

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.

MONROE, LOUISIANA

FINANCIAL STATEMENTS

AND ADDITIONAL INFORMATION

FOR THE YEAR ENDED

DECEMBER 31, 2010

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

8/17/11

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
DECEMBER 31, 2010

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June 23, 2011

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

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. (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with accounting standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of current year findings, that we consider to be significant deficiencies in internal control over financial reporting as items 10-1, 10-2, 10-3, and 10-5. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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 grant agreements, 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 an instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 10-4.

Ouachita Multi-Purpose Community Action Program, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Ouachita Multi-Purpose Community Action Program, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended for the information of the audit committee, management, 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnston, Perry, Johnson & Associates, L.L.P.

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June 23, 2011

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

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. (a nonprofit organization) 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, 2010. Ouachita Multi-Purpose Community Action Program, Inc.'s major federal programs are identified in the summary of auditors' 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 auditing standards generally accepted in the United States of America; 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 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 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 of Ouachita Multi-Purpose Community Action Program, Inc.'s compliance with those requirements.

In our opinion, Ouachita Multi-Purpose Community Action Program 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, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 10-4.

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 the requirements of laws, regulations, 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or

material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 10-1, 10-2, 10-3, and 10-5. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Ouachita Multi-Purpose Community Action Program's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Ouachita Multi-Purpose Community Action Program's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Directors, the audit committee, 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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June 23, 2011

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the Ouachita Multi-Purpose Community Action Program, Inc. (a nonprofit organization) as of and for the year ended December 31, 2010, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 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 Ouachita Multi-Purpose Community Action Program, Inc., as of December 31, 2010, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011 on our consideration of Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Ouachita Multi-Purpose Community Action Program, Inc. taken as a whole. The accompanying financial information listed as supplementary financial information on pages 22-29, including the accompanying Schedule of Federal Awards for the year ended December 31, 2010, are presented for purposes of additional analysis as required by the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and are not a required part of the financial statements. The accompanying financial information listed as supplementary financial information on pages 22-29 has been prepared in accordance with grantors' requirements and is not intended to be a complete presentation in accordance with accounting principles generally accepted in the United States of America. Such information on pages 22-29 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.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2010

ASSETS

CURRENT ASSETS

Cash	508,931
Accounts Receivable - Grants	622,541
Prepaid Expenses	91,716
Due from Other Funds	<u>132,575</u>

TOTAL CURRENT ASSETS 1,355,763

FIXED ASSETS AND PROPERTY

Furniture, Buildings, and Equipment at Cost, Net	1,707,949
Land	<u>(56,500)</u>

TOTAL FIXED ASSETS AND PROPERTY 1,651,449

TOTAL ASSETS 3,007,212

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	158,963
Accrued Liabilities	148,472
Due to Other Funds	132,575
Refundable Advances	<u>820,023</u>

TOTAL CURRENT LIABILITIES 1,260,033

NET ASSETS

Unrestricted Operations	95,730
Fixed Assets and Property	<u>1,651,449</u>

TOTAL NET ASSETS 1,747,179

TOTAL LIABILITIES AND NET ASSETS 3,007,212

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Operations</u>	<u>Fixed Assets</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Grants - CSBG	438,442	-	438,442
Grants - CSBG - ARRA	745,204	-	745,204
Grants - LIHEAP	1,929,984	-	1,929,984
Grants - Project Independence	14,206	-	14,206
Grants - HHS	4,545,403	-	4,545,403
Grants - HHS - ARRA	260,691	-	260,691
Grants - USDA Food Program	524,921	-	524,921
Other Grants	369	-	369
In-Kind Contributions	1,207,024	-	1,207,024
Miscellaneous	16,398	-	16,398
<u>TOTAL SUPPORT AND REVENUE</u>	<u>9,682,642</u>	<u>-0-</u>	<u>9,682,642</u>
<u>EXPENSES</u>			
<u>Program Services:</u>			
CSBG	260,376	-	260,376
Head Start (HHS)	5,259,494	77,733	5,337,227
USDA - Food Services	492,283	1,314	493,597
OCOQ	-	27,522	27,522
Home Energy Assistance (LIHEAP)	1,920,709	-	1,920,709
Project Independence	26,541	462	27,003
Housing Counseling	-	-	-
Head Start - ARRA	311,475	-	311,475
CSBG - ARRA	745,204	-	745,204
<u>TOTAL PROGRAM SERVICES</u>	<u>9,016,082</u>	<u>107,031</u>	<u>9,123,113</u>
<u>SUPPORT SERVICES</u>			
General and Administrative	696,492	1,501	697,993
<u>TOTAL SUPPORT SERVICES</u>	<u>696,492</u>	<u>1,501</u>	<u>697,993</u>
<u>FUND-RAISING</u>			
<u>TOTAL FUND-RAISING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL EXPENSES</u>	<u>9,712,574</u>	<u>108,532</u>	<u>9,821,106</u>
<u>EXCESS (DEFICIT) OF SUPPORT OVER EXPENSES</u>	(29,932)	(108,532)	(138,464)
<u>CHANGES IN NET ASSETS</u>			
Acquisition of Property	(86,616)	86,616	-
Gain on Asset Disposition	-	-	-
<u>UNRESTRICTED NET ASSETS - BEGINNING OF YEAR</u>	<u>212,278</u>	<u>1,673,365</u>	<u>1,885,643</u>
Transfers	-	-	-
<u>UNRESTRICTED NET ASSETS - END OF YEAR</u>	<u>95,730</u>	<u>1,651,449</u>	<u>1,747,179</u>

