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PROGRESSIVE EDUCATION PROGRAM, INC.
(formerly Plantation Education Program, Inc.)
New Iberia, Louisiana

For the Years Ended June 30, 1999 and 1998

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date 2-2-00

Dressel & Friend

CERTIFIED PUBLIC ACCOUNTANTS
449 EAST ST. PETER STREET
NEW IBERIA, LOUISIANA 70560-3752

TERRELL P. DRESSEL, CPA
RALPH FRIEND, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

(318) 365-8211
FAX (318) 365-8214

To the Board of Directors of
Progressive Education Program, Inc.
New Iberia, Louisiana

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of Progressive Education Program, Inc. (a nonprofit organization) as of June 30, 1999 and 1998 and the related statements of activities and cash flows for the years 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; 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 Progressive Education Program, Inc. as of June 30, 1999 and 1998, and the results of its activities and cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules 1, 2, and 3 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards we have also issued a report dated October 6, 1999, on our consideration of Progressive Education Program, Inc's internal control structure and compliance with laws and regulations.

Dressel & Friend

DRESSEL & FRIEND
Certified Public Accountants

October 6, 1999

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF
FINANCIAL POSITION

JUNE 30 AS INDICATED

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
CURRENT ASSETS:		
Cash		
Unrestricted	\$ 9,602	\$ 10,317
Receivables, grant	19,396	20,971
Other Receivable	10	10
TOTAL CURRENT ASSETS	\$ 29,008	\$ 31,298
EQUIPMENT AND SOFTWARE:		
Furniture and Fixtures, At Cost	\$ 53,430	\$ 77,325
Computer Software, At Cost	28,068	34,202
Total	\$ 81,498	\$ 111,527
Less: Accumulated Depreciation	56,961	75,247
TOTAL EQUIPMENT AND SOFTWARE	\$ 24,537	\$ 36,280
TOTAL ASSETS	\$ 53,545	\$ 67,578
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 0	\$ 921
Payroll Taxes Payable	2,177	4,377
Garnishment Payable	118	118
TOTAL CURRENT LIABILITIES	\$ 2,295	\$ 5,416
NET ASSETS		
Unrestricted	\$ 49,617	\$ 59,915
Permanently Restricted	1,633	2,247
TOTAL NET ASSETS (Exhibit II)	\$ 51,250	\$ 62,162
TOTAL LIABILITIES AND NET ASSETS	\$ 53,545	\$ 67,578

The accompanying notes and accountant's report
are an integral part of these financial statements

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF ACTIVITIES	FOR THE YEARS ENDED JUNE 30 AS INDICATED	
	1999	1998
CHANGES IN UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE:		
Grants - Governmental	\$ 228,781	\$ 243,740
Grants - Other	5,000	9,000
United Way	10,000	11,600
Contributions	2,020	2,009
Other	373	734
Vista Travel	0	1,500
TOTAL SUPPORT AND REVENUE	\$ 246,174	\$ 268,583
EXPENSES		
Audit	\$ 3,000	\$ 3,000
Awards	207	195
Bank Charges	61	22
Benefits	12,891	11,210
Depreciation	11,911	12,127
Educational Materials	1,311	916
Field Trips	0	133
Grant Expense	83	0
Insurance	3,903	4,000
Maintenance Contracts	9,398	6,977
Membership Dues	75	0
Miscellaneous	2,208	1,321
Occupancy	24,349	23,000
Office	660	1,423
Payroll Taxes	13,382	18,452
Postage	267	235
Printing	544	0
Salaries	166,904	182,245
Software	69	230
Staff Development	343	957
Supplies	881	2,361
Taxes & Licenses	5	5
Telephone	2,697	2,263
Testing	29	613
Travel	1,059	502
TOTAL EXPENSES	\$ 256,237	\$ 272,187
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (10,063)	\$ (3,604)

The accompanying notes and accountant's report
are an integral part of these financial statements

