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**Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana**

**Financial Statements With Auditors' Report**

**As of and for the years ended December 31, 1998 and 1997  
With Supplemental Information Schedules**

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 AUG 04 1999

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana

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## Independent Auditors' Report

To the Board of Directors  
Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana

We have audited the accompanying statements of financial position of Ouachita Multi-Purpose Community Action Program, Inc. (a nonprofit organization) as of December 31, 1998 and 1997, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Ouachita Multi-Purpose Community Action Program, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ouachita Multi-Purpose Community Action Program, Inc. as of December 31, 1998 and 1997, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 6, 1999 on our consideration of Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Ouachita Multi-Purpose Community Action Program, Inc. The accompanying schedule of expenditures of federal awards 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 is not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplemental schedules shown on pages 14-15, are presented for the purpose of additional analysis and are not a required part of the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. 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.

The accompanying supplemental schedules, listed as "Supplemental Information Schedules Prepared For Grants and Contracts Analysis" in the table of contents and shown on pages 17-26, are presented for the purpose of providing various funding sources of Ouachita Multi-Purpose Community Action Program, Inc. additional individual grant and contract analysis and are not a required part of the financial statements. The information is prepared on a prescribed basis of the various funding sources of Ouachita Multi-Purpose Community Action Program, Inc., and certain schedules are for periods other than the organization's fiscal year. These schedules are not presented in accordance with generally accepted accounting principles. Accordingly, the schedules mentioned previously on pages 17-26 are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion are fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook and Morehart  
Certified Public Accountants  
May 6, 1999

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Statements of Financial Position  
 December 31, 1998 and 1997

Assets	1998	1997
Current assets:		
Cash	\$ 133,872	\$ 139,742
Grant receivables	497,670	336,503
Account receivable-other	7,234	1,750
Due from other funds	43,062	26,026
Total current assets	681,838	504,021
Property and equipment:		
Property and equipment	2,061,697	1,994,016
Accumulated depreciation	(1,233,053)	(1,051,782)
Net property and equipment	828,644	942,234
<b>Total Assets</b>	<b>\$ 1,510,482</b>	<b>\$ 1,446,255</b>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 300,201	\$ 280,533
Accrued liabilities	35,983	11,712
Due to other funds	43,062	26,026
Current portion of long-term debt	18,101	17,968
Refundable advances	142,821	77,791
Total current liabilities	540,168	414,030
Long-term debt	52,555	73,107
Total liabilities	592,723	487,137
Net assets:		
Unrestricted:		
Operating	24,949	26,149
Designated for specific programs	134,822	81,810
Fixed assets	757,988	851,159
Total net assets	917,759	959,118
<b>Total liabilities and Net Assets</b>	<b>\$ 1,510,482</b>	<b>\$ 1,446,255</b>

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

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Statements of Activities  
 For the Years Ended December 31, 1998 and 1997

	Unrestricted	
	1998	1997
Revenues and Other Support:		
<i>Contractual revenue - grants</i>	\$ 4,434,677	\$ 4,013,831
Miscellaneous revenues	20,845	10,552
Total revenues and other support	4,455,522	4,024,383
Expenses:		
Head start program	3,083,399	2,953,780
Child and adult care food program	324,071	338,318
Summer child care program	248,750	164,032
Community services block grant	344,548	351,757
<i>Home Energy assistance</i>	417,113	222,402
Project independence	54,186	32,948
Commodities distribution	9,826	10,818
Housing counseling	5,966	12,121
Weatherization assistance		2,333
Other general services	9,022	8,724
Total expenses	4,496,881	4,097,233
Changes in net assets	(41,359)	(72,850)
Net assets, beginning of year, as previously reported	959,118	898,122
Prior period correction		133,846
Net assets, beginning of year, as restated	959,118	1,031,968
Net assets, end of year	\$ 917,759	\$ 959,118

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

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Statements of Cash Flows  
 For the Years Ended December 31, 1998 and 1997

	1998	1997
<b>Operating Activities</b>		
Change in net assets	\$ (41,359)	\$ (72,850)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	187,955	195,941
(Increase) decrease in operating assets:		
Grant receivables	(161,167)	(234,772)
Accounts receivable - other	(5,484)	(1,750)
Increase (decrease) in operating liabilities		
Accounts payable	19,668	196,490
Accrued liabilities	24,271	(836)
Refundable advances	65,030	57,065
Net cash provided by operating activities	88,914	139,288
<b>Investing Activities</b>		
Payments for property and equipment	(74,365)	(58,885)
Net cash used in investing activities	(74,365)	(58,885)
<b>Financing Activities</b>		
Proceeds from short-term debt		13,356
Repayments of short-term debt		(13,356)
Repayments of long-term debt	(20,419)	(18,216)
Net cash used in financing activities	(20,419)	(18,216)
<b>Net increase in cash</b>	(5,870)	62,187
<b>Cash as of beginning of year</b>	139,742	77,555
<b>Cash as of end of year</b>	\$ 133,872	\$ 139,742
<b>Supplemental disclosures:</b>		
Cash paid for interest in 1998 and 1997 was \$6,987 and \$8,631, respectively.		
<b>Non-cash investing and financing transaction:</b>		
Acquisition of land		
Cost of land	\$	\$ 19,500
Loan received		(15,005)
Cash down payment	\$	\$ 4,495