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2010

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Change in Net Assets	(138,464)
Adjustments to Reconcile Increase in Net Assets To Net Cash Provided (Used) by Operating Activities:	
Depreciation	108,532
(Increase) Decrease in:	
Accounts Receivable - Grants	163,414
Accounts Receivable - Other	11,757
Prepaid Expenses	(91,716)
Due from Other Funds	(68,300)
Increase (Decrease) in Operating Liabilities -	
Accounts Payable	(38,956)
Accrued Liabilities	42,323
Due to Other Funds	68,300
Refundable Advances	<u>233,196</u>
 <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	 <u>290,086</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of Fixed Assets	(86,616)
 <u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	 <u>(86,616)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
None	-
 <u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	 <u>-0-</u>
 <u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	 <u>203,470</u>
 <u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	 <u>305,461</u>
 <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	 <u>508,931</u>
 <u>SUPPLEMENTAL CASH BASIS DATA</u>	
Interest Paid	-0-
Income Taxes Paid	-0-

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Home Energy Assistance <u>LIHEAP</u>	<u>OCO</u>	<u>CSBG</u>	<u>CSBG ARRA</u>	<u>USDA Food Services</u>	Head Start <u>HHS</u>
Salaries	96,459	-	144,370	348,467	163,780	2,567,241
Fringe Benefits	15,857	-	69,855	26,658	54,567	813,539
Travel & Training	1,036	-	291	-	-	239,712
Occupancy	-	-	11,095	-	-	99,833
Telephone	-	-	8,644	-	-	-
Insurance	-	-	11,814	-	-	95,679
Vehicle Operation	-	-	-	-	-	-
Supplies & Postage	14,670	-	4,724	948	-	14,883
Repairs & Maintenance	4,508	-	1,156	-	8,352	102,066
Professional Services	4,416	-	-	-	-	164,655
Food & Related Supplies	-	-	-	-	253,290	13,670
Miscellaneous	-	-	356	-	12,294	11,865
Client Assistance Payments	1,783,763	-	8,071	369,131	-	-
Interest	-	-	-	-	-	-
In-Kind Expenditures	-	-	-	-	-	<u>1,136,351</u>
<u>TOTAL EXPENSES</u>						
<u>BEFORE DEPRECIATION</u>	<u>1,920,709</u>	<u>-0-</u>	<u>260,376</u>	<u>745,204</u>	<u>492,283</u>	<u>5,259,494</u>
<u>DEPRECIATION</u>	<u>-</u>	<u>27,522</u>	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>77,733</u>
<u>TOTAL EXPENSES</u>	<u>1,920,709</u>	<u>27,522</u>	<u>260,376</u>	<u>745,204</u>	<u>493,597</u>	<u>5,337,227</u>

