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**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**

**AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 1998**

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 10 1999

**Ducote & Company**  
Certified Public Accountants  
P. O. Box 309  
219 North Washington Street  
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, 1998, 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.

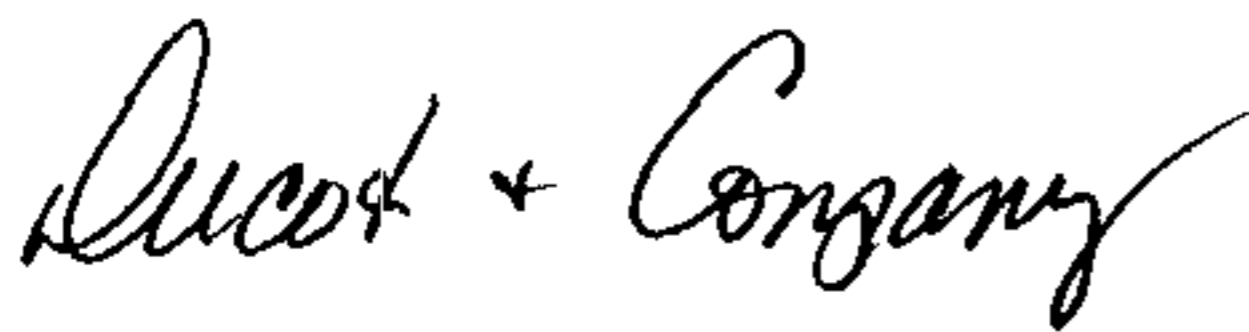
We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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, 1998, 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 February 17, 1999, on our consideration of Avoyelles Progress Action Committee, Inc.'s internal control structure and a report dated February 17, 1999 on its compliance with laws and regulations.

Board of Directors  
Page 2  
February 17, 1999

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  
February 17, 1999

**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, 1998, and have issued our report thereon dated February 17, 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.

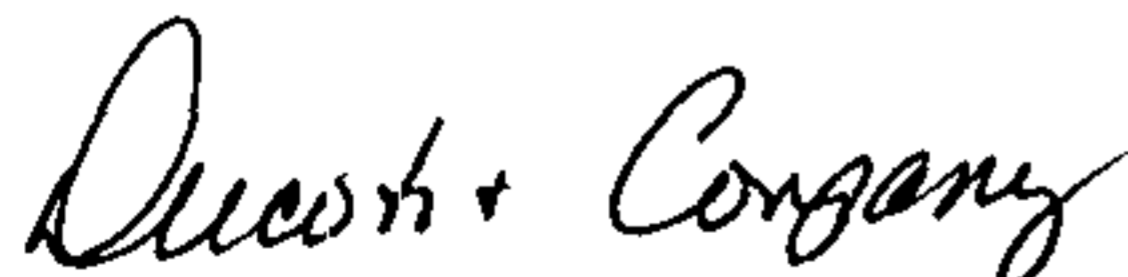
Compliance

As part of obtaining reasonable assurance about whether 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 for the information of the Board Members and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Ducote & Company  
Marksville, Louisiana  
February 17, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
**Combined Statement of Financial Position**  
**All Programs**  
**September 30, 1998**

	<u>Direct Federal Program</u>	<u>Indirect Federal Program</u>	<u>Non-Federal Program</u>	<u>Totals Memo Only</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$735	\$130,070	\$9,584	\$140,389
Grants receivable	0	66,355	0	66,355
Due from other programs	5,415	6,137	0	11,551
Total current assets	<u>6,150</u>	<u>202,561</u>	<u>9,584</u>	<u>218,295</u>
<b>Property, Plant &amp; Equipment</b>				
Property, Plant & Equipment (net of accum depr)	32,292	7,873	0	40,165
<b>Other Assets</b>				
Deposits	100	0	0	100
<b>TOTAL ASSETS</b>	<b><u>\$38,542</u></b>	<b><u>\$210,434</u></b>	<b><u>\$9,584</u></b>	<b><u>\$258,559</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts payable	\$1,062	\$50,840	\$0	\$51,902
Accrued expenses	0	0	0	0
Due to other programs	0	6,137	5,415	11,551
Deferred revenues	0	63,015	0	63,015
Total liabilities	<u>1,062</u>	<u>119,991</u>	<u>5,415</u>	<u>126,468</u>
<b>Net Assets</b>				
Unrestricted	37,480	90,442	4,169	132,091
Total net assets	<u>37,480</u>	<u>90,442</u>	<u>4,169</u>	<u>132,091</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$38,542</u></b>	<b><u>\$210,434</u></b>	<b><u>\$9,584</u></b>	<b><u>\$258,559</u></b>

