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AVOYELLES PROGRESS ACTION COMMITTEE, INC.
AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

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 MAR 0 1 2000

Ducote & Company
Certified Public Accountants
219 North Washington Street
P. O. Box 309
Marksville, LA 71351

AVOYELLES PROGRESS ACTION COMMITTEE

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AVOYELLES PROGRESS ACTION COMMITTEE

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Independent Auditors' Report

To the Board of Directors
Avoyelles Progress Action Committee, Inc.
Marksville, Louisiana

We have audited the accompanying statement of financial position of the Avoyelles Progress Action Committee, Inc. (a nonprofit organization) as of September 30, 1999, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Progress Action Committee, Inc., as of September 30, 1999, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 26, 2000, on our consideration of Avoyelles Progress Action Committee, Inc.'s internal control structure and a report dated January 26, 2000 on its compliance with laws and regulations.

Board of Directors
Page 2
January 26, 2000

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the Avoyelles Progress Action Committee, Inc. The accompanying schedule of expenditures of federal awards contained in Appendix A is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and also is not a required part of the 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
Marksville, Louisiana
January 26, 2000

**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 Board of Directors
Avoyelles Progress Action Committee, Inc
Marksville, Louisiana

We have audited the general purpose financial statements of Avoyelles Progress Action Committee, Inc, for the year ended September 30, 1999, and have issued our report thereon dated January 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.


Compliance

As part of obtaining reasonable assurance about whether Avoyelles 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 Avoyelles 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 no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors and the management of the Avoyelles Progress Action Committee, Inc., State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.


Ducote & Company
Marksville, Louisiana
January 26, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
MARKSVILLE, LOUISIANA
Combined Statement of Financial Position
All Programs
September 30, 1999

	Direct Federal Program	Indirect Federal Program	Non-Federal Program	Totals Memo Only
ASSETS				
Current Assets				
Cash and cash equivalents	\$565	\$19,211	\$46,817	\$66,593
Grants receivable	11,250	113,479	0	124,729
Due from other programs	5,391	2,525	7,553	15,469
Total current assets	<u>17,206</u>	<u>135,214</u>	<u>54,371</u>	<u>206,791</u>
Property, Plant & Equipment				
Property, Plant & Equipment (net of accum depr)	10,231	14,463	0	24,694
Other Assets				
Deposits	100	0	0	100
TOTAL ASSETS	<u>\$27,537</u>	<u>\$149,677</u>	<u>\$54,371</u>	<u>\$231,586</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$15,512	\$93,675	\$0	\$109,187
Due to other programs	0	8,644	6,824	15,469
Total liabilities	<u>15,512</u>	<u>102,319</u>	<u>6,824</u>	<u>124,656</u>
Net Assets				
Unrestricted	<u>12,025</u>	<u>47,357</u>	<u>47,546</u>	<u>106,928</u>
Total net assets	<u>12,025</u>	<u>47,357</u>	<u>47,546</u>	<u>106,928</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$27,537</u>	<u>\$149,677</u>	<u>\$54,371</u>	<u>\$231,586</u>

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

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.
 MARKSVILLE, LOUISIANA
 Combined Statement of Activities
 All Programs
 For the Year Ended September 30, 1999**

	Direct Federal Program	Indirect Federal Programs	Non-Federal Programs	Totals Memo Only
UNRESTRICTED NET ASSETS:				
Support				
Grants earned	\$1,282,460	\$744,163	\$10,434	\$2,037,057
In-kind contributions	358,762	0	0	358,762
Other support	303	1,074	54,546	55,922
Total Support	1,641,525	745,237	64,980	2,451,741
Expenses:				
Program Services:				
Salaries	788,627	309,851	3,190	1,101,669
Fringe benefits	179,670	46,365	242	226,277
Contractual	31,147	3,360	0	34,507
Travel	35,647	6,284	0	41,930
Space costs	19,373	204,451	0	223,824
Consumable supplies	49,778	34,830	0	84,608
Materials cost	36,602	99,581	0	136,183
Other expenses	167,373	83,599	18,171	269,144
In-kind contributions	358,762	0	0	358,762
Total Program Services	1,666,980	788,322	21,603	2,476,905
Increase (decrease) in unrestricted net assets	(25,455)	(43,085)	43,377	(25,163)
Net assets, beginning of year	37,480	90,442	4,169	132,091
Net assets, end of year	\$12,025	\$47,357	\$47,546	106,928