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Head Start ARRA	Project Indepen -dence	Housing Coun- seling	Total Program Services	General And Adminis- trative	Total Expenses
Salaries	113,520	15,717	-	3,449,554	395,945	3,845,499
Fringe Benefits	39,709	2,707	-	1,022,892	121,371	1,144,263
Travel & Training	64,203	-	-	305,242	2,009	307,251
Occupancy	-	-	-	110,928	79,486	190,414
Telephone	-	-	-	8,644	7,400	16,044
Insurance	-	2,640	-	110,133	6,111	116,244
Vehicle Operation	-	3,679	-	3,679	-	3,679
Supplies & Postage	-	-	-	35,225	48,040	83,265
Repairs & Maintenance	14,789	-	-	130,871	8,272	139,143
Professional Services	-	117	-	169,188	20,431	189,619
Food & Related Supplies	-	-	-	266,960	-	266,960
Miscellaneous	8,581	1,681	-	34,777	461	35,238
Client Assistance	-	-	-	-	-	-
Payments	-	-	-	2,160,965	6,966	2,167,931
Interest	-	-	-	-	-	-0-
In-Kind Expenditures	<u>70,673</u>	<u>-</u>	<u>-</u>	<u>1,207,024</u>	<u>-</u>	<u>1,207,024</u>
TOTAL EXPENSES						
<u>BEFORE DEPRECIATION</u>	<u>311,475</u>	<u>26,541</u>	<u>-0-</u>	<u>9,016,082</u>	<u>696,492</u>	<u>9,712,574</u>
DEPRECIATION	<u>-</u>	<u>462</u>	<u>-</u>	<u>107,031</u>	<u>1,501</u>	<u>108,532</u>
TOTAL EXPENSES	<u>311,475</u>	<u>27,003</u>	<u>-0-</u>	<u>9,123,113</u>	<u>697,993</u>	<u>9,821,106</u>

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 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 (62.10%) - 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. The Head Start Program is a major program for the year ended December 31, 2010.

Child and Adult Care Food Program (5.44%) - 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.

Community Services Block Grant (CSBG) (12.22%) - 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. The Community Services Block Grant Program is a major program for the year ended December 31, 2010.

Home Energy Assistance Program (19.93%) - Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Project Independence Program (0.15%) - Provides transportation services to eligible participants. Funding is provided by federal funds from the Louisiana Department of Social Services.

Housing Counseling Services (0.00%) - 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) (0.01%) - Accounts for quarterly reimbursements received from the Ouachita Council of Governments for general agency operations.

General Services (0.15%) - 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 in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

The Agency 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.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 in excess of \$500 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.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

G. Property and Equipment (Continued)

The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds there from 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. Management has determined that fund-raising expenses are not material.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

J. Advertising Costs

Advertising costs are expensed as they are incurred. Advertising expenses for the year ended December 31, 2010 are immaterial.

K. Total Columns of Combined Statements - Supplementary Information

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS:

The Agency receives its monies through various methods of funding. Most of the funds are received on a grant basis. Under this method funds are received as needed or on a monthly or quarterly allocation of the total budget (grant) in advance of the actual expenditure. The Agency also receives funds as a reimbursement of actual expenditures, and upon a per unit of service provided method. The Agency also receives funds by contributions from both public and private sources. The loss of any of the large sources could have a negative effect on the Agency.

NOTE 3 - 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 \$250,000 at each bank. At December 31, 2010, total cash balances held at financial institutions were \$733,364. At December 31, 2010, \$657,566 was insured by FDIC, \$75,798 was secured by the bank with pledged securities, and the remaining \$-0- was unsecured.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 3 - CONCENTRATIONS OF CREDIT RISK: (Continued)

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, 2010, OMCAP had no significant concentrations of credit risk in relation to grant receivables.

NOTE 4 - GRANT RECEIVABLES:

Accounts Receivable - Grants at December 31, 2010 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at December 31, 2010.

Head Start	454,318
USDA	40,293
LIHEAP	<u>127,930</u>
<u>Total</u>	<u>622,541</u>

Management has determined that the allowance for bad debts is not material. Receivables are written off when management deems them not collectible.

NOTE 5 - BOARD OF DIRECTORS' COMPENSATION:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 6 - IN-KIND CONTRIBUTIONS:

The Agency received various in-kind contributions mainly for all Head Start Programs during the year from private and public sources. These contributions have been reported as revenues, and the offsetting expenses have been reported in the financial statements.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2010

NOTE 7 - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at December 31, 2010:

	Estimated Depreciable <u>Life</u>	Purchased With Federal <u>Funds</u>	Purchased With Non- <u>Federal Funds</u>	<u>Total</u>
Land		37,000	19,500	56,500
Buildings & Improvements	5 - 30 Years	2,163,436	17,712	2,181,148
Furniture & Equipment	3 - 7 Years	1,892,733	17,675	1,910,408
Accumulated Depreciation		<u>(2,477,374)</u>	<u>(19,233)</u>	<u>(2,496,607)</u>
Net Investment In Property & Equipment		<u>1,615,795</u>	<u>35,654</u>	<u>1,651,449</u>

Depreciation expense for the year ended December 31, 2010 was \$108,532. The straight-line method of depreciation is used to record depreciation.