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



**AVOYELLES PROGRESS ACTION COMMITTEE, INC.  
 MARKSVILLE, LOUISIANA  
 Combined Statement of Activites  
 All Programs  
 For the Year Ended September 30, 1998**

	<u>Direct Federal Program</u>	<u>Indirect Federal Programs</u>	<u>Totals Memo Only</u>
<b>UNRESTRICTED NET ASSETS:</b>			
<b>Support</b>			
Grants earned	\$1,251,021	\$759,168	\$2,010,188
In-kind contributions	334,761	0	334,761
Other support	236	4,940	5,176
<b>Total Support</b>	<u>1,586,018</u>	<u>764,107</u>	<u>2,350,125</u>
<b>Expenses:</b>			
<b>Program Services:</b>			
Salaries	789,412	279,986	1,069,397
Fringe benefits	174,473	36,414	210,887
Contractual	21,433	1,492	22,925
Travel	33,853	7,855	41,708
Space costs	20,161	257,194	277,355
Consumable supplies	56,186	16,686	72,872
Materials cost	37,752	91,267	129,019
Other expenses	149,007	41,155	190,162
In-kind contributions	334,761	0	334,761
<b>Total Program Services</b>	<u>1,617,037</u>	<u>732,049</u>	<u>2,349,087</u>
<b>Increase (decrease) in unrestricted net assets</b>	<b>(31,019)</b>	<b>32,058</b>	<b>1,039</b>
<b>Net assets, beginning of year</b>	<u>68,499</u>	<u>58,384</u>	<u>126,883</u>
<b>Net assets, end of year</b>	<u>\$37,480</u>	<u>\$90,442</u>	<u>\$127,922</u>

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, 1998**

	<u>Direct Federal Programs</u>	<u>Indirect Federal Programs</u>	<u>Non-Federal Programs</u>	<u>Totals Memo Only</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Change in net assets	\$(31,019)	\$32,057	\$0	\$1,038
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Depreciation	38,393	2,280	0	40,673
(Increase) decrease in operating assets:				
Grants receivable	0	(54,076)	0	(54,076)
Other receivable	4,934	(160)	1,509	6,283
Increase (decrease) in operating liabilities:				
Accounts payable	1,062	50,840	0	51,902
Accrued expenses	0	0	(4,565)	(4,565)
Other payables	(1,509)	(10,189)	5,415	(6,283)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>11,861</u>	<u>20,752</u>	<u>2,359</u>	<u>34,972</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property and equipment	(6,243)	(7,095)	0	(13,338)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(6,243)</u>	<u>(7,095)</u>	<u>0</u>	<u>(13,338)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,618	13,657	2,359	21,634
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>(4,883)</u>	<u>116,411</u>	<u>7,225</u>	<u>118,753</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$735</u>	<u>\$130,070</u>	<u>\$9,584</u>	<u>\$140,387</u>

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, 1998**

**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 disadvantaged residents of Avoyelles Parish.

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

**Nature of Activities:**

The primary funding sources and their purposes of APAC are:

**Direct Federal Programs**

**Department of Health & Human Services:**

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

**Indirect Federal Programs**

**Department of Agriculture:**

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

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.

**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.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 1998**

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

**Nature of Activities (continued):**

Non-Federal Programs

This accounts for general fund and state appropriated monies to cover other administrative costs of operating the APAC agency. During the year ended September 30, 1998, 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, 1998.

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, 1998**

**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, 1998, all property and equipment owned by APAC has been acquired with grant monies.

Property and equipment consist of the following:

	<u>Balance</u> <u>9/30/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/98</u>
Direct Federal Programs	\$ 249,222	\$ 37,114	\$ -0-	\$249,222
Indirect Federal Programs	9,194	-0-	-0-	9,194
Non-Federal Programs	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	258,416	<u>37,114</u>	<u>-0-</u>	258,416
Accumulated Depreciation	<u>(227,608)</u>	<u>\$ 40,672</u>	<u>-0-</u>	<u>(268,280)</u>
Net Property and Equipment	<u>\$ 30,808</u>			<u>\$ 40,165</u>

**AVOUELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 1998**

**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.

In order to apply the provisions of SFAS No. 93, estimates of the useful lives and salvage values of property and equipment must be determined. Depreciation is then calculated using a method of depreciation recognized under generally accepted accounting principles. For prior years ending before September 30, 1998, APAC had not adopted the provisions of SFAS No. 93.