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



Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Notes to Financial Statements  
December 31, 1998 and 1997

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Ouachita Multi-Purpose Community Action Program, Inc. (OMCAP) is a private nonprofit corporation incorporated under the laws of the State of Louisiana. OMCAP is governed by a Board of Directors composed of members from Ouachita Parish. OMCAP operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Ouachita Parish in Louisiana. The following programs, with their approximate percentage of total revenues indicated, are administered by OMCAP:

**Head Start Program (67%)** – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

**Child and Adult Care Food Program (8%)** – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds passed through the Louisiana Department of Education.

**Summer Child Care Program (6%)** – Provides quality child care during the summer months to children identified by the Head Start Program. Funding is provided by federal funds passed through Louisiana Department of Social Services.

**Community Services Block Grant (8%)** – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Department of Labor.

**Low-Income Home Energy Assistance Program (9%)** – Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

**Project Independence Program (2%)** – Provides transportation services to eligible participants. Funding is provided by federal funds from the Louisiana Department of Social Services.

**Commodities Distribution (.2%)** – Provides distribution of U.S.D.A. donated commodities to eligible persons in the community. Funding is provided by federal funds passed through the Louisiana Department of Agriculture and Forestry.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Notes to Financial Statements  
December 31, 1998 and 1997  
(Continued)

**Housing Counseling Services (.2%)** – Includes a full range of services, advice, and assistance to housing consumers to assist them in improving their housing conditions and meeting the responsibilities of homeownership and tenancy. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

**Ouachita Council of Governments (OCOG) (.1%)** – Accounts for quarterly reimbursements received from the Ouachita Council of Governments for general agency operations.

**General Services (.1%)** – Provides payment of necessary agency expenses not specifically attributable to a grant/contract operated by the agency. Funding is provided by various donations.

**B. Basis of Accounting**

The financial statements of OMCAP have been prepared on the accrual basis of accounting.

**C. Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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.

**D. Income Taxes**

OMCAP is a nonprofit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to OMCAP's tax-exempt purpose is subject to taxation as unrelated business income. OMCAP had no such income for this audit period.

**E. Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Notes to Financial Statements  
December 31, 1998 and 1997  
(Continued)

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, OMCAP considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

G. Property and Equipment

Acquisitions of buildings, equipment, and improvements and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Capitalized assets are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency.

H. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Notes to Financial Statements  
 December 31, 1998 and 1997  
 (Continued)

(2) Concentrations of Credit Risk

OMCAP maintains its temporary cash investments with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 at each bank. At December 31, 1998 and 1997, total cash balances held at financial institutions was \$529,341 and \$446,409, respectively. Of this amount, \$390,079 and \$231,348, respectively, was secured by FDIC and the remaining \$139,262 and \$215,061, respectively, was unsecured.

Concentrations of credit risk with respect to grant receivables were limited due to the balance being comprised of amounts due from governmental agencies under contractual terms. As of December 31, 1998 and 1997, OMCAP had no significant concentrations of credit risk in relation to grant receivables.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 1998 and 1997 but not received until after those dates.

(4) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at December 31, 1998 and 1997:

Fund	1998		1997	
	Due From Other Funds	Due To Other Funds	Due From Other Funds	Due To Other Funds
Head Start Program -				
from Child and Adult Care Program	\$ 7,820	\$ 7,159	\$ 19,000	\$ -
Project Independence	3,672	222	1,685	-
Community Services Block Grant	-	18,895	-	-
Child and Adult Care Food Program	-	8,361	-	19,000
Low-Income Home Energy Assistance Program	-	3,483	-	1,686
Commodities Distribution	-	447	352	494
Quachita Council of Governments	4,644	-	4,989	-
General Services	26,926	4,495	-	4,846
	<u>\$ 43,062</u>	<u>\$ 43,062</u>	<u>\$ 26,026</u>	<u>\$ 26,026</u>

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Notes to Financial Statements  
 December 31, 1998 and 1997  
 (Continued)

(5) Property and Equipment

Property and equipment consisted of the following at December 31, 1998:

	<u>Estimated Depreciable Life</u>	<u>Purchased With Federal Funds</u>	<u>Purchased With Non-Federal Funds</u>	<u>Total</u>
Land		\$ 33,500	\$ 19,500	\$ 53,000
Buildings	20-30 years	711,563	-	711,563
Furniture and equipment	5 - 7 years	1,284,716	12,418	1,297,134
Accumulated depreciation		( 1,220,635)	( 12,418)	(1,233,053)
 Net investment in plant		<u>\$ 809,144</u>	<u>\$ 19,500</u>	<u>\$ 828,644</u>

Depreciation expense for the year ended December 31, 1998 was \$187,955.