NOTE 8 - 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. Refundable advances at December 31, 2010 consist of the following:

Head Start Prior Year Federal Funds Not Reprogrammed:	504,694
Head Start Future Year Federal Funds Received:	<u>160,000</u>
Total for Head Start Program	664,694
LIHEAP Federal Funds Not Reprogrammed	<u>155,329</u>
<u>Total</u>	<u>820,023</u>

NOTE 9 - RETIREMENT PLAN:

OMCAP participates in a tax sheltered annuity whereby an amount equal to 7% of the salary of eligible employees is contributed to the plan. The amount contributed by OMCAP for the year ended December 31, 2010 was \$247,720.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2010

NOTE 10 - UNRESTRICTED OPERATING NET ASSETS:

Unrestricted operating net assets totaling \$95,730 for 2010 are detailed by individual program as follows:

USDA	77,921
CSBG	(9,428)
Project Independence	2,217
Housing Counseling	4,368
Ouachita Council of Governments	12,778
General Services	<u>7,874</u>
<u>Total</u>	<u>95,730</u>

NOTE 11 - LEASES:

The Agency leases certain buildings under operating leases. The rental costs on these items for the year ended December 31, 2010 were \$17,685. There were no commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year as of December 31, 2010.

NOTE 12 - ACCRUED LIABILITIES:

Accrued liabilities consisted of the following at December 31, 2010:

Accrued Leave	69,792
Payroll Taxes Payable	<u>78,680</u>
<u>Total</u>	<u>148,472</u>

NOTE 13 - RELATED PARTY:

There were no related party transactions during the period ending December 31, 2010.

NOTE 14 - NONCOMPLIANCE FINDINGS AND QUESTIONED COSTS:

The Agency receives funding/grants from various government agencies and such funding is subject to certain requirements and conditions. The items listed in the schedule of findings and questioned costs will be reviewed by the appropriate funding agency and a final resolution of the questioned costs will be made by such agency.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 15 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Agency through June 23, 2011, the date the report was available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTE 16 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Agency reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 17 - UNCERTAIN TAX POSITIONS:

The Agency is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Agency's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2010, 2009, 2008, and 2007 are open for examination by various taxing authorities.

SUPPLEMENTARY FINANCIAL INFORMATION

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

SCHEDULE I

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 COMBINING SCHEDULE OF FINANCIAL POSITION
 ENDED DECEMBER 31, 2010

	Child & Adult Care Food Program	Head Start Program	Head Start ARRA	CSBG	CSBG ARRA	Project Independence
ASSETS						
Current Assets						
Cash	120,332	106,683	-	4,116	-	9,656
Grant Receivables	40,293	454,318	-	-	-	-
Prepaid Expenses	-	91,716	-	-	-	-
Due from Other Funds	-	107,101	-	-	-	2,022
Total Current Assets	160,625	759,818	-0-	4,116	-0-	11,678
Property and Equipment						
Property and Equipment	96,977	3,111,143	-	39,828	-	9,265
Accumulated Depreciation	(94,592)	(2,151,283)	-	(39,828)	-	(5,012)
Net Property and Equipment	2,385	959,860	-0-	-0-	-0-	4,253
TOTAL ASSETS	163,010	1,719,678	-0-	4,116	-0-	15,931
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	43,075	40,481	-	-	-	-
Accrued Liabilities	583	54,643	-	12,124	-	1,461
Due to Other Funds	39,046	-	-	1,420	-	8,000
Refundable Advances	-	664,694	-	-	-	-
Total Current Liabilities	82,704	759,818	-0-	13,544	-0-	9,461
Net Assets						
Unrestricted						
Operating	77,921	-	-	(9,428)	-	2,217
Fixed Assets	2,385	959,860	-	-	-	4,253
Total Net Assets	80,306	959,860	-0-	(9,428)	-0-	6,470
TOTAL LIABILITIES AND NET ASSETS	163,010	1,719,678	-0-	4,116	-0-	15,931