Effective for the year ended September 30, 1998, APAC has adopted the provisions of SFAS No. 93. In order to implement these provisions, APAC took a physical inventory and adjusted its perpetual records to reflect the actual inventory of property and equipment. The adjustment necessary to adjust the fixed assets to actual is reflected in the schedule of property and equipment. 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, 1998, the following interprogram receivables/payables existed:

	<u>Receivable</u>	<u>Payable</u>
Non-Federal Program:		
General Fund	\$ -0-	\$ 5,415
Indirect Federal Program:		
Weatherization	1,450	-0-
LIHEAP	-0-	4,687
Transportation	4,687	1,450
Direct Federal Program:		
Head Start	<u>5,415</u>	<u>-0-</u>
Totals	<u>\$11,551</u>	<u>\$11,551</u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 1998**

**NOTE E - GRANTS RECEIVABLE**

As of September 30, 1998, grants receivable was composed of:

Child Care Food:	
State Dept of Treasury	\$ 12,268
LIHEAP:	
Dept of Agriculture	<u>54,087</u>
Total	<u>\$ 66,355</u>

**NOTE F - SUMMARY OF GRANTS**

APAC was primarily funded through the following grants for the year ended September 30, 1998:

<u>Funding Source</u>	<u>Program Year(s) Covered</u>	<u>Recognized Support</u>
Direct Federal Programs:		
Head Start	7/1/97-6/30/98 7/1/98-6/30/99	\$1,247,737
JTPA Title II Program	10/1/97-9/30/98	6,293
Indirect Federal Programs:		
Community Services Block Grant	1/1/97-12/31/97 1/1/98-12/31/98	127,786
Summer Child Care Program	7/1/97-6/30/98 7/1/98-6/30/99	218,019
Dept of Energy Weatherization	4/1/97-3/31/98	-0-
LIHEAP Energy Assistance Program	4/1/97-3/31/98 4/1/98-3/31/99	283,468
Child and Adult Food Care Program	10/1/97-9/30/98	118,157
Emergency Food Assistance Program	10/1/97-9/30/98	<u>8,730</u>
Total Grants		<u>\$2,007,188</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.

**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.



**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 1998**

**NOTE H – DEFERRED GRANT REVENUE**

The funding period for the Summer Child Care Program covers the period July 1 to June 30 of each year. The program for each summer spans two funding periods. As of September 30, 1998, \$63,015 in excess funding from the June 1997 grant period was still available. These funds are recorded as deferred revenue on the financial statements and being held until notification by the granting agency on their proper use or disposition.

**NOTE I - EMPLOYEE BENEFIT PLAN**

APAC established a defined contribution salary deferral plan, covering employees of the Head Start Division of the agency. The plan has been adopted in accordance with Section 403(B) of the Internal Revenue Code. Under the plan, the APAC contributes a discretionary matching contribution equal to a percentage of the amount of the salary reduction elected by the employee, up to 5% of compensation. The employee may elect a salary reduction up to the maximum annual allowable amount established by applicable Internal Revenue Code Sections. During the year ended September 30, 1998, APAC contributed \$24,402, as the agency's match, to the plan.

**NOTE J – 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, 1998, APAC is involved in three 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 K – 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. APAC is currently in the Assessment Stage of the implementation of a Year 2000 compliant system. The progress to date by APAC with regards to Y2000 compliance is:

Awareness Stage: The Executive Director is aware of potential Y2000 problems and compliance is: corresponding with grantor agencies regarding potential problems and resolutions.

Assessment Stage: APAC is compiling listings of hardware and software products used by the Agency. This stage should be complete by mid 1999.

Remediation and Validation/Testing Stages: These stages are likely to be complete in mid to late 1999.

**NOTE L – ADJUSTMENTS TO NET ASSETS**

The Agency has adopted the provisions of SFAS No. 93 effective with the fiscal year ended September 30, 1998. Accumulated depreciation as of September 30, 1997 and depreciation for the year ended September 30, 1998 have been calculated. The adjustment necessary to initiate compliance with SFAS No. 93 is reflected in the beginning net assets of the Headstart and CSBG Funds.

