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**AVOYELLES PROGRESS ACTION  
COMMITTEE, INC.  
Marksville, Louisiana**

**Financial Statements  
September 30, 2001**

**Prepared By:**

***DUCOTE & COMPANY***  
***Certified Public Accountants***  
**219 North Main Street**  
**P. O. Box 309**  
**Marksville, LA 71351**

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 3/13/02

**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, 2001, 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.

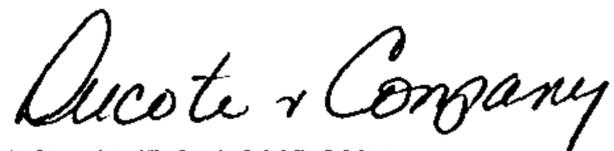
We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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, 2001, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 31, 2002, on our consideration of Avoyelles Progress Action Committee, Inc.'s internal control structure and a report dated January 31, 2002 on its compliance with laws and regulations.

Board of Directors  
Page 2  
January 31, 2002

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the Avoyelles Progress Action Committee, Inc. The accompanying schedule of expenditures of federal awards contained in Appendix A is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and also is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



**DUCOTE & COMPANY**  
Marksville, Louisiana  
January 31, 2002

**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, 2001, and have issued our report thereon dated January 31, 2002. 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

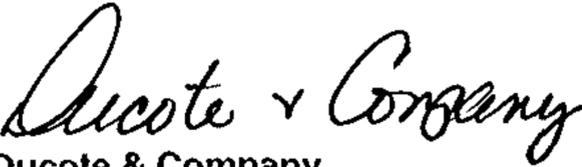
As part of obtaining reasonable assurance about whether Avoyelles Progress Action Committee, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct 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 material 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.

Members of the Board  
Page 2  
January 31, 2002

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

  
**Ducote & Company**  
Marksville, Louisiana  
January 31, 2002

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
**Combined Statement of Financial Position**  
**All Programs**  
**September 30, 2001**

	Direct Federal Program	Indirect Federal Program	Non-Federal Program	Totals Memo Only
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$0	\$4,524	\$37,237	\$41,761
Grants receivable	30,000	40,962	0	70,962
Due from other programs	3,889	4,712	2,000	10,601
<b>Total current assets</b>	<b>33,889</b>	<b>50,198</b>	<b>39,237</b>	<b>123,324</b>
<b>Property, Plant &amp; Equipment</b>				
Property, Plant & Equipment (net of accum depr)	43,695	8,963	0	52,657
<b>Other Assets</b>				
Deposits	100	0	0	100
<b>TOTAL ASSETS</b>	<b>\$77,684</b>	<b>\$59,160</b>	<b>\$39,237</b>	<b>\$176,082</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts payable	\$15,250	\$28,956	\$6,280	\$50,486
Due to other programs	0	5,889	4,712	10,601
<b>Total liabilities</b>	<b>15,250</b>	<b>34,845</b>	<b>10,992</b>	<b>61,087</b>
<b>Net Assets</b>				
Unrestricted	62,434	24,314	28,245	114,994
<b>Total net assets</b>	<b>62,434</b>	<b>24,314</b>	<b>28,245</b>	<b>114,994</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$77,684</b>	<b>\$59,160</b>	<b>\$39,237</b>	<b>\$176,082</b>

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

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
**Combined Statement of Activities**  
**All Programs**  
**For the Year Ended September 30, 2001**

	Direct Federal Program	Indirect Federal Programs	Non-Federal Programs	Totals Memo Only
<b>UNRESTRICTED NET ASSETS:</b>				
<b>Support</b>				
Grants earned	\$1,452,770	\$456,169	\$8,874	\$1,917,813
In-kind contributions	579,438	0	0	579,438
Other support	399	0	5,485	5,884
<b>Total Support</b>	<b>2,032,606</b>	<b>456,169</b>	<b>14,359</b>	<b>2,503,134</b>
<b>Expenses:</b>				
<b>Program Services:</b>				
Salaries	897,297	126,830	16,803	1,040,930
Fringe benefits	190,027	21,905	2,952	214,884
Contractual	10,365	2,379	6,170	18,914
Travel	45,398	5,513	82	50,994
Space costs	29,582	183,882	810	214,273
Consumable supplies	54,963	16,405	0	71,367
Materials cost	41,322	78,103	0	119,424
Other expenses	197,127	47,754	18,732	263,614
In-kind contributions	579,438	0	0	579,438
<b>Total Program Services</b>	<b>2,045,519</b>	<b>482,770</b>	<b>45,548</b>	<b>2,573,838</b>
<b>Increase (decrease) in unrestricted net assets</b>	<b>(12,913)</b>	<b>(26,601)</b>	<b>(31,189)</b>	<b>(70,703)</b>
<b>Net assets, beginning of year</b>	<b>75,347</b>	<b>50,916</b>	<b>59,435</b>	<b>185,697</b>
<b>Net assets, end of year</b>	<b>\$62,434</b>	<b>\$24,314</b>	<b>\$28,245</b>	<b>114,994</b>