SCHEDULE I
(CONTINUED)

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
COMBINING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2010

	<u>Home Energy Assistance</u>	<u>Housing Coun- seling</u>	<u>OCO</u>	<u>General</u>	<u>Total</u>
ASSETS					
Current Assets					
Cash	111,391	4,368	2,063	150,322	508,931
Grant Receivables	127,930	-	-	-	622,541
Prepaid Expenses	-	-	-	-	91,716
Due from Other Funds	-	-	10,715	12,737	132,575
Total Current Assets	239,321	4,368	12,778	163,059	1,355,763
Property and Equipment					
Property and Equipment	7,255	768	827,933	54,887	4,148,056
Accumulated Depreciation	(7,056)	(730)	(178,873)	(19,233)	(2,496,607)
Net Property and Equipment	199	38	649,060	35,654	1,651,449
TOTAL ASSETS	239,520	4,406	661,838	198,713	3,007,212
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts Payable	72,344	-	-	3,063	158,963
Accrued Liabilities	926	-	-	78,735	148,472
Due to Other Funds	10,722	-	-	73,387	132,575
Refundable Advances	155,329	-	-	-	820,023
Total Current Liabilities	239,321	-0-	-0-	155,185	1,260,033
Net Assets					
Unrestricted					
Operating	-	4,368	12,778	7,874	95,730
Fixed Assets	199	38	649,060	35,654	1,651,449
Total Net Assets	199	4,406	661,838	43,528	1,747,179
TOTAL LIABILITIES AND NET ASSETS	239,520	4,406	661,838	198,713	3,007,212

SCHEDULE II

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 COMBINING SCHEDULE OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Child & Adult Care Food Program	Head Start Program	Head Start ARRA	CSBG	CSBG ARRA	Project Indepen- dence
REVENUES AND OTHER SUPPORT						
Contractual Revenue -						
Grants	524,921	4,545,403	260,691	438,442	745,204	14,206
Miscellaneous Revenues	1,913	71	-	-	-	-
Gain on Asset Disposition	-	-	-	-	-	-
In-Kind Receipts	-	1,136,351	70,673	-	-	-
<u>Total Revenues and</u>						
<u>Other Support</u>	<u>526,834</u>	<u>5,681,825</u>	<u>331,364</u>	<u>438,442</u>	<u>745,204</u>	<u>14,206</u>
EXPENSES						
Salaries	198,290	2,779,878	128,017	252,488	348,467	15,717
Fringe Benefits	61,372	887,604	46,598	100,406	26,658	2,707
Travel & Training	-	240,903	64,203	1,109	-	-
Occupancy	-	99,833	-	22,189	-	-
Telephone	-	-	-	16,044	-	-
Insurance	-	95,679	-	17,925	-	2,640
Vehicle Operation	-	-	-	-	-	3,679
Supplies & Postage	12,294	41,072	-	9,152	948	-
Repairs & Maintenance	8,352	105,762	14,789	5,504	-	-
Professional Services	1,843	181,768	-	1,475	-	117
Food & Related Supplies	253,290	13,670	-	-	-	-
Miscellaneous	262	17,304	8,581	368	-	1,681
Client Assistance Payments	-	-	-	8,070	369,131	-
Interest	-	-	-	-	-	-
In-Kind Space	-	264,000	-	-	-	-
In-Kind Other	-	872,351	70,673	-	-	-
Depreciation	1,314	77,733	-	-	-	462
<u>Total Expenses</u>	<u>537,017</u>	<u>5,677,557</u>	<u>332,861</u>	<u>434,730</u>	<u>745,204</u>	<u>27,003</u>
CHANGE IN NET ASSETS	(10,183)	4,268	(1,497)	3,712	-0-	(12,797)
NET ASSETS, BEGINNING OF						
YEAR	90,489	955,592	1,497	(13,140)	-0-	19,267
Transfers	-	-	-	-	-	-
NET ASSETS, END OF YEAR	<u>80,306</u>	<u>959,860</u>	<u>-0-</u>	<u>(9,428)</u>	<u>-0-</u>	<u>6,470</u>

SCHEDULE II
(CONTINUED)