## **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.

### **Department of Transportation:**

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

### **Department of Social Services:**

The Summer Child Care Program provides full day child enrichment programs during the summer months of June, 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, 1998**

	CBSG Program	Dept of Energy Weatherization Program	LIHEAP Energy Assistance Program	Energy Child Care Food Program	Temporary Emergency Food Program	Transportation Program	Summer Child Care Program	Totals
								Memo Only
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and cash equivalents	\$6,315	\$667	\$8,194	\$(3,618)	\$602	\$49,128	\$68,780	\$130,070
Grants receivable	0	0	54,087	12,268	0	0	0	66,355
Due from other programs	0	1,450	0	0	0	4,687	0	6,137
<b>Property, Plant &amp; Equipment</b>								
Property, Plant & Equipment (net of accum depreciation)	7,873	0	0	0	0	0	0	7,873
<b>TOTAL ASSETS</b>	<b>\$14,188</b>	<b>\$2,117</b>	<b>\$62,281</b>	<b>\$8,650</b>	<b>\$602</b>	<b>\$53,815</b>	<b>\$68,780</b>	<b>\$210,434</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current Liabilities</b>								
Accounts payable	\$0	\$0	\$50,840	\$0	\$0	\$0	\$0	\$50,840
Due to other programs	0	0	4,687	0	0	1,450	0	6,137
Deferred revenues	0	0	0	0	0	0	63,015	63,015
Total liabilities	0	0	55,527	0	0	1,450	63,015	119,991
<b>Net Assets</b>								
Unrestricted	14,188	2,117	6,754	8,650	602	52,365	5,765	90,442
Total net assets	14,188	2,117	6,754	8,650	602	52,365	5,765	90,442
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$14,188</b>	<b>\$2,117</b>	<b>\$62,281</b>	<b>\$8,650</b>	<b>\$602</b>	<b>\$53,815</b>	<b>\$68,780</b>	<b>\$210,434</b>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
**Combining Statement of Activities**  
**Indirect Federal Programs**  
**For the Year Ended September 30, 1998**

	Dept of Energy		LIHEAP		Energy		Child Care		Temporary		Summer		Totals
	CSBG Program	Weatherization Program	Assistance Program	Energy Program	Food Program	Emergency Food Program	Transportation Program	Child Care Program	Child Care Program	Program	Program	Memo Only	
Support													
Grants earned	\$130,795	\$0	\$283,468	\$118,157	\$8,730	\$0	\$0	\$218,019	\$0			\$759,168	
Other support	0	0	0	0	0	4,940	0	0	0			4,940	
<b>Total Support</b>	<b>130,795</b>	<b>0</b>	<b>283,468</b>	<b>118,157</b>	<b>8,730</b>	<b>4,940</b>	<b>0</b>	<b>218,019</b>	<b>0</b>			<b>764,107</b>	
Expenses:													
Program Services:													
Salaries	87,071	1,162	15,119	3,043	7,592	0	0	165,999	0			279,986	
Fringe benefits	14,957	70	2,719	1,308	961	0	0	16,400	0			36,414	
Contractual	1,292	0	0	0	0	0	0	200	0			1,492	
Travel	1,005	0	855	2,817	0	0	0	3,177	0			7,855	
Space costs	9,579	0	234,542	0	0	0	0	13,073	0			257,194	
Consumable supplies	3,054	0	0	8,768	0	0	0	4,864	0			16,686	
Materials/food costs	0	4,141	0	87,126	0	0	0	0	0			91,267	
Other expenses	4,786	356	24,138	2,405	177	754	0	8,539	0			41,155	
<b>Total Program Services</b>	<b>121,743</b>	<b>5,729</b>	<b>277,373</b>	<b>105,467</b>	<b>8,730</b>	<b>754</b>	<b>0</b>	<b>212,253</b>	<b>0</b>			<b>732,049</b>	
Increase (decrease) in unrestricted net assets	9,051	(5,729)	6,094	12,690	0	4,186	0	5,765	0			32,058	
Net assets, beginning of year	5,137	7,846	660	(4,040)	602	48,179	0	0	0			58,384	
Net assets, end of year	\$14,188	\$2,117	\$6,754	\$8,650	\$602	\$52,365	\$5,765	\$0	\$0			\$90,442	