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, 2001**

	<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	\$(12,913)	\$(26,601)	\$(31,189)	\$(70,704)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			—	
Depreciation	11,940	3,497	0	15,437
(Increase) decrease in operating assets:				
Grants receivable	(22,752)	(22,873)	0	(45,625)
Other receivable	(3,889)	(1,124)	0	(5,013)
Increase (decrease) in operating liabilities:				
Accounts payable	7,176	19,411	5,972	32,559
Other payables	0	5,889	(876)	5,013
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(20,438)</u>	<u>(21,801)</u>	<u>(26,093)</u>	<u>(68,333)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property and equipment	(25,556)	(1,144)	0	(26,700)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(25,556)</u>	<u>(1,144)</u>	<u>0</u>	<u>(26,700)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(45,994)	(22,945)	(26,093)	(95,033)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>43,712</u>	<u>20,233</u>	<u>63,330</u>	<u>127,275</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ (2,282)</u>	<u>\$ (2,713)</u>	<u>\$ 37,237</u>	<u>\$ 32,242</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, 2001**

**NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization:**

The Avoyelles Progress Action Committee, Inc. (APAC) was organized in 1965, its purpose being to serve as a community action agency for the parish of Avoyelles, Louisiana. Its goal is to provide a central agency to focus on available local, state, federal and private resources to assist the disadvantage residents of Avoyelles Parish.

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

**Nature of Activities:**

The primary funding sources and their purposes of APAC are:

**Direct Federal Programs**

**Department of Health & Human Services:**

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

**Indirect Federal Programs**

**Department of Agriculture:**

The Child Care Food 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.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2001**

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

**Nature of Activities (continued):**

**Indirect Federal Programs (continued):**

**Department of Social Services:**

The Temporary Assistance for Needy Families Program (TANF) provides assistance to low income households in the payment of home utility costs.

**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, 2001, 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, 2001.

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, 2001**

**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, 2001, all property and equipment owned by APAC has been acquired with grant monies.

Property and equipment consist of the following:

	<u>Balance</u> <u>9/30/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/01</u>
Direct Federal Programs	\$321,890	\$25,556	\$ -0-	\$347,446
Indirect Federal Programs	25,791	1,144	-0-	26,935
Non-Federal Programs	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	347,681	<u>26,700</u>	<u>-0-</u>	374,381
Accumulated Depreciation	<u>(306,287)</u>	<u>(15,437)</u>	<u>-0-</u>	<u>(321,724)</u>
Net Property and Equipment	<u>\$ 41,394</u>			<u>\$ 52,657</u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2001**

**NOTE B – PROPERTY AND EQUIPMENT (continued)**

SFAS No. 93, effective for fiscal years beginning after May 15, 1988, requires the recognition of depreciation in the financial statements of a non-profit organization. This statement provides that the nonprofit organization adopt accounting changes needed to conform to the statement's provisions.

Effective for the year ended September 30, 2001, APAC has adopted the provisions of SFAS No. 93. Depreciation is calculated using the straight-line method with assets lives of 5 to 10 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, 2001, the following interprogram receivables/payables existed:

	<u>Receivable</u>	<u>Payable</u>
Non-Federal Program:		
General Fund	\$ 2,000	\$ 4,712
Direct Federal Program:		
Headstart	3,889	-0-
Indirect Federal Program:		
Child Care Food	-0-	3,889
TANF	-0-	2,000
Weatherization	<u>4,712</u>	<u>-0-</u>
Totals	<u>\$ 10,601</u>	<u>\$ 10,601</u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2001**

**NOTE E - GRANTS RECEIVABLE**

As of September 30, 2001, grants receivable was composed of:

Child Care Food:		
	State of Louisiana	\$ 12,793
LIHEAP:		
	Dept of Agriculture	8,847
Head Start:		
	Dept of Health & Hospitals	30,000
CSBG:		
	State of Louisiana	5,550
TANF:		
	State of Louisiana	11,188
Weatherization :		
	Dept. of Energy	<u>2,584</u>
Total		<u>\$ 70,962</u>

**NOTE F - SUMMARY OF GRANTS**

APAC was primarily funded through the following grants for the year ended September 30, 2001:

<u>Funding Source</u>	<u>Program Year(s) Covered</u>	<u>Recognized Support</u>
Direct Federal Programs:		
Head Start	7/1/00-6/30/01 7/1/01-6/30/02	\$1,452,770
Indirect Federal Programs:		
Community Services Block Grant	1/1/00-12/31/00 1/1/01-12/31/01	100,538
Dept of Energy Weatherization	4/1/00-3/31/01 4/1/01-3/31/02	36,723
LIHEAP Energy Assistance Program	4/1/00-3/31/01 4/1/01-3/31/02	183,512
Child and Adult Food Care Program	10/1/00-9/30/01	99,998
Temporary Assistance for Needy Families Program	10/1/00-9/30/01	35,398
Corporate Grants	N/A	<u>8,874</u>
Total Grants		<u>\$1,917,813</u>

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

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2001**

**NOTE G - BOARD MEMBERS PER DIEM**

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

**NOTE H - EMPLOYEE BENEFIT PLAN**

APAC established a defined contribution salary deferral plan, covering employees of the 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, 2001, APAC contributed \$32,364, as the agency's match, to the plan.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

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

At September 30, 2001, APAC is involved in three lawsuits, two claiming racial and/or sexual discrimination and the other claiming payment for accumulated leave. In all cases legal counsel for APAC has indicated that the outcome of the litigation is uncertain at the present time, and the potential claims against APAC not covered by insurance are uncertain at this time, but does not expect total damages to exceed \$105,000.

**NOTE J - SUBSEQUENT EVENTS**

On November 8, 2001, bids were taken for the construction of the APAC Administration Building. The contract was awarded to Scallan Contractors, Inc. for the amount of \$136,478. Financing for the project is being provided by a construction loan from Union Bank. Proposed terms for the loan are a twenty-year loan at 7.75% with no points.

At the November 8, 2001 meeting, the Board approved the rental of a facility in the Lafargue area. APAC Headstart program will open a new Center, "Little Bo Peep", in this facility for the 2002-2003 school year.

## **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.

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

The Temporary Assistance for Needy Families Program provides assistance to the needy in the payment of home utility costs.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
**Combining Statement of Financial Position**  
**Indirect Federal Programs**  
**September 30, 2001**

	<b>CBSG Program</b>	<b>Dept of Energy Weatherization Program</b>	<b>LIHEAP Energy Assistance Program</b>	<b>Child Care Food Program</b>	<b>Temporary Assistance for Needy Families</b>	<b>Totals Memo Only</b>
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$0	\$402	\$2,882	\$1,240	\$0	\$4,524
Grants receivable	5,550	2,583	8,847	12,793	11,188	40,962
Due from other programs	0	4,712	0	0	0	4,712
<b>Property, Plant &amp; Equipment</b>						
Property, Plant & Equipment (net of accum depreciation)	8,089	0	0	873	0	8,963
<b>TOTAL ASSETS</b>	<b>\$13,639</b>	<b>\$7,697</b>	<b>\$11,729</b>	<b>\$14,906</b>	<b>\$11,188</b>	<b>\$59,160</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities</b>						
Accounts payable	\$2,950	\$1,265	\$8,350	\$8,218	\$8,172	\$28,955
Due to other programs	0	0	0	3,889	2,000	5,889
Total liabilities	2,950	(1,265)	8,350	12,108	10,172	34,844
<b>Net Assets</b>						
Unrestricted	10,689	6,432	3,379	2,798	1,017	24,314
Total net assets	10,689	6,432	3,379	2,798	1,017	24,314
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$13,639</b>	<b>\$7,697</b>	<b>\$11,729</b>	<b>\$14,906</b>	<b>\$11,188</b>	<b>\$59,160</b>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
 Combining Statement of Activities  
 Indirect Federal Programs  
 For the Year Ended September 30, 2001

	CSBG Program	Dept of Energy		LIHEAP		Energy		Child Care		Temporary		Totals
		Weatherization Program	Assistance Program	Assistance Program	Food Program	Food Program	Emergency Food Program	Assistance for Needy Families	Assistance for Needy Families	Memo Only		
Support												
Grants earned	\$100,538	\$36,723	\$183,512	\$99,998	\$0	\$35,398					\$456,169	
Other support	0	0	0	0	0	0					0	
<b>Total Support</b>	<b>100,538</b>	<b>36,723</b>	<b>183,512</b>	<b>99,998</b>	<b>0</b>	<b>35,398</b>					<b>456,169</b>	
Expenses:												
Program Services:												
Salaries	62,168	23,142	9,410	28,968	1,521	1,621					126,830	
Fringe benefits	11,880	2,154	1,119	6,479	141	131					21,905	
Contractual	1,215	284	580	300	0	0					2,379	
Travel	3,262	1,824	133	74	54	166					5,513	
Space costs	11,707	0	172,175	0	0	0					183,882	
Consumable supplies	8,090	310	124	7,881	0	0					16,405	
Materials/food costs	1,887	9,678	0	66,537	0	0					78,103	
Other expenses	7,993	1,581	228	5,119	368	32,464					47,754	
<b>Total Program Services</b>	<b>108,202</b>	<b>38,974</b>	<b>183,770</b>	<b>115,358</b>	<b>2,085</b>	<b>34,382</b>					<b>482,770</b>	
Increase (decrease) in unrestricted net assets	(7,664)	(2,251)	(258)	(15,360)	(2,085)	1,017					(26,601)	
Net assets, beginning of year	18,353	8,682	3,637	18,158	2,085	0					50,916	
Net assets, end of year	\$10,689	\$6,432	\$3,379	\$2,798	\$0	\$1,017					\$24,314	

