	_____ yes <u> x </u> no
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
89.639	Head Start

Dollar threshold used to distinguish between Type A and Type B programs	\$200,000
Auditor qualified as low-risk auditor	<u> x </u> yes _____ no

MOYELLES PROGRESS ACTION COMMITTEE, INC
MONROEVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED SEPTEMBER 30, 1997

Section II-Financial Statement Findings

There are no findings applicable to internal control over financial reporting and compliance.

Section III - Federal Award Findings and Questioned Costs

There are no findings and questioned costs applicable to federal awards.

807.731.8100

To: Board of Directors
Acetylene Progress Action Committee, Inc.
Marksville, Louisiana

In planning and performing our audit of the general purpose financial statements of the Acetylene Progress Action Committee, Inc for the year ended September 30, 1997, we considered the APAC's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report March 23, 1998, contains our report on reportable conditions in APAC's internal control structure. This letter does not affect our report dated March 23, 1998, on the financial statements on the Acetylene Progress Action Committee, Inc.

We will review the status of those comments during our next audit engagement. We have already discussed many of these comments and suggestions with various APAC personnel, and we will be pleased to discuss them in further detail at your convenience and to assist you in implementing these recommendations.

Thank you for your courtesies and cooperation extended to us during the annual examination.

DUCOTE & COMPANY
Marksville, Louisiana

**Memoandum For: Comments to Improve
APAC's Operations**

In connection with the examination, we offer the following comments to improve the City's operations.

1. Complete accounting of all funds of the Agency

APAC utilizes the services of a contract accountant to perform general ledger functions. In order to utilize these services to their fullest, there are certain areas in which APAC could request and/or expect information:

- *Proper inclusion of all accounts of the agency
- *Reconciliation of interfund receivables/payables
- *Calculation of depreciation in accordance with generally accepted accounting standards
- *Timely receipt of monthly information

2. Maintenance of property ledger

As discussed in the internal control reports, the property ledgers should be updated annually and agreed to the general ledger. APAC should consider the possibility of utilizing a computerized system to track property and equipment.

3. Proper Timing of Accounting Records

Several procedures are not being performed and/or being performed incorrectly which result in timing differences and errors on the financial statements.

Reconciliation of Interprogram Transfers

Numerous advances/loans are made between the various programs. Most often these transfers occur around period end and payroll pay dates. These advances/loans are paid back to the respective funds. However, the accounting for these advances/loans is not consistent by both programs involved. This causes an incorrect reporting of amounts due to/from the different programs on the agency's books.

The Agency should attempt to not advance funds between programs. In the event it does become necessary to do so, the Agency should keep full records of the outstanding advances, ensuring that they are properly accounted for and paid back.

Verification of reconciled bank accounts to general ledger

Identify bank reconciliations are performed; however they are not verified against the cash account balances in the general ledger. In order to ensure proper cutoff and timing and to assist in the reconciliation of interprogram transfers, reconciled bank balances must be agreed to the general ledger.