

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

**AVOUELLES PROGRESS ACTION COMMITTEE, INC.**

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**AVOUELLES PROGRESS ACTION COMMITTEE, INC.  
641 GOVERNMENT STREET  
MARKSVILLE, LA 71351**

**LOUISIANA ATTESTATION QUESTIONNAIRE**

March 27, 2018

Ducote & Company  
Certified Public Accountants  
P. O. Box 309  
Marksville, LA 71351

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of September 30, 2017 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Yes  No

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes  No

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No

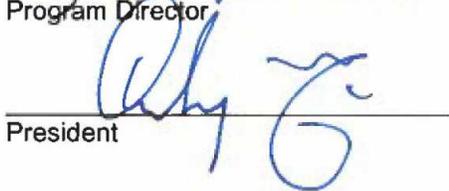
We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No

The previous responses have been made to the best of our belief and knowledge.



Program Director



President

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Avoyelles Progress Action Committee, Inc. and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the Avoyelles Progress Action Committee's compliance with certain laws and regulations during the twelve months ended September 30, 2017, included in the accompanying Louisiana Attestation Questionnaire.

Management of the Avoyelles Progress Action Committee, Inc. is responsible for its financial records and compliance with laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Federal, State, and Local Awards**

All transactions reviewed in our procedures relating to federal, state and local grants have been properly recorded in the accounting records.

**Open Meetings**

We have reviewed all minutes held for the fiscal year and have determined that meetings are in compliance with the open meeting requirements.

**Budget**

The agency has prepared program budgets as required by grantor agencies for the current year.

**Reporting**

The financial statements were reviewed in accordance with R.S. 24:513. No funds expended were subject to the public bid law. The compensation and benefits paid the agency head have been disclosed in the financial statements for the current year.

## **Prior-Year Comments**

Prior year comments included non-compliance with filing the annual report timely with the Louisiana Legislative Auditor's Office. This matter was resolved for the current year.

## **General**

In reviewing general compliance with laws and regulations, we noted two findings which are disclosed in the financial statement footnotes and listed in the current year findings including in our report. One finding is the failure to comply with Louisiana Housing Corporation (LHC) guidelines in performing services under the program. The other finding is the automatic revocation of the agency's tax-exempt status with the Internal Revenue Service.

We were not engaged to perform, and did not perform, an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Avoyelles Progress Action Committee, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

## *Ducote & Company*

**DUCOTE & COMPANY**  
Marksville, Louisiana  
March 27, 2018

**Independent Accountants' Review Report**

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

We have reviewed the accompanying financial statements of the Avoyelles Progress Action Committee, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

***Ducote & Company***

**DUCOTE & COMPANY**  
Marksville, Louisiana  
March 27, 2018

## **BASIC FINANCIAL STATEMENTS**

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**ALL PROGRAMS**  
**SEPTEMBER 30, 2017**

	Indirect Federal Program	Non-Federal Program	Totals Memo Only
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$16,398	\$19,799	\$36,197
Grants receivable	2,118	0	2,118
Due from other programs	57,171	0	57,171
Total current assets	75,687	19,799	95,486
Property, Plant & Equipment (net of accum depreciation)	4,673	95,784	100,457
<b>TOTAL ASSETS</b>	<b>\$80,360</b>	<b>\$115,583</b>	<b>\$195,944</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable	\$0	\$1,483	\$1,483
Due to other programs	12,875	44,296	57,171
Notes payable, current portion	0	11,520	11,520
Total current liabilities	12,875	57,299	70,173
<b>Long-Term Liabilities</b>			
Notes payable, net of current portion	0	43,867	43,867
Total liabilities	12,875	101,165	114,040
<b>Net Assets</b>			
Unrestricted:			
Program	0	(81,366)	(81,366)
Fixed assets	0	95,784	95,784
Temporarily restricted:			
Program	62,812	0	62,812
Fixed assets	4,673	0	4,673
Total net assets	67,485	14,418	81,903
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$80,360</b>	<b>\$115,583</b>	<b>\$195,944</b>

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

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**ALL PROGRAMS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Indirect Federal Families</u>	<u>Non-Federal Program</u>	<u>Totals Memo Only</u>
<b>UNRESTRICTED NET ASSETS</b>			
<b>Support</b>			
Grants earned	\$426,002	\$7,338	\$433,340
Other support	0	16,999	16,999
<b>Total Support</b>	<u>426,002</u>	<u>24,338</u>	<u>450,339</u>
<b>Expenses:</b>			
<b>Program Services</b>			
Salaries	147,131	0	147,131
Fringe benefits	12,611	0	12,611
Contractual	9,671	700	10,371
Travel	5,125	0	5,125
Space costs	2,486	0	2,486
Consumable supplies	9,556	0	9,556
Materials/food costs	168,945	0	168,945
Other expenses	85,274	19,900	105,174
<b>Total Program Services</b>	<u>440,799</u>	<u>20,600</u>	<u>461,399</u>
<b>Increase (decrease) in unrestricted net assets before operating transfers</b>	(14,797)	3,738	(11,059)
Operating transfers in (out)	488	(488)	0
<b>Increase (decrease) in unrestricted net assets</b>	(14,309)	3,250	(11,059)
<b>Net assets, beginning of year</b>	<u>81,794</u>	<u>11,168</u>	<u>92,962</u>
<b>Net assets, end of year</b>	<u>\$67,485</u>	<u>\$14,418</u>	<u>\$81,903</u>