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
COMBINING SCHEDULE OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Home Energy Assistance</u>	<u>Housing Counseling</u>	<u>OCOG</u>	<u>General</u>	<u>Total</u>
<u>REVENUES AND OTHER SUPPORT</u>					
Contractual Revenue -					
Grants	1,929,984	-	369	-	8,459,220
Miscellaneous Revenues	194	-	-	14,220	16,398
Gain on Asset Disposition	-	-	-	-	-
In-Kind Receipts	-	-	-	-	<u>1,207,024</u>
<u>Total Revenues and Other Support</u>	<u>1,930,178</u>	<u>-0-</u>	<u>369</u>	<u>14,220</u>	<u>9,682,642</u>
 <u>EXPENSES</u>					
Salaries	96,459	-	-	26,183	3,845,499
Fringe Benefits	15,857	-	-	3,061	1,144,263
Travel & Training	1,036	-	-	-	307,251
Occupancy	-	-	-	68,392	190,414
Telephone	-	-	-	-	16,044
Insurance	-	-	-	-	116,244
Vehicle Operation	-	-	-	-	3,679
Supplies & Postage	19,799	-	-	-	83,265
Repairs & Maintenance	4,508	-	-	228	139,143
Professional Services	4,416	-	-	-	189,619
Food & Related Supplies	-	-	-	-	266,960
Miscellaneous	4,340	34	788	1,880	35,238
Client Assistance					
Payments	1,783,763	-	-	6,967	2,167,931
Interest	-	-	-	-	-
In-Kind Space	-	-	-	-	264,000
In-Kind Other	-	-	-	-	943,024
Depreciation	-	-	<u>27,522</u>	<u>1,501</u>	<u>108,532</u>
<u>Total Expenses</u>	<u>1,930,178</u>	<u>34</u>	<u>28,310</u>	<u>108,212</u>	<u>9,821,106</u>
<u>CHANGE IN NET ASSETS</u>	<u>-0-</u>	<u>(34)</u>	<u>(27,941)</u>	<u>(93,992)</u>	<u>(138,464)</u>
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>199</u>	<u>4,440</u>	<u>689,779</u>	<u>137,520</u>	<u>1,885,643</u>
Transfers	-	-	-	-	-
<u>NET ASSETS, END OF YEAR</u>	<u>199</u>	<u>4,406</u>	<u>661,838</u>	<u>43,528</u>	<u>1,747,179</u>

SCHEDULE III

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - HEAD START PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>COB Balances Current Year</u>
<u>REVENUES</u>			
Federal Share Awarded This Period	4,545,403	4,545,403	-
Grantee's Contribution	1,136,351	1,136,351	-
Miscellaneous	-	71	71
<u>TOTAL REVENUES</u>	<u>5,681,754</u>	<u>5,681,825</u>	<u>71</u>
<u>EXPENDITURES</u>			
Head Start Program			
Personnel	2,884,697	2,779,878	104,819
Fringe Benefits	750,088	887,604	(137,516)
Travel	15,000	240,903	(225,903)
Supplies	96,500	41,072	55,428
Contractual	39,000	181,768	(142,768)
Capital Outlay	100,000	82,001	17,999
Other	660,118	332,248	327,870
<u>TOTAL</u>	<u>4,545,403</u>	<u>4,545,474</u>	<u>(71)</u>
Grantee's Share	<u>1,136,351</u>	<u>1,136,351</u>	
<u>TOTAL EXPENDITURES</u>	<u>5,681,754</u>	<u>5,681,825</u>	
<u>REVENUES OVER (UNDER) EXPENDITURES</u>		<u>-0-</u>	

SCHEDULE IV

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

<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 Programs:			
*Head Start (FY 12/31/10)	93.600	06CH5175/44	4,545,403
*ARRA - Head Start	93.708	06SE5175/01	260,691
Passed Through Louisiana Department Of Labor			
*Community Services Block Grant	93.569	2009N0027 2010N0027	434,730
*ARRA (CSBG)	93.710	2009N0027	745,204
Passed Through Louisiana Housing Finance Agency Low-Income Home Energy Assistance Program			
	93.568	Unknown	1,929,984
Passed Through Louisiana Department of Social Services, Office of Family Support			
Project Independence	93.558	Unknown	14,206
<u>Total U.S. Department Of Health and Human Services</u>			<u>7,930,218</u>
<u>U.S. Department of Agriculture</u>			
Passed Through Louisiana Department Of Education			
Child and Adult Care Food Program (Head Start FY 9/30/11)	10.558	Unknown	165,428
Child and Adult Care Food Program (Head Start FY 9/30/10)	10.558	Unknown	359,493
<u>Total U.S. Department Of Agriculture</u>			<u>524,921</u>
<u>TOTAL FEDERAL EXPENDITURES</u>			<u>8,455,139</u>