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF ACTIVITIES	FOR THE YEARS ENDED JUNE 30 AS INDICATED	
	1999	1998
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Grant (Assets Acquired)	\$ 0	\$ 1,453
Depreciation	<u>(849)</u>	<u>(804)</u>
INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	<u>\$ (849)</u>	<u>\$ 649</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (10,912)	\$ (2,955)
NET ASSETS AT BEGINNING OF YEAR	<u>62,162</u>	<u>65,117</u>
NET ASSETS AT END OF YEAR	<u>\$ 51,250</u>	<u>\$ 62,162</u>

The accompanying notes and accountant's report
are an integral part of these financial statements

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF CASH FLOWS	FOR THE YEARS ENDED JUNE 30 AS INDICATED	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants	\$ 235,355	\$ 255,141
Cash received from United Way	10,000	11,600
Cash received from contributions	2,020	2,009
Other cash receipts	373	734
Vista Travel	0	1,500
Cash paid to employees and suppliers	<u>(247,447)</u>	<u>(259,345)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 301	\$ 11,639
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from grant	\$ 0	\$ 1,453
Purchase of equipment & software	<u>(1,016)</u>	<u>(4,827)</u>
NET CASH USED BY INVESTING ACTIVITIES	\$ (1,016)	\$ (3,374)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (715)	\$ 8,265
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,317</u>	<u>2,052</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 9,602</u></u>	<u><u>\$ 10,317</u></u>

The accompanying notes and accountant's report
are an integral part of these financial statements

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

FOR THE YEARS ENDED
JUNE 30 AS INDICATED

COMPARATIVE STATEMENTS OF CASH FLOWS

RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>1999</u>	<u>1998</u>
CHANGE IN NET ASSETS (EXHIBIT II)	\$ (10,912)	\$ (2,955)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	12,760	12,931
(Increase) Decrease in grant receivable	1,574	2,401
(Increase) Decrease in other receivable	0	(10)
Increase (Decrease) in accounts payable	(3,121)	725
Grant to purchase equipment	0	(1,453)
	<u>0</u>	<u>(1,453)</u>
NET CASH PROVIDED (USED) BY OPERATING EXPENSES	<u>\$ 301</u>	<u>\$ 11,639</u>

The accompanying notes and accountant's report
are an integral part of these financial statements

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Accounting - The financial statements of Progressive Education Program, Inc. (PEPI) have been prepared on the accrual basis.
- B. Financial Statement Presentation - PEPI reports 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.
- C. Grants - The Organization records income from unrestricted grants in the period designated by the grantor.
- D. Income Taxes - PEPI was organized under Internal Revenue Code Section 501(c)(3) governing exempt organizations and as such is not subject to federal or state income taxes. An annual Form 990, "Return of Organization Exempt from Tax", is filed by PEPI for each fiscal year ending June 30. PEPI is classified by the Internal Revenue Service as a Non Private Foundation-Non Profit.
- E. Equipment and Software - Equipment and software are recorded at the basis of original cost. The cost of significant improvements or renovations which materially extend the useful lives of existing equipment is capitalized. The cost of ordinary maintenance and repairs is charged to expense as incurred. Straight-line methods of depreciation are used for financial reporting purposes.
- F. Recognition of Donor Restrictions - 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. The assets purchased with government grants can not be sold or disposed of in any way and are therefore reported as an increase in permanently restricted net assets.

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 1 - Continued

- G. Cash and Cash Equivalents - Cash and Cash Equivalents include amounts on hand, amounts in demand deposit accounts, and amounts in money market accounts.
- H. Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

NOTE 2 - DESCRIPTION OF PROGRAM

Plantation Education Program, Inc. (PEPI) was formed on November 13, 1979, as a non-profit corporation organized solely and exclusively for educational purposes and to provide educational opportunities for the community of Southern Louisiana. On May 27, 1997 the name was changed to Progressive Education Program, Inc.