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**MARKSVILLE, LOUISIANA**  
**Combining Statement of Cash Flows**  
**Indirect Federal Programs**  
**For the Year Ended September 30, 2001**

	CSBG Program	Dept of Energy Weatherization Program	LIHEAP Energy Assistance Program	Child Care Food Program	Temporary Emergency Food Prog	Temporary Assistance for Needy Families	Totals
	Program	Program	Program	Program	Program	Program	Memo Only
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Change in net assets	\$ (7,664)	\$ (2,251)	\$ (258)	\$ (15,360)	\$ (2,085)	\$ 1,017	\$ (26,601)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:							
Depreciation	3,132	0	0	365	0	0	3,497
(Increase) decrease in operating assets:							
Grants receivable	(5,550)	1,360	(7,082)	(413)	0	(11,188)	(22,873)
Other receivable	0	(1,124)	0	0	0	0	(1,124)
Increase (decrease) in operating liabilities:							
Accounts payable	1,205	1,265	8,350	5,911	0	2,680	19,411
Other payables	0	0	0	3,889	0	2,000	5,889
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(8,877)</u>	<u>(750)</u>	<u>1,010</u>	<u>(5,608)</u>	<u>(2,085)</u>	<u>(5,491)</u>	<u>(21,801)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Purchases of property and equipment	(1,144)	0	0	0	0	0	(1,144)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(1,144)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,144)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(10,021)	(750)	1,010	(5,608)	(2,085)	(5,491)	(22,945)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	8,276	1,152	1,872	6,848	2,085	0	20,233
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$(1,745)</u>	<u>\$402</u>	<u>\$2,882</u>	<u>\$1,240</u>	<u>\$0</u>	<u>\$(5,491)</u>	<u>\$(2,713)</u>

## **APPENDIX A**

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

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

**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, 2001, and have issued our report thereon dated January 31, 2002. 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  
January 31, 2002

**AVOYELLES PROGRESS ACTION COMMITTEE, INC  
MARKSVILLE, LOUISIANA  
Schedule of Expenditures of Federal Awards  
For Year Ended September 30, 2001**

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Local Program 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	CACFP-2001-05	\$ 115,358
Passed through the State of Louisiana, Dept. of: Agriculture: Emergency Food Assist Prog-Admin	10.568	EFAP04	2,085
<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	CFMS 557425	38,974
<u>U.S. Department of Health and Human Services</u> Direct Program: Head Start	93.600*	06CH5109/36	2,045,519
Passed through the State of Louisiana, Dept of Social Services: Low Income Home Energy Assistance Payments	93.568	CFMS 565754	183,770
Passed through the State of Louisiana, Dept of Labor: Community Services Block Grant	93.569	2000N0051	108,202
State of Louisiana, Dept of Social Services: Temporary Assistance for Needy Families	93.568	N/A	<u>34,382</u>
<b>Total Federal Expenditure Awards</b>			<b><u>\$ 2,528,290</u></b>

\* Denotes a major program

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**Notes to the Schedule of**  
**Expenditures of Federal Awards**  
**September 30, 2001**

**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, 2001. Avoyelles Progress Action Committee, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Avoyelles Progress Action Committee, Inc.'s management. Our responsibility is to express an opinion on Avoyelles Progress Action Committee, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-1338, Audits of State and Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Avoyelles Progress Action Committee, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Avoyelles Progress Action Committee, Inc.'s compliance with those requirements.

In our opinion, Avoyelles Progress Action Committee, Inc complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2001.

Internal Control Over Compliance

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

Board of Directors  
Page 2  
January 31, 2002

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

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



**Ducote & Company**  
Marksville, Louisiana  
January 31, 2002

**AVOYELLES PROGRESS ACTION COMMITTEE, INC  
 MARKSVILLE, LOUISIANA  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2001**

**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, 2001**

**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, 2001**

<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>				
None				
<b>Section II – Internal Control and Compliance Material to Federal Awards</b>				
None				
<b>Section III – Management Letter</b>				
ML00-01	9/30/00	Under-secured bank deposits	Yes	N/A

**AVOYELLES PROGRESS ACTION COMMITTEE, INC  
MARKSVILLE, LOUISIANA  
Corrective Action Plan for Current Year Audit Findings  
Year Ended September 30, 2001**

<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