* Major Program

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Ouachita Multi-Purpose Community Action Program, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 - SUBRECIPIENTS:

Ouachita Multi-Purpose Community Action Program, Inc. did not provide federal awards to subrecipients.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF BOARD MEMBERS COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2010

No compensation was paid to any board member during the period under audit.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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
- * Control deficiency(s) identified that are not
considered to be material weaknesses? X yes ___ none reported
- Noncompliance material to financial
statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? Not Applicable
- * Control deficiency(s) identified that are not
considered to be material weaknesses? X yes ___ 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 section 510(a) of Circular A-133? X yes ___ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.600	Department of Health and Human Services - Head Start
93.708	- ARRA Head Start
93.569	- Community Services Block Grant
93.710	- ARRA - Community Services Block Grant

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

Auditee qualified as low-risk auditee? ___ yes X no

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

10-1

Criteria: Bank reconciliations shall be reviewed monthly and old outstanding transactions or unusual items should be followed up and resolved.

Condition: The review of bank reconciliations is inadequate. The bank reconciliations contain old outstanding items that should be removed from the bank reconciliations.

Questioned Costs: None

Context: Internal Controls

Effect: This finding has no material effect on the financial statements.

Cause: Old outstanding items and unusual items on the bank reconciliations are not resolved in a timely manner.

Recommendation: We recommend management follow-up on all old outstanding transactions on the bank reconciliations and resolve them in a timely manner.

Reply: Management agrees with this finding and will follow-up on all old outstanding transactions on the bank reconciliations and resolve them in a timely manner.

10-2

Criteria: Time sheets should be approved by a supervisor.

Condition: Five of 196 time sheets reviewed were not approved by a supervisor.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

10-2 (Continued)

Questioned Costs: None

Context: Internal Controls

Effect: This finding has no material effect on the financial statements.

Cause: Time sheets are turned in to the payroll department without supervisor approval.

Recommendation: We recommend management require supervisor approval on time sheets before payroll checks are written.

Reply: Management agrees with this finding and will require supervisor approval on time sheets before payroll checks are written.

10-3

Criteria: Board of Directors meetings should have a quorum so that the board can conduct the necessary business of the Agency.

Condition: The Board of Directors have not had a quorum present at the board meetings in several months.

Questioned Costs: None

Context: Internal Control

Effect: This finding has no material effect on the financial statements.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

10-3 (Continued)

Cause: Due to unforeseen circumstances the board lost several members in a short time period and was not able to find qualified replacements quickly.

Recommendation: We recommend the board fill the open board positions with qualified persons as soon as possible and plan board meetings when a quorum will attend.

Reply: Management agrees with this finding and is looking to fill all open board positions with qualified persons and will plan board meetings in order that a quorum will attend.

10-4

Criteria: All federal financial reports should be completed with the correct data and reviewed for accuracy.

Condition: There were errors noted in the federal Form 425 reports.

Questioned Costs: None

Context: Internal Control Over Federal Financial Reports

Effect: This finding has no material effect on the financial statements.

Cause: The Agency was unable to determine how the errors occurred.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

10-4 (Continued)

Recommendation: We recommend management review federal financial reports for accuracy before submitting the reports.

Reply: Management agrees with this finding and will implement a review process to ensure the federal financial reports are accurate.

10-5

Criteria: The Agency is required to issue a 1099 to any person or business that is not an employee of the Agency, and who provides services to the Agency.

Condition: The Agency did not issue 1099s to persons or business that provided services to it.

Questioned Costs: None

Context: IRS Regulations

Effect: This finding has no material effect on the financial statements.

Cause: There was an oversight in monitoring the issuance of 1099s.

Recommendation: We recommend the Agency develop policies and procedures to ensure all persons or businesses that provide services to it are issued a 1099 at year end.

Reply: Management agrees with this finding and will develop policies and procedures to ensure 1099s are issued to all persons or businesses that provide services to the Agency.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION III - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
HEAD START, ARRA, AND USDA, ONLY MAJOR PROGRAMS

10-1

Criteria: Bank reconciliations shall be reviewed monthly and old outstanding transactions or unusual items should be followed up and resolved.