The major source of program revenue is received under an agreement with the State of Louisiana Department of Social Services, Office of Family Support. These programs are called Find Work-Vocational Education, Find Work GED and Find Work Job Search/Job Readiness. PEPI is reimbursed for actual expenses of these projects.

PEPI also receives some revenue from United Way and from donations for other educational program that it administers.

PEPI was paid \$5,000 by the School Sisters of Notre Dame during the year ended June 30, 1999.

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 3 - EQUIPMENT AND SOFTWARE

Major classifications of equipment and software and their respective depreciable lives are summarized below:

	<u>1999</u>	<u>1998</u>	<u>Depreciable Lives</u>
Furniture and Equipment	\$ 53,430	\$ 77,325	5 Years
Software	<u>28,068</u>	<u>34,202</u>	5 Years
	\$ 81,498	\$111,527	
Less: Accumulated Depreciation	<u>56,961</u>	<u>75,247</u>	
Total	<u>\$ 24,537</u>	<u>\$ 36,280</u>	

All depreciable assets are depreciated using the straight line method of depreciation.

NOTE 4 - CONTRIBUTED SERVICES

A number of unpaid volunteers have made significant contributions of their time to PEPI. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

NOTE 5 - COMMITMENT

PEPI had a contract to lease office space for a period of three years beginning January 1, 1999 and ending December 31, 2002. The consideration for the lease is \$19,200 per year.

NOTE 6 - RENTAL EXPENSE

Total rental expense for the years ended June 30, 1999 and 1998 is \$15,756 and \$15,000 respectively.

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 7 - PER DIEM PAID TO BOARD

For the years ended June 30, 1999 and 1998, the board members did not receive any compensation.

NOTE 8 - RESTRICTIONS ON ASSETS

	<u>1999</u>	<u>1998</u>
Permanently restricted net assets consist of:		
Assets acquired with government grants, (cost)	\$ 7,152	\$ 19,760
Less: Accumulated depreciation	<u>5,519</u>	<u>17,513</u>
	<u>\$ 1,633</u>	<u>\$ 2,247</u>

NOTE 9- NAME CHANGE

On May 27, 1997, the name of the organization was changed from Plantation Education Program, Inc. to Progressive Education Program, Inc.

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

SCHEDULE OF AWARDS-FIND WORK-
VOCATIONAL EDUCATION

FOR THE YEARS ENDED
JUNE 30 AS INDICATED

Pass-through grantor:	State of Louisiana Department of Social Services-Office of Family Support	
Contract Number:	CFMS #530703	
	<u>1999</u>	<u>1998</u>
Program Amount:	\$ 148,710	\$ 147,527
Receipts Recognized:	\$ 148,549	\$ 147,425
Disbursements/Expenditures:		
Expenses:		
Audit	\$ 800	\$ 1,712
Benefits	7,978	7,085
Educational Materials	970	800
Insurance	2,752	2,613
Maintenance	5,904	4,156
Membership Dues	50	0
Office	477	651
Payroll Taxes	7,932	11,663
Printing	400	
Postage	184	96
Salaries	97,860	100,416
Software	33	0
Staff Development	219	652
Supplies	651	660
Telephone	2,000	1,400
Testing	29	463
Occupancy	17,718	16,236
Total Expenses	<u>\$ 145,957</u>	<u>\$ 148,603</u>
Capital Expenditures		
Furniture & Equipment	\$ 0	\$ 1,105
Total Capital Expenditures	<u>\$ 0</u>	<u>\$ 1,105</u>
Total Disbursements/Expenditures	<u>\$ 145,957</u>	<u>\$ 149,708</u>
Excess of Receipts over (Under) Expenditures	<u>\$ 2,592</u> *	<u>\$ (2,283)</u>

*The excess of receipts over (under) expenditures represents the difference between accrual entries made to adjust the books from cash basis to accrual basis.