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
**Combining Statement of Cash Flows**  
**Indirect Federal Programs**  
**For the Year Ended September 30, 1998**

	CSBG Program	Dept of Energy Weatherization Program	LIHEAP Energy Assistance Program	Child Care Food Program	Temporary Emergency Food Prog Program	Transportation Program	Summer Child Care Program	Totals
	\$9,051	\$(5,729)	\$6,094	\$12,690	\$0	\$4,186	\$5,765	\$32,057
Change in net assets								
Adjustments to reconcile changes in net assets to net cash provided by operating activities:								
Depreciaton	2,280	0	0	0	0	0	0	2,280
(Increase) decrease in operating assets:								
Grants receivable	0	0	(54,087)	11	0	0	0	(54,076)
Other receivable	0	4,427	0	0	0	(4,587)	0	(160)
Increase (decrease) in operating liabilities:								
Accounts payable	0	0	50,840	0	0	0	0	50,840
Other payables	0	0	4,687	(10,349)	0	(4,427)	(100)	(10,189)

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 11,331 (1,302) 7,534 2,352 0 (4,828) 5,665 20,752

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchases of property and equipment (7,095) 0 0 0 0 0 0 0 (7,095)

**NET CASH FLOWS FROM INVESTING ACTIVITIES** (7,095) 0 0 0 0 0 0 0 (7,095)

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

4,236 (1,302) 7,534 2,352 0 (4,828) 5,665 13,657

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

2,079 1,969 660 (5,970) 602 53,956 63,115 116,411

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$6,315 \$667 \$8,194 \$(3,618) \$602 \$49,128 \$68,780 \$130,070

## **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

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

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

We have audited the general-purpose financial statements of the Avoyelles Progress Action Committee, Inc, for the year ended September 30, 1998, and have issued our report thereon dated February 17, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole.

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



Ducote & Company  
Marksville, Louisiana  
February 17, 1999



**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**Schedule of Expenditures of Federal Awards**  
**For Year Ended September 30, 1998**

<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	\$ 105,467
Passed through the State of Louisiana, Dept. of: Agriculture: Emergency Food Assistance Program-Admin Emergency Food Assistance Program-Commodities	10.568 10.569**	8,730 40,499
<u>U.S. Department of Labor</u> Passed through LaSalle Work Employment Center: JTPA Title II Program	17.250	6,294
<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	5,729
<u>U.S. Department of Health and Human Services</u> Direct Program: Head Start	93.600*	1,613,753
Passed through the State of Louisiana, Dept of Social Services: Low Income Home Energy Assistance Payments	93.568	277,373
Passed through the State of Louisiana, Dept of Labor: Community Services Block Grant	93.569	118,734
State of Louisiana, Dept of Social Services: Summer Child Care Program	93.596	212,253
<u>Other Federal Assistance</u> Indirect Programs: Transportation	-	<u>754</u>
<b>Total Federal Expenditure Awards</b>		<b><u>\$ 2,389,586</u></b>

\* 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, 1998**

**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, 1998. 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-133, 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, 1998.

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  
February 17, 1999

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

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

  
**Ducote & Company**  
Marksville, Louisiana  
February 17, 1999

**AVOYELLES PROGRESS ACTION COMMITTEE, INC  
 MARKSVILLE, LOUISIANA  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 1998**

**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, 1998**

**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, 1998**

<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>
<b>Section I – Internal Control and Compliance Material to the Financial Statements</b>				
97-01	9/30/97	Accounting for centralized payroll system	Partially	Management is continuing to work with contract accountant to institute monthly reconciliation; anticipated completion by March 31, 1999
97-02	9/30/96	Maintenance of detailed property ledger and reconciliation to general ledger	Yes	N/A
<b>Section II – Internal Control and Compliance Material to Federal Awards</b>				
None				
<b>Section III – Management Letter</b>				
ML 97-01	9/30/96	Complete accounting of all funds	Yes	N/A
ML 97-02	9/30/96	Maintenance of property ledger See 97-02 above	Yes	N/A
ML 97-03	9/30/97	Proper timing and cutoff of accounting records	Yes	N/A

**AVOYELLES PROGRESS ACTION COMMITTEE, INC  
MARKSVILLE, LOUISIANA  
Corrective Action Plan for Current Year Audit Findings  
Year Ended September 30, 1998**

<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