Property and equipment consisted of the following at December 31, 1997:

	<u>Estimated Depreciable Life</u>	<u>Purchased With Federal Funds</u>	<u>Purchased With Non-Federal Funds</u>	<u>Total</u>
Land		\$ 33,500	\$ 19,500	\$ 53,000
Buildings	20-30 years	711,563	-	711,563
Furniture and equipment	5 - 7 years	1,228,638	815	1,229,453
Accumulated depreciation		( 1,050,967)	( 815)	(1,051,782)
 Net investment in plant		<u>\$ 922,734</u>	<u>\$ 19,500</u>	<u>\$ 942,234</u>

Depreciation expense for the year ended December 31, 1997 was \$195,941.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Notes to Financial Statements  
 December 31, 1998 and 1997  
 (Continued)

(6) Refundable Advances

OMCAP records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(7) Contractual Revenue – Grants

During the year ended December 31, 1998 and 1997, OMCAP received contractual revenue from federal and state grants in the amount of \$4,434,677 and \$4,013,831, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Retirement Plan

OMCAP participates in a tax sheltered annuity whereby an amount equal to 6% of the salary of eligible employees is contributed to the plan. The amount contributed by OMCAP for the year ended December 31, 1998 and 1997 was \$108,138 and \$103,921, respectively.

(9) Long-term Debt

Long-term debt at December 31, 1998 and 1997 consists of the following:

	<u>1998</u>	<u>1997</u>
Note payable to a business, due in monthly installments of \$1,795.54 including interest 8.0%, secured by a building; final payment due May 2002	\$ 61,291	\$ 78,503
Note payable to a bank, due in monthly installments of \$369.43, including interest at 8.4%, secured by land; final payment due April 2001	\$ 9,365	\$ 12,572
Less current installments on long-term debt	<u>(18,101)</u>	<u>( 17,968)</u>
Non-current portion of long-term debt	<u>\$ 52,555</u>	<u>\$ 73,107</u>

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Notes to Financial Statements  
 December 31, 1998 and 1997  
 (Continued)

Approximate maturities of long-term debt are summarized as follows:

<u>For the Year Ending December 31,</u>	<u>Approximate Amount</u>
1999	\$ 18,101
2000	22,567
2001	21,441
2002	8,547
	<u>\$ 70,656</u>

Interest expense paid on these notes for the years ended December 31, 1998 and 1997 was \$6,987 and \$8,631, respectively.

(10) Unrestricted Operating Net Assets

Unrestricted operating net assets totaling \$24,949 and \$26,149 for 1998 and 1997, respectively, are detailed by individual program as follows:

	<u>1998</u>	<u>1997</u>
Duachita Council of Governments	\$ 10,731	\$ 6,554
Community Services Block Grant	(857)	-
General Services	15,075	19,595
	<u>\$ 24,949</u>	<u>\$ 26,149</u>

(11) Unrestricted Designated Net Assets

As of December 31, 1998 and 1997, the unrestricted designated net assets consisted of funds designated to be used only for the operations of the following programs:

	<u>1998</u>	<u>1997</u>
Child Adult Care Food Program	\$ 72,028	\$ 47,792
Food Distribution	1,554	221
Housing Counseling	30,277	25,826
Project Independence	30,963	7,971
	<u>\$ 134,822</u>	<u>\$ 81,810</u>

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Notes to Financial Statements  
December 31, 1998 and 1997  
(Continued)

(12) Commodities Distribution

The expenses shown as commodities distribution represent certain costs to distribute the commodities. The value of the commodities distributed was approximately \$41,157 for 1998 and \$27,817 for 1997. The value of the commodities distributed is not reflected in the accompanying financial statements.

(13) Leases

The agency leases certain buildings under operating leases. The rental costs on these items for the year ended December 31, 1998 and 1997, were \$9,550 and \$8,300, respectively. Commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year are \$8,305 for the year ending December 31, 1999.

(14) Prior Period Correction

A prior period correction was made in 1997 which increased net property and equipment by \$133,846. The correction was needed to adjust the reported amounts to agree with the agency's inventory and to properly reflect some prior year building improvements not previously capitalized.



Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Combining Schedule of Financial Position  
 December 31, 1998