Condition: The review of bank reconciliations is inadequate. The bank reconciliations contain old outstanding items that should be removed from the bank reconciliations.

Questioned Costs: None

Context: Internal Controls

Effect: This finding has no material effect on the financial statements.

Cause: Old outstanding items and unusual items on the bank reconciliations are not resolved in a timely manner.

Recommendation: We recommend management follow-up on all old outstanding transactions on the bank reconciliations and resolve them in a timely manner.

Reply: Management agrees with this finding and will follow-up on all old outstanding transactions on the bank reconciliations and resolve them in a timely manner.

10-2

Criteria: Time sheets should be approved by a supervisor.

Condition: Five of 196 time sheets reviewed were not approved by a supervisor.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION III - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
HEAD START, ARRA, AND USDA, ONLY MAJOR PROGRAMS (Continued)

10-2 (Continued)

Questioned Costs: None

Context: Internal Controls

Effect: This finding has no material effect on the financial statements.

Cause: Time sheets are turned in to the payroll department without supervisor approval.

Recommendation: We recommend management require supervisor approval on time sheets before payroll checks are written.

Reply: Management agrees with this finding and will require supervisor approval on time sheets before payroll checks are written.

10-3

Criteria: Board of Directors meetings should have a quorum so that the board can conduct the necessary business of the Agency.

Condition: The Board of Directors have not had a quorum present at the board meetings in several months.

Questioned Costs: None

Context: Internal Control

Effect: This finding has no material effect on the financial statements.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION III - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
HEAD START, ARRA, AND USDA, ONLY MAJOR PROGRAMS (Continued)

10-3 (Continued)

Cause: Due to unforeseen circumstances the board lost several members in a short time period and was not able to find qualified replacements quickly.

Recommendation: We recommend the board fill the open board positions with qualified persons as soon as possible and plan board meetings when a quorum will attend.

Reply: Management agrees with this finding and is looking to fill all open board positions with qualified persons and will plan board meetings in order that a quorum will attend.

10-4

Criteria All federal financial reports should be completed with the correct data and reviewed for accuracy.

Condition: There were errors noted in the federal Form 425 reports.

Questioned Costs: None

Context: Internal Control Over Federal Financial Reports

Effect: This finding has no material effect on the financial statements.

Cause: The Agency was unable to determine how the errors occurred.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION III - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
HEAD START, ARRA, AND USDA, ONLY MAJOR PROGRAMS (Continued)

10-4 (Continued)

Recommendation: We recommend management review federal financial reports for accuracy before submitting the reports.

Reply: Management agrees with this finding and will implement a review process to ensure the federal financial reports are accurate.

10-5

Criteria: The Agency is required to issue a 1099 to any person or business that is not an employee of the Agency, and who provides services to the Agency.

Condition: The Agency did not issue 1099s to persons or business that provided services to it.

Questioned Costs: None

Context: IRS Regulations

Effect: This finding has no material effect on the financial statements.

Cause: There was an oversight in monitoring the issuance of 1099s.

Recommendation: We recommend the Agency develop policies and procedures to ensure all persons or businesses that provide services to it are issued a 1099 at year end.

Reply: Management agrees with this finding and will develop policies and procedures to ensure 1099s are issued to all persons or businesses that provide services to the Agency.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
DECEMBER 31, 2010

SECTION I - Internal Control

09-1

Finding: We found four instances where travel reimbursements were paid without supporting documentation.

Status: Cleared

09-2

Finding: Some employees' time sheets do not adequately document the time worked by individual program or administrative time. In addition, 4 of 194 time sheets reviewed were not approved by a supervisor.

Status: Uncleared

09-5

Finding: The Agency did not issue 1099s to persons or business that provided services to it.

Status: Uncleared

SECTION II - Compliance

09-3

Finding: Volunteer Activity Reports submitted for in-kind donations did not provide sufficient detail of "Activities Done at Home."

Status: Cleared

09-4

Finding: Contracts for speech/language screenings and mental health services are inadequate.

Status: Cleared

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2010

An exit conference was held at the Ouachita Multi-Purpose Community Action Program, Inc.'s administrative office in Monroe, Louisiana. Mr. Rowland Perry, CPA, represented the auditors. The Executive Director of the Agency and Chief Financial Officer represented the Agency.

We reported that we did not discover any material weaknesses in internal or administrative controls, but did discuss the matters noted on the schedule of findings and questioned costs.