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

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
MARKSVILLE, LOUISIANA
Combined Statement of Cash Flows
All Programs
For the Year Ended September 30, 1999

	Direct Federal Programs	Indirect Federal Programs	Non-Federal Programs	Totals Memo Only
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$(25,455)	\$(43,085)	\$43,377	\$(25,163)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Depreciation	22,061	2,873	0	24,934
(Increase) decrease in operating assets:				
Grants receivable	(11,250)	(47,123)	0	(58,373)
Other receivable	24	3,613	(7,553)	(3,916)
Increase (decrease) in operating liabilities:				
Accounts payable	14,450	42,835	0	57,285
Other payables	0	2,507	1,409	3,916
Deferred revenues	0	(63,015)	0	(63,015)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(170)	(101,395)	37,233	(64,332)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	0	(9,463)	0	(9,463)
NET CASH FLOWS FROM INVESTING ACTIVITIES	0	(9,463)	0	(9,463)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(170)	(110,858)	37,233	(73,795)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	735	130,070	9,584	140,389
CASH AND CASH EQUIVALENTS, END OF YEAR	\$565	\$19,211	\$46,817	\$66,593

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

NOTES TO THE FINANCIAL STATEMENTS

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements
September 30, 1999

NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization:

The Avoyelles Progress Action Committee, Inc. (APAC) was organized in 1965, 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 disadvantage 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 meal program for qualifying students on a cost reimbursement basis.

The Summer Food Service Program operates as a feeding program directed toward children in low-income areas when school is closed for vacation.

The Emergency Food Assistance Program - Administrative 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.

The Low Income Home Energy Assistance Program (LIHEAP) provides assistance to low income households in the payment of home utility costs during high energy usage periods of the year.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 1999

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

Nature of Activities (continued):

Indirect Federal Programs (continued):

Department of Social Services:

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

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, 1999, 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, 1999.

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 Revenue:

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 end, 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.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 1999

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, 1999, all property and equipment owned by APAC has been acquired with grant monies.

Property and equipment consist of the following:

	Balance <u>9/30/98</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/99</u>
Direct Federal Programs	\$292,615	\$ -0-	\$ -0-	\$292,615
Indirect Federal Programs	15,831	9,683	-0-	25,514
Non-Federal Programs	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	308,446	<u>9,683</u>	<u>-0-</u>	318,129
Accumulated Depreciation	<u>(268,280)</u>	<u>(25,155)</u>	<u>-0-</u>	<u>(293,435)</u>
Net Property and Equipment	<u>\$ 40,166</u>			<u>\$ 24,694</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 1999

NOTE B – PROPERTY AND EQUIPMENT (continued)

SFAS No. 93, 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 the statement's provisions.

Effective for the year ended September 30, 1999, APAC has adopted the provisions of SFAS No. 93. Depreciation is calculated using the straight-line method with assets lives of 5 to 7 years.

NOTE C - 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.

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

NOTE D - INTERPROGRAM RECEIVABLES/PAYABLES

As of September 30, 1999, the following interprogram receivables/payables existed:

	<u>Receivable</u>	<u>Payable</u>
Non-Federal Program:		
General Fund	\$ 7,553	\$ 6,824
Indirect Federal Program:		
Weatherization	1,434	-0-
LIHEAP	-0-	7,554
Child Care Food	1,091	-0-
Summer Food Service	-0-	1,091
Direct Federal Program:		
Head Start	<u>5,391</u>	<u>-0-</u>
Totals	<u>\$15,469</u>	<u>\$15,469</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 1999

NOTE E - GRANTS RECEIVABLE

As of September 30, 1999, grants receivable was composed of:

Child Care Food:	
State of Louisiana	\$12,159
LIHEAP:	
Dept of Agriculture	100,437
Head Start:	
Dept of Health & Hospitals	11,250
Summer Food Service:	
State of Louisiana	<u>883</u>
Total	<u>\$ 124,729</u>

NOTE F - SUMMARY OF GRANTS

APAC was primarily funded through the following grants for the year ended September 30, 1999:

<u>Funding Source</u>	<u>Program Year(s) Covered</u>	<u>Recognized Support</u>
Direct Federal Programs:		
Head Start	7/1/98-6/30/99 7/1/99-6/30/00	\$1,282,460
Indirect Federal Programs:		
Community Services Block Grant	1/1/98-12/31/98 1/1/99-12/31/99	126,100
Summer Child Care Program	7/1/98-6/30/99 7/1/99-6/30/00	203,587
Dept of Energy Weatherization	4/1/98-3/31/99	55,003
LIHEAP Energy Assistance Program	4/1/98-3/31/99 4/1/99-3/31/00	196,098
Child and Adult Food Care Program	10/1/98-9/30/99	132,240
Summer Food Service Program	10/1/98-9/30/99	21,491
Emergency Food Assistance Program	10/1/98-9/30/99	9,644
Corporate Grants	N/A	<u>10,434</u>
Total Grants		<u>\$2,037,057</u>

Some of the programs have program years that 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, 1999

NOTE G - 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.

NOTE H - 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, 1999, APAC contributed \$ 28,647, as the agency's match, to the plan.

NOTE I - COMMITMENTS AND CONTINGENCIES

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

At September 30, 1999, APAC is involved in two lawsuits claiming racial and/or sexual discrimination. In all cases legal counsel for APAC has indicated that the outcome of the litigation is uncertain at the present time, and hence, the potential claims against APAC not covered by insurance are uncertain at this time.

NOTE J - YEAR 2000 RESOLUTION

The stages identified by the Governmental Accounting Standards Board as being necessary to implement a year 2000-compliant system are: Awareness Stage, Assessment Stage, Remediation Stage, and Validation/Testing Stage. As of September 30, 1999 APAC had completed all the necessary stages of the year 2000 compliance.

SUPPLEMENTARY INFORMATION

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 assists 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.

The Summer Food Service Program operates as a feeding program directed toward children in low-income areas when school is closed for vacation.

Department of Transportation:

APAC previously received funding through the State's Title 19 Medicaid Transportation program. The funding was discontinued in 1989 and the remaining funds were transferred into the Agency's general operating account. The fund was closed as of September 30, 1999.

Department of Social Services:

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

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
MARKSVILLE, LOUISIANA
Combining Statement of Financial Position
Indirect Federal Programs
September 30, 1999

	CB SG Program	Dept of Energy Weatherization Program	LIHEAP Energy Assistance Program	Child Care Food Program	Temporary Emergency Food Program	Transportation Program	Summer Child Care Program	Summer Food Service Program	Totals Memo Only
ASSETS									
rent Assets									
Cash and cash equivalents	\$770	\$1,389	\$0	\$7,697	\$753	\$0	\$8,232	\$369	\$19,211
Grants receivable	0	0	100,437	12,158	0	0	0	883	113,479
Due from other programs	0	1,434	0	1,091	0	0	0	0	2,525
	12,861	0	0	1,603	0	0	0	0	14,463
roperty, Plant & Equipment									
Property, Plant & Equipment (net of accum depreciation)									
	\$13,631	\$2,823	\$100,437	\$22,548	\$753	\$0	\$8,232	\$1,253	\$149,677
LIABILITIES AND NET ASSETS									
rent Liabilities									
Accounts payable	\$0	\$0	\$92,736	\$0	\$0	\$0	\$0	\$939	\$93,675
Due to other programs	0	0	7,553	0	0	0	0	1,091	8,644
Deferred revenues	0	0	0	0	0	0	0	0	0
Total liabilities	0	0	100,289	0	0	0	0	2,030	102,319
Assets									
Unrestricted	13,631	2,823	148	22,548	753	0	8,232	(778)	47,357
Total net assets	13,631	2,823	148	22,548	753	0	8,232	(778)	47,357
TOTAL LIABILITIES & NET ASSETS									
	\$13,631	\$2,823	\$100,437	\$22,548	\$753	\$0	\$8,232	\$1,253	\$149,677

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
MARKSVILLE, LOUISIANA
Combining Statement of Activities
Indirect Federal Programs
For the Year Ended September 30, 1999