	Head Start Program	Child & Adult Care Food Program	Summer Child Care Program	Community Services Block Grant	Home Energy Assistance	Project Independence	Commodities Distribution	Housing Counseling	OCOOG	General	Total
<b>Assets</b>											
<b>Current assets:</b>											
Cash	\$ 660	\$ 22,997	\$ 19,532	\$ (2,075)	\$ 12,882	\$ 24,180	\$ 2,235	\$ 30,277	\$ 6,087	\$ 17,097	\$ 133,872
Grant receivables	398,165	68,668		20,301	6,980	3,556					497,670
Accounts receivable-other	7,820			337	6,897						7,234
Due from other funds						3,672			4,644	26,926	43,062
<b>Total current assets</b>	<b>406,645</b>	<b>91,665</b>	<b>19,532</b>	<b>18,563</b>	<b>26,759</b>	<b>31,408</b>	<b>2,235</b>	<b>30,277</b>	<b>10,731</b>	<b>44,023</b>	<b>681,838</b>
<b>Property and equipment:</b>											
Property and equipment	1,880,765	29,056		54,128	2,135	58,493	3,114	2,088		31,918	2,061,697
Accumulated depreciation	(1,130,760)	(8,797)		(45,106)	(1,744)	(29,968)	(2,807)	(452)		(12,419)	(1,233,053)
<b>Net property and equipment</b>	<b>750,005</b>	<b>19,259</b>		<b>9,022</b>	<b>391</b>	<b>28,525</b>	<b>307</b>	<b>1,636</b>		<b>19,499</b>	<b>828,644</b>
<b>Total Assets</b>	<b>\$ 1,156,650</b>	<b>\$ 110,924</b>	<b>\$ 19,532</b>	<b>\$ 27,585</b>	<b>\$ 27,150</b>	<b>\$ 59,933</b>	<b>\$ 2,542</b>	<b>\$ 31,913</b>	<b>\$ 10,731</b>	<b>\$ 63,522</b>	<b>\$ 1,510,482</b>
<b>Liabilities and Net Assets</b>											
<b>Current liabilities</b>											
Accounts payable	281,045	9,963		525						8,668	300,201
Accrued liabilities	16,804	1,313			1,624	223	234			15,785	35,983
Due to other funds	7,159	8,361		18,895	3,483	222	447			4,495	43,062
Current portion long-term debt	14,311									3,790	18,101
Refundable advances	101,637		19,532		21,652						142,821
<b>Total current liabilities</b>	<b>420,956</b>	<b>19,637</b>	<b>19,532</b>	<b>19,420</b>	<b>26,759</b>	<b>445</b>	<b>681</b>			<b>32,738</b>	<b>540,168</b>
Long-term debt	46,980									5,575	52,555
<b>Net assets:</b>											
Unrestricted:											
Operating				(857)					10,731	15,075	24,949
Designated for specific programs		72,028				30,963	1,554	30,277			134,822
Fixed assets	688,714	19,259		9,022	391	28,525	307	1,636		10,134	757,988
<b>Total net assets</b>	<b>688,714</b>	<b>91,287</b>		<b>8,165</b>	<b>391</b>	<b>59,488</b>	<b>1,861</b>	<b>31,913</b>	<b>10,731</b>	<b>25,209</b>	<b>917,759</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,156,650</b>	<b>\$ 110,924</b>	<b>\$ 19,532</b>	<b>\$ 27,585</b>	<b>\$ 27,150</b>	<b>\$ 59,933</b>	<b>\$ 2,542</b>	<b>\$ 31,913</b>	<b>\$ 10,731</b>	<b>\$ 63,522</b>	<b>\$ 1,510,482</b>

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Combining Schedule of Activities  
 For the Year Ended December 31, 1998

	Head Start Program	Child & Adult Care Food Program	Summer Child Care Program	Community Services Block Grant	Home Energy Assistance	Project Independence	Commodities Distribution	Housing Counseling	OCCOG	General	Total
Revenues and Other Support											
Contractual revenue-grants	\$ 2,976,258	\$ 357,349	\$ 248,750	\$ 350,302	\$ 416,195	\$ 60,014	\$ 10,674	\$ 10,000	\$ 5,135	\$	\$ 4,434,677
Miscellaneous revenues					491	13,578	26			6,750	20,845
Total revenues and other support	2,976,258	357,349	248,750	350,302	416,686	73,592	10,700	10,000	5,135	6,750	4,455,522
Expenses:											
Salaries	1,723,397	139,417	125,166	183,485	7,661	22,711	6,197				2,208,034
Fringe Benefits	397,162	33,919	16,136	35,369	1,226	5,337	1,858				491,007
Travel	60,820	1,145	1,978	6,904	206		40				71,093
Occupancy	159,829	1,673	6,883	24,596					120	80	193,181
Telephone	28,847		1,397	16,198							46,442
Insurance	45,592			5,757	1,343	1,563	40				54,295
Vehicle Operation	62,445		27,487	315		11,277					101,524
Supplies and postage	264,608	12,697	23,511	10,859	1,811	48	166			8	313,708
Equipment Expenses	13,768	271		846	354	59					15,298
Professional services	89,678	2,943		1,982	937	233					95,773
Food and related supplies	33,775	123,797	22,033								179,605
Field Trips	1,541		24,159								25,700
Miscellaneous	25,423	4,174				1,871	1,065		838	7,119	45,522
Client assistance payments				5,015	17						455,211
Interest				52,080	403,131					857	5,985
Counseling								5,548			5,548
Depreciation	170,386	4,035		1,142	427	11,087	460	418			187,955
Total expenses	3,083,399	324,071	248,750	344,548	417,113	54,186	9,826	5,966	958	8,064	4,496,881
Change in net assets	(107,141)	33,278		5,754	(427)	19,406	874	4,034	4,177	(1,314)	(41,359)
Net assets, as of beginning of year	795,855	58,009		2,411	818	40,082	987	27,879	6,554	26,523	959,118
Net assets as of end of year	\$ 688,714	\$ 91,287	\$	\$ 8,165	\$ 391	\$ 59,488	\$ 1,861	\$ 31,913	\$ 10,731	\$ 25,209	\$ 917,759