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

FOR THE YEARS ENDED
JUNE 30 AS INDICATED

SCHEDULE OF AWARDS-FIND WORK-GED

	State of Louisiana Department of Social Services-Office of Family Support	
	1999	1998
Pass-through grantor:		
Contract Number:		CFMS #530589
Program Amount:	<u>\$ 68,627</u>	<u>\$ 51,659</u>
Receipts Recognized:	\$ 67,198	\$ 51,658
Disbursements/Expenditures:		
Expenses:		
Audit	\$ 0	\$ 50
Benefits	2,560	1,498
Educational Materials	150	0
Insurance	495	96
Maintenance	1,256	253
Office	65	0
Payroll Taxes	4,398	3,481
Printing	50	0
Program Supplies	194	0
Salaries	54,036	45,504
Telephone	127	50
Testing	0	25
Occupancy	3,850	690
Total Expenses	<u>\$ 67,181</u>	<u>\$ 51,647</u>
Capital Expenditures		
Furniture & Equipment	\$ 0	\$ 0
Software	0	0
Total Capital Expenditures	<u>\$ 0</u>	<u>\$ 0</u>
Total Disbursements/Expenditures	<u>\$ 67,181</u>	<u>\$ 51,647</u>
Excess of Receipts over (Under) Expenditures	<u>\$ 17 *</u>	<u>\$ 11 *</u>

*The excess of receipts over (under) expenditures represents the difference between accrual entries made to adjust the books from cash basis to accrual basis.

PROGRESSIVE EDUCATION PROGRAM, INC.
New Iberia, Louisiana

SCHEDULE OF AWARDS-FIND WORK-
JOB SEARCH/JOB READINESS

FOR THE YEARS ENDED
JUNE 30 AS INDICATED

	1999	1998
Pass-through grantor:	State of Louisiana Department of Social Services-Office of Family Support	
Contract Number:	CFMS #530602	
Program Amount:	\$ <u>46,760</u>	\$ <u>46,133</u>
Receipts Recognized:	\$ 13,034	\$ 46,109
Disbursements/Expenditures:		
Expenses:		
Audit	\$ 0	\$ 972
Benefits	728	2,596
Educational Materials	0	110
Insurance	320	980
Maintenance	584	1,440
Office	53	217
Payroll Taxes	700	2,798
Postage	19	100
Salaries	9,144	29,991
Software	0	38
Staff Development	0	50
Supplies	17	1,693
Telephone	123	200
Testing	0	125
Travel	0	62
Occupancy	1,196	4,357
Total Expenses	\$ <u>12,884</u>	\$ <u>45,729</u>
Capital Expenditures		
Furniture & Equipment	\$ 0	\$ 348
Software	0	0
Total Capital Expenditures	\$ <u>0</u>	\$ <u>348</u>
Total Disbursements/Expenditures	\$ <u>12,884</u>	\$ <u>46,077</u>
Excess of Receipts over (Under) Expenditures	\$ <u>150</u> *	\$ <u>32</u> *

*The excess of receipts over (under) expenditures represents the difference between accrual entries made to adjust the books from cash basis to accrual basis.

Dressel & Friend

CERTIFIED PUBLIC ACCOUNTANTS
449 EAST ST. PETER STREET
NEW IBERIA, LOUISIANA 70560-3752

TERRELL P. DRESSEL, CPA
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CERTIFIED PUBLIC ACCOUNTANTS

(318) 365-8211
FAX (318) 365-8214

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The the Board of Directors of
Progressive Education Program, Inc.
New Iberia, Louisiana

We have audited the financial statements of Progressive Education Program, as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated October 6, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Progressive Education Program, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

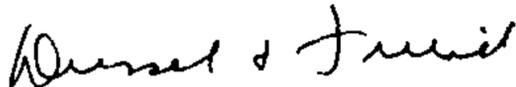
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Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Progressive Education Program, Inc's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, Directors, the State of Louisiana Legislative Auditor, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Dressel & Friend, CPA's

New Iberia, Louisiana
October 6, 1999