	CSBG Program	Dept of Energy		LIHEAP		Energy		Child Care		Temporary		Summer		Totals
		Weatherization Program	Assistance Program	Program	Program	Food Program	Emergency Food Program	Program	Program	Child Care Program	Food Service Program	Program	Program	
Grants earned	\$126,100	\$55,003	\$196,098	\$132,240	\$9,644	\$0	\$203,587	\$21,491	\$744,163					
Other support	0	0	0	0	0	1,074	0	0	0	0	0	0	0	1,074
Total Support	126,100	55,003	196,098	132,240	9,644	1,074	203,587	21,491	745,237					
UNRESTRICTED NET ASSETS:														
Salaries	80,444	29,877	11,698	18,412	8,153	110	152,146	9,012	309,851					
Fringe benefits	14,980	4,814	1,725	5,196	1,085	8	17,754	804	46,365					
Contractual	1,450	100	0	450	0	100	1,000	260	3,360					
Travel	1,070	0	340	2,158	0	0	2,592	124	6,284					
Space costs	8,925	0	180,091	0	0	0	14,453	981	204,451					
Consumable supplies	12,235	0	0	12,187	0	0	5,667	4,742	34,830					
Materials/food costs	1,399	15,628	0	76,592	0	0	12	5,950	99,581					
Other expenses	6,155	3,878	8,850	3,347	255	53,220	7,497	397	83,599					
Total Program Services	126,658	54,298	202,704	118,342	9,492	53,439	201,121	22,269	788,322					
Increase (decrease) in unrestricted net assets	(558)	706	(6,606)	13,898	151	(52,365)	2,467	(778)	(43,085)					
Net assets, beginning of year	14,188	2,117	6,754	8,650	602	52,365	5,765	0	90,442					
Net assets, end of year	\$13,631	\$2,823	\$148	\$22,548	\$753	\$0	\$8,232	\$(778)	\$47,357					

AVOUELLES PROGRESS ACTION COMMITTEE, INC.
MARKSVILLE, LOUISIANA
Combining Statement of Cash Flows
Indirect Federal Programs
For the Year Ended September 30, 1999

	Dept of Energy		LIHEAP Energy		Child Care		Temporary		Summer		Summer		Totals
	CSBG Program	Weatherization Program	Assistance Program	Emergency Food Program	Food Program	Transportation Program	Child Care Program	Food Service Program	Program	Program	Memo Only		
SH FLOWS FROM OPERATING ACTIVITIES:													
Increase in net assets	\$ (558)	\$ 706	\$ (6,606)	\$ 13,898	\$ 151	\$ (52,365)	\$ 2,467	\$ (778)				\$ (43,085)	
Adjustments to reconcile changes in net assets to net cash provided by operating activities:													
Depreciation	2,873	0	0	0	0	0	0	0	0	0	0	2,873	
Increase in operating assets:													
Grants receivable	0	0	(46,350)	110	0	0	0	(883)				(47,123)	
Other receivable	0	16	0	(1,090)	0	4,687	0	0				3,613	
Increase (decrease) in operating liabilities:													
Accounts payable	0	0	41,896	0	0	0	0	939				42,835	
Other payables	0	0	2,866	0	0	(1,450)	0	1,091				2,507	
Deferred revenues	0	0	0	0	0	0	(63,015)	0				(63,015)	
CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,315</u>	<u>722</u>	<u>(8,194)</u>	<u>12,918</u>	<u>151</u>	<u>(49,128)</u>	<u>(60,548)</u>	<u>369</u>				<u>(101,395)</u>	
SH FLOWS FROM INVESTING ACTIVITIES:													
Changes of property and equipment	(7,860)	0	0	(1,603)	0	0	0	0	0	0	0	(9,463)	
CASH FLOWS FROM INVESTING ACTIVITIES	<u>(7,860)</u>	<u>0</u>	<u>0</u>	<u>(1,603)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,463)</u>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(5,545)</u>	<u>722</u>	<u>(8,194)</u>	<u>11,315</u>	<u>151</u>	<u>(49,128)</u>	<u>(60,548)</u>	<u>369</u>				<u>(110,858)</u>	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,315</u>	<u>667</u>	<u>8,194</u>	<u>(3,618)</u>	<u>602</u>	<u>49,128</u>	<u>68,780</u>	<u>0</u>				<u>130,070</u>	
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 770</u>	<u>\$ 1,389</u>	<u>\$ 0</u>	<u>\$ 7,697</u>	<u>\$ 753</u>	<u>\$ 0</u>	<u>\$ 8,232</u>	<u>\$ 369</u>				<u>\$ 19,211</u>	