**Supplemental Information Schedules Prepared  
For Grants and Contracts Analysis**

**Ouachita Multi-Purpose Community Action Program, Inc.**  
 Monroe, Louisiana  
 Head Start Grant No. 06CH5175/32  
 U.S. Department of Health and Human Services  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Contract Period: January 1, 1998 to December 31, 1998

	Budget	Actual	COB Balances Current Year
Revenues			
Federal share awarded this period	\$ 3,075,763	\$ 3,075,763	
Grantee's contribution	768,941	744,071	
	3,844,704	3,819,834	
Expenditures:			
Head Start program			
Personnel	1,851,970	1,723,397	128,573
Fringe benefits	504,542	397,162	107,380
Travel	45,000	45,407	(407)
Equipment	40,000	13,768	26,232
Supplies	89,777	310,640	(220,863)
Contractual	40,500	22,869	17,631
Other	503,974	463,015	40,959
	3,075,763	2,976,258	99,505
Grantee's share	768,941	744,071	
Total all expenditures	\$ 3,844,704	3,720,329	
Revenue over (under) expenditures		99,505	
Fund balance, beginning January 1, 1998		2,031	
Fund balance, ending December 31, 1998		\$ 101,536	
Fund balance analysis:			
Revenues over expenditures grant #06CH5175/26		\$ 106,767	
Reprogrammed from grant #06CH5175/26		(113,440)	
Revenues over expenditures grant #06CH5175/31		8,704	
Revenues over expenditures grant #06CH5175/32		99,505	
		\$ 101,536	

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Child and Adult Care Food Program - Head Start  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 For the Contract Period: October 1, 1997 to September 30, 1998

Revenue

Contract revenue	\$	355,214
		355,214
Total revenue		355,214

Expenditures:

Personnel		144,845
Fringe benefits		34,720
Travel		1,186
Audit		2,006
Office supplies, postage and telephone		58
Food purchases		140,676
Nonfood supplies		10,969
Equipment expense		12,567
Miscellaneous		3,070
		350,097

Total expenditures		350,097
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Excess revenue (expenditures)		5,117
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Fund balance, October 1, 1997		29,364
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Fund balance, September 30, 1998	\$	34,481
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Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Department of Social Services  
 Office of Family Support  
 Summer Child Care Program  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 For the Period: January 1, 1998 to December 31, 1998

Revenue

Contract revenue	\$	203,876
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Total revenue		<u>203,876</u>
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Expenditures:

Salaries		125,166
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Fringe benefits		16,136
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Travel		1,978
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Supplies		23,511
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Operating services		8,281
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Other expenses		<u>73,678</u>
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Total expenditures		<u>248,750</u>
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Excess revenue (expenditures)		(44,874)
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Fund balance, January 1, 1998		<u>64,406</u>
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Fund balance, December 31, 1998	\$	<u><u>19,532</u></u>
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Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Community Services Block Grant  
 Department of Labor  
 Contract No. 98N0027  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Contract Period: January 1, 1998 to December 31, 1998

	Budget	Actual	Actual (Over) Under Budget
Revenues:			
Contract revenue		\$ 350,302	
Total revenue		350,302	
Expenditures:			
Administration			
Salaries	107,739	108,321	(582)
Fringe benefits	26,288	22,645	3,643
Travel	4,700	3,654	1,046
Equipment purchases	6,950	6,177	773
Other support costs	29,523	21,696	7,827
Total administration	175,200	162,493	12,707
Program Activities:			
Salaries	78,651	75,164	3,487
Fringe benefits	15,000	12,724	2,276
Travel	4,000	3,250	750
Equipment purchases	2,000	1,577	423
Other support costs	47,163	43,871	3,292
Emergency services	58,710	50,643	8,067
Total program activities	205,524	187,229	18,295
Commodity food and nutrition	1,434	1,436	(2)
Total expenditures	\$ 382,158	351,158	\$ 31,000
Excess revenues (expenditures)		(856)	
Fund balance, January 1, 1998		1,750	
Funds Returned, July 14, 1998		(1,750)	
Fund Balance, December 31, 1998		\$ (856)	

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Low Income Home Energy Assistance Program  
 Contract No. 528394  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Contract Period: January 1, 1998 to December 31, 1998

	Budget	Actual	Actual (Over) Under Budget
Revenues:			
Contract revenue		\$ 430,197	
Total revenue		430,197	
Expenditures:			
Administrative	\$ 37,991	13,064	\$ 24,927
Direct services	393,691	403,131	(9,440)
	\$ 431,682	416,195	\$ 15,487
Excess revenues (expenditures)		14,002	
Fund balance, beginning January 1, 1998		9,349	
Funds returned, November 12, 1998		(1,698)	
Fund balance, ending December 31, 1998		\$ 21,653	



Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Project Independence  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 For the Period: January 1, 1998 to December 31, 1998

Revenue:

Grant revenue	\$	60,014
Miscellaneous revenue		13,578
		73,592
Total revenue		73,592

Expenditures:

Salaries		22,712
Fringe benefits		5,337
Liability insurance		1,563
Vehicle purchase		7,558
Other		13,430
		50,600
Total expenditures		50,600

Excess revenue (expenditures)		22,992
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Fund balance, January 1, 1997		7,971
		7,971

Fund balance, December 31, 1998	\$	30,963
		30,963

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Temporary Emergency Food Assistance  
 Commodities Distribution  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 For the Contract Period: January 1, 1998 to December 31, 1998

Revenue:

Contract revenue	\$	10,674
Interest income		26
		10,700
Total revenue		10,700

Expenditures:

Salaries		6,198
Fringe benefits		1,858
Travel		40
Supplies		166
Insurance		40
Other		1,065
		9,367
Total expenditures		9,367

Excess revenue (expenditures)		1,333
Fund balance, January 1, 1998		220
Fund balance, December 31, 1998	\$	1,553

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Housing Counseling  
 Contract No. HC97-662-006  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 For the Period: January 1, 1998 to December 31, 1998

Revenue:

Grant revenue	\$	10,000
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Expenditures:

Counseling		5,548
		<hr/>

Total expenditures		5,548
		<hr/>

Excess revenue (expenditures)		4,452
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Fund balance, January 1, 1998		25,826
		<hr/>

Fund balance, December 31, 1998	\$	30,278
		<hr/> <hr/>

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Ouachita Council of Governments  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Period: January 1, 1998 to December 31, 1998

Revenue:

Grant revenue	\$ 5,135
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Expenditures:

Miscellaneous	958
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Total expenditures	958
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Excess revenue (expenditures)	4,177
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Fund balance, January 1, 1998	6,554
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Fund balance, December 31, 1998	\$ 10,731
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Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 General Services  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 For the Period: January 1, 1998 to December 31, 1998

Revenue:

Medicaid revenue	\$	350
Miscellaneous		6,400
		6,750
Total revenue		6,750

Expenditures:

Miscellaneous		8,064
		8,064
Total expenditures		8,064
Excess revenue (expenditures)		(1,314)
Fund balance, January 1, 1998		26,524
Fund balance, December 31, 1998	\$	25,210

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 1998

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program:			
Head Start (Fy 12-31-98)	93.600	06CH5175/32	2,976,258
Passed through Louisiana Department of Labor Community Services Block Grant (Fy 12-31-98)	93.569	98N0027	351,158
Passed through Louisiana Department of Social Services, Office of Community Services Low-Income Home Energy Assistance Program - Energy (Fy 12-31-98)	93.568	528394	416,195
Passed through Louisiana Department of Social Services, Office of Family Support Project Independence Summer Child Care Program	93.561 93.561	Unknown Unknown	50,600 <u>248,750</u>
Total U.S. Department of Health and Human Services			<u>4,042,961</u>

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
 Monroe, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 1998

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program (Head Start) (Fy 9-30-98)	10.558	Unknown	250,374
Child and Adult Care Food Program (Head Start) (Fy 9-30-99)	10.558	Unknown	82,741
Passed through Louisiana Department of Agriculture and Forestry			
Temporary Emergency Food Assistance Program	10.568	Unknown	9,367
Food Distribution - Value of Commodities Distributed	10.550	Unknown	41,157
Total U.S. Department of Agriculture			<u>383,639</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Housing Counseling	14.169	HC97-662-006	5,548
Total U.S. Department of Housing and Urban Development			<u>5,548</u>
Total federal expenditures			<u>\$ 4,432,148</u>

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2: Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and distributed. At December 31, 1998, OMCAP had no food commodities in inventory.

# COOK & MOREHART

*Certified Public Accountants*

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MEMBER  
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CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control Over Financial  
Reporting Based on an Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards*

To the Board of Directors  
Ouachita Multi-Purpose Community Action Program, Inc.  
Bossier City, Louisiana

We have audited the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. as of and for the year ended December 31, 1998, and have issued our report thereon dated May 6, 1999. 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 Ouachita Multi-Purpose Community Action Program, 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 Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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



However, we noted certain other matters involving the internal control over financial reporting that we have reported to the management of Ouachita Multi-Purpose Community Action Program, Inc. in a separate management letter dated May 6, 1999.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Cook & Morehart". The signature is written in black ink and is positioned above the printed name of the firm.

Cook & Morehart  
Certified Public Accountants  
May 6, 1999

# COOK & MOREHART

*Certified Public Accountants*

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## 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  
Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana

### Compliance

We have audited the compliance of Ouachita Multi-Purpose Community Action Program, 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 December 31, 1998. Ouachita Multi-Purpose Community Action Program, 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 Ouachita Multi-Purpose Community Action Program, Inc.'s management. Our responsibility is to express an opinion on Ouachita Multi-Purpose Community Action Program, 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 OMB Circular A-133, *Audits of States, 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 above that could have a direct and effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ouachita Multi-Purpose Community Action Program, 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 Ouachita Multi-Purpose Community Action Program, Inc.'s compliance with those requirements.

In our opinion, Ouachita Multi-Purpose Community Action Program, 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 December 31, 1998.

### Internal Control Over Compliance

The management of Ouachita Multi-Purpose Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulation, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ouachita Multi-Purpose Community Action Program, 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 information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart  
Certified Public Accountants  
May 6, 1999

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Summary Schedule of Prior Audit Findings  
December 31, 1998

97-B1 – Travel Policy Procedures

*Reportable Condition:* Agency had a travel policy in place which provides for specific procedures to be followed for all travel expenditures. However, the travel policy was not consistently followed.

*Recommendation:* The agency should assign someone with the responsibility of ensuring that all travel reconciliations are prepared timely and that adequate supporting documentation exists for all expenditures claimed.

*Current Status:* The travel documentation for the current year showed signs of improvement. A management letter comment is made in the current year audit, for the year ended December 31, 1998, recommending continued improvement.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

97-C1– Head Start - Grant period – January 1, 1997 to December 31, 1997; CFDA No. 93.600

The discussion at 97-B1 also applies to this finding.

97-C2 – Community Services Block Grant grant period – January 1, 1997 to December 31, 1997; CFDA No. 93.569

The discussion at 97-B1 also applies to this finding.

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Schedule of Findings and Questioned Costs  
December 31, 1998

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Ouachita Multi-Purpose Community Action Program, Inc.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. were disclosed during the audit.
4. No reportable conditions are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for Ouachita Multi-Purpose Community Action Program, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Ouachita Multi-Purpose Community Action Program, Inc. are reported in Part C. of this Schedule.
7. The programs tested as major programs included: 1) Head Start Program CFDA #93.600, 2) Child and Adult Care Food Program CFDA #10.558, 3) Community Services Block Grant CFDA #93.569, and 4) Low-Income Home Energy Assistance Program, CFDA #93.568.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Ouachita Multi-Purpose Community Action Program, Inc qualifies as a low-risk auditee.

**B. Findings – Financial Statements Audit – None**

**C. Findings and Questioned Costs – Major Federal Award Programs Audit– None**

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Summary Schedule of Prior Year Audit Findings  
Schedule For Louisiana Legislative Auditor  
December 31, 1998

*The prior year findings for the year ended December 31, 1997, are addressed on page 33 in the Summary Schedule of Prior Audit Findings.*

The prior year management letter comments for the year ended December 31, 1997 are addressed below:

Comment #1: CSBG Excess Funds

The excess funds were returned.

Comment #2: Inadequate Supporting Documents

The amounts stated in the comment were resolved.

Comment #3: Reconciliation of Payroll Reports and Payroll Liabilities

This is a repeat management letter comment this year.

Comment #4: Authorization for Payroll Transactions

The current year audit has a repeat comment as it relates to the other deductions of employees' payroll checks. The authorization and approval process was improved this year.

Comment #5: Inaccuracies on Meal Reports

There was some improvement in the accuracy of the meal counts, but a current year management letter comment is made concerning the organization of the supporting documents utilized in the preparation of the Reimbursement report.

Comment #6: Reconciliation of Interagency Accounts

The interagency accounts were reconciled this audit year.

Comment #7: LIHEAP Excess

The funds mentioned in this comment were returned to the funding source.

Duachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Corrective Action Plan For Current Year Audit Findings  
Schedule For Louisiana Legislative Auditor  
December 31, 1998

There were no findings or questioned costs for the current year audit.

The corrective action plan for the management letter comments for the year ended December 31, 1998 are address below:

Comment #1: Fixed Asset Records

Assets, which have been disposed of, will be shown at the end of the Active Assets List and will show *Authorized by, Method and Date of Disposition*. Last year's Fixed Asset Record is currently being compared to this year's record and additions/deletions being made.

Comment #2: Disbursement Procedure

Faxed or photostat copies of invoices and supporting documents will no longer be used to initiate vendor payment. Payments will be made from original documents only. All prepared checks will be reviewed by the Assistant Director to ensure this policy is followed.

Comment #3: Accounts Payable at Grant Year End

A date and time stamp will be used in the Fiscal Office to denote receipt of purchasing documents. Purchasing requisitions will be received by the Head Start Director for the original initiation date and time. Faxed copies of invoices will not be used. Also, quarterly financial reports will be prepared and will be analyzed by Administrative Staff and Financial Committee meetings will be held at the end of each month September-December in order to ensure proper grant ending procedures are followed.

Comment #4: Travel Policy Procedures

When at all possible travelers will be reimbursed upon return from trip. For those requesting advances, an accounting technician has been assigned to reconcile all travel vouchers within three (3) working days after completion of travel.