APPENDIX A

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

AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
Schedule of Expenditures of Federal Awards
For Year Ended September 30, 1999

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Program Expenditures</u>
<u>U. S. Department of Agriculture</u>		
Passed through the State of Louisiana, Dept of:		
Education:		
Child and Adult Food Care Program	10.558	\$ 118,342
Summer Food Service Program	10.559	22,269
Passed through the State of Louisiana, Dept. of:		
Agriculture:		
Emergency Food Assist Prog-Admin	10.568	9,492
Emergency Food Assist Prog-Commodities	10.569**	52,022
<u>U. S. Department of Energy</u>		
Passed through the State of Louisiana, Dept. of:		
Social Services:		
Weatherization Assistance for Low-Income Persons	81.042	54,298
<u>U.S. Department of Health and Human Services</u>		
Direct Program:		
Head Start	93.600*	1,666,980
Passed through the State of Louisiana, Dept of Social Services:		
Low Income Home Energy Assistance Payments	93.568	202,704
Passed through the State of Louisiana, Dept of Labor:		
Community Services Block Grant	93.569	126,658
State of Louisiana, Dept of Social Services:		
Summer Child Care Program	93.596	<u>201,121</u>
Total Federal Expenditure Awards		<u>\$ 2,453,886</u>

* Denotes a major program

** Denotes a non cash program

AVOYELLES PROGRESS ACTION COMMITTEE, INC
Notes to the Schedule of
Expenditures of Federal Awards
September 30, 1999

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards of the Avoyelles Progress Action Committee, Inc., has been prepared utilizing the accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in, the preparation of the general purpose financial statements.

NOTE B – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Avoyelles Progress Action Committee, Inc. provided no federal awards to subrecipients.

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

To the Board of Directors
Avoyelles Progress Action Committee, Inc
Marksville, Louisiana

Compliance

We have audited the compliance of the Avoyelles 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, 1999. Avoyelles 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 Avoyelles Progress Action Committee, Inc.'s management. Our responsibility is to express an opinion on Avoyelles 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-1338, Audits of State and Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Avoyelles 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 Avoyelles Progress Action Committee, Inc.'s compliance with those requirements.

In our opinion, Avoyelles 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, 1999.

Internal Control Over Compliance

The management of the Avoyelles 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 Avoyelles 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.

Board of Directors
Page 2
January 26, 2000

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 information and use of the Board of Directors and the management of the Avoyelles Progress Action Committee, Inc., State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.


Ducote & Company
Marksville, Louisiana
January 26, 2000

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
 MARKSVILLE, LOUISIANA
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 1999**

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____yes x no

Reportable condition(s) identified not
 Considered to be material weakness(es) _____yes x no

Noncompliance material to financial statements noted? _____yes x no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____yes x no

Reportable condition(s) identified not
 Considered to be material weakness(es) _____yes x none reported

Type of auditors' report issued on compliance
 For major programs: Unqualified

Any audit findings disclosed that are required
 To be reported in accordance with
 Circular A-133, Section .510(a) _____yes x no

Identification of major programs:

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

Dollar threshold used to distinguish between
 Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee x yes _____no

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
Schedule of Findings and Questioned Costs (continued)
For the Year Ended September 30, 1999**

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.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
Summary Schedule of Prior Audit Findings
Year Ended September 30, 1999**

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/ Partial Corrective Action Taken</u>
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Section I – Internal Control and Compliance Material to the Financial Statements

98-01	9/30/98	Accounting for centralized payroll system	Partially	Imprest payroll account will be fully integrated with general ledger system; anticipated completion by March 31, 2000
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Section II – Internal Control and Compliance Material to Federal Awards

None

Section III – Management Letter

None

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
Corrective Action Plan for Current Year Audit Findings
Year Ended September 30, 1999**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name Of Contact Person</u>	<u>Anticipated Completion Date</u>
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Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Internal Control and Compliance Material to Federal Awards

None

Section III – Management Letter Comments

None