Comment #5: Head Start In-Kind Documentation

The Head Start Director will review In-Kind documents to ensure their timely and accurate completion.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana  
Corrective Action Plan For Current Year Audit Findings  
Schedule For Louisiana Legislative Auditor  
December 31, 1998  
(Continued)

Comment #6: CACFP Meal Count Documentation

Documents utilized to prepare the CACFP Reports will continue to be submitted to the Accounting Department before the reports are filed for reimbursement. Effect immediately, all original documentation, including meal count sheets, will be filed in the accounting department.

Comment #7: Authorization for Payroll Deductions

Deduction Authorizations, properly executed by employees, will be maintained by the Executive Secretary in the personnel files. A sample of these files will be examined by the Executive Director each quarter to ensure this practice is consistently followed. The Fiscal Director will also sample random files month-to-month to see that they contain proper authorization for payroll deductions. The Executive Director will be notified and asked by the Fiscal Director to approve any changes requested by an employee to his/her deductions.

Comment #8: Reconciliation of Payroll Reports and Payroll Liabilities

The Fiscal Director will reconcile the 941 reported amounts to the general ledger quarterly to ensure that reported amounts are accurate and is in agreement with the Agency's general ledger. Amounts withheld from employees payroll checks will be reconciled to the subsequent payments made for those deductions.



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## Management Letter

May 6, 1999

Board of Directors  
Ouachita Multi-Purpose Community Action Program, Inc.  
Monroe, Louisiana

We have audited the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. (OMCAP), for the year ended December 31, 1998, and have issued our report thereon dated May 6, 1999. In planning and performing our audit of the financial statements of OMCAP, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

During our audit the following items were noted involving the internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control over financial reporting or operations of OMCAP. These comments have been discussed with the appropriate members of management.

### Comment #1: Fixed Asset Records

OMCAP's fixed asset records provided to us during the audit were not complete, which made reconciling the listing from the prior year to the current year difficult. The agency did not distinguish between active assets and those assets which had been disposed of.

We recommend that the Agency improve their fixed asset records to enable reconciliation of the previous year to the current year.

### Comment #2: Disbursement Procedure

During the course of our audit, we noted that in certain instances vendors were paid from copies of invoices, delivery tickets, etc.

We recommend that procedures be put in place to ensure that vendors are only paid from original invoices and supporting documents.

Comment #3: Accounts Payable at Grant Year End

*During the course of our audit of the Head Start program's year end accounts payable, we noted that the dates of the invoices and purchasing documents were not easily determined.*

We recommend that the Agency analyze and monitor the grant end more closely to ensure proper grant ending procedures.

Comment #4: Travel Policy Procedures

The Agency needs to continue to improve the documentation supporting travel expenditures. The Agency should address parking, tips, taxi, etc. Also if additional days are spent out of town on travel or other unusual items are claimed for travel, a detail description and documentation should be filed with the expenditure report for supporting documents.

We recommend that the Agency assign accounting personnel to review all travel documentation for proper support on a timely basis.

Comment #5: Head Start Inkind Documentation

OMCAP met the matching requirements for the Head Start program during the year of our audit. However, we noted that several volunteer sheets-cards were not signed or dated by the volunteers.

We recommend that the Agency assign Head Start personnel to review all matching documentation for completeness on a timely basis.

Comment #6: CACFP Meal Count Documentation

During the course of our audit we selected certain months to test the meal counts for reimbursement under the CACFP program. We noted some improvement from the previous year but still determined that the organization of the meal count documentation is not adequate.

We recommend that all meal count sheets and documentation utilized to prepare the reimbursement report be submitted to the accounting department for review before filing the report for reimbursement. We also recommend that all the documentation, including the meal count sheets, be filed in the accounting department.

Comment #7: Authorization for Payroll Deductions

During the course of our audit we tested certain payroll transactions. We noted that other deductions such as retirement program, medical insurance, credit union, etc being withheld from employees checks were not supported by a deduction authorization from the employees.

We recommend that all deductions from employees' payroll checks be supported by a deduction authorization signed by the employee stating the amounts to be deducted. This should be placed in the employees' personnel file and updated when amounts change.

Comment #8: Reconciliation of Payroll Reports and Payroll Liabilities

During the course of our audit we noted that the Agency was not reconciling the amounts reported on the quarterly 941 reports to the general ledger or the payroll liabilities withheld to the subsequent amounts paid.

We recommend that the Agency reconcile the 941 reported amounts to the general ledger quarterly to ensure that reported amounts are accurate and in agreement with the Agency's general ledger. We further recommend that they reconcile amounts withheld from employees payroll checks to the subsequent payments made for those deductions.

We express sincere thanks to OMCAP personnel for the cooperation and assistance provided us during our audit. We are available to provide you assistance and consultation in the implementation of the above mentioned items. This letter is furnished solely for the use of management and the Board of Directors and is not intended to be used for any other purpose.

A handwritten signature in cursive script, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart  
Certified Public Accountants  
May 6, 1999