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

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**ALL PROGRAMS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Indirect Programs</u>	<u>Non-Federal Programs</u>	<u>Totals Memo Only</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Change in net assets	\$(14,309)	\$3,250	\$(11,059)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Depreciation	2,267	6,955	9,223
(Increase) decrease in operating assets:			
Grants receivable	23,930	0	23,930
Other receivable	57,428	0	57,428
Increase (decrease) in operating liabilities:			
Accounts payable	(10,205)	(921)	(11,126)
Other payables	<u>(40,356)</u>	<u>(17,072)</u>	<u>(57,428)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>18,755</u>	<u>(7,788)</u>	<u>10,967</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Principal payments of debt	<u>0</u>	<u>(10,699)</u>	<u>(10,699)</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>0</u>	<u>(10,699)</u>	<u>(10,699)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	18,755	(18,487)	268
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>(2,357)</u>	<u>38,286</u>	<u>35,929</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$16,398</u></u>	<u><u>\$19,799</u></u>	<u><u>\$36,197</u></u>

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

**NOTES TO THE FINANCIAL STATEMENT**

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements**  
**September 30, 2017**

**NOTE A – SUMMARY OF 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, Point Coupee and Evangeline Parishes.

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:

**Indirect Federal Programs:**

**Department of Energy:**

The Weatherization Assistance for Low Income Persons Program provides services to assist needy individuals with home energy conservation measures. This program terminated in this fiscal year.

**Department of Health & Human Services:**

The Community Services Block Grant and the Emergency Community Services for the Homeless Programs help to defray a portion of APAC's administrative costs as well to provide various program services to the needy.

The Low Income Home Energy Assistance Program (LIHEAP) provides assistance to low income households in the payment of home utility costs during high energy usage periods of the year.

**Department of Social Services:**

The Temporary Assistance for Needy Families Program (TANF) provides assistance to low income households in the payment of home utility costs. This program had no activity during the fiscal year ended September 30, 2017.

**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, 2017, APAC received no state appropriation monies.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2017**

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

**Method of Accounting:**

The financial statements of APAC have been prepared utilizing the accrual basis of accounting.

**Cash Equivalents:**

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

**Plant, Furniture, Fixtures and Equipment:**

Physical properties, furniture, fixtures and equipment are stated at cost and donated assets are recorded at their estimated fair market values on the dates of donation. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Machinery and Equipment	5-10 Years
Furniture and Fixtures	7 Years

**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.

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.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2017**

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

**Donated Services, Material and Facilities:**

Value of in-kind services is made at current market rates for services, at not more than the federal minimum wage plus applicable fringe cost.

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.

**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.

**Fair Value:**

The Agency measures and reports the financial assets at fair value. Fair value is defined as the prices that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date.

The three-level hierarchy discussed below indicates the extent and level of judgment used to estimate fair value measurements.

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets as of the reporting date.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets in active markets and quoted prices in markets that are not active. Level 2 also includes assets that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models are corroborated by readily observable data.

Level 3 – Uses inputs that are unobservable, supported by little or no market activity and reflect the used of significant management judgment. These values are generally determined using pricing models that utilize management estimates of market participant assumptions. The Agency did not have any Level 3 assets as of the reporting date.

The following are the assets of the Agency that were accounted for at fair value on a recurring basis as of September 30, 2017. This table does not include assets and liabilities that are measured at historical cost or any other basis other than fair value.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2017**

Fair Value (Continued):

<u>Description</u>	<u>9/30/2017</u>	<u>Fair Value at Reporting Date Using</u>		
		<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash/money market funds	\$ 36,197	\$ 36,197	\$ -	\$ -
Certificates of Deposit	-	-	-	-
	<u>\$ 36,197</u>	<u>\$ 36,197</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE B – CASH, INTEREST BEARING DEPOSITS AND INVESTMENTS**

At September 30, 2017 cash totaled \$ 36,197 per the general ledger and \$54,242 per bank balances. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 2017 the Agency accounts were adequately secured from risk by FDIC insurance and securities pledged by the Depositor bank.

**NOTE C - INTERPROGRAM RECEIVABLES/PAYABLES**

As of September 30, 2017, inter-program receivables/payables consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
Indirect		
CSBG	\$ 10,577	\$ 5,862
Weatherization		7,013
LIHEAP	46,594	-
Non-Federal Programs		
General Fund	-	44,296
Totals	<u>\$ 57,171</u>	<u>\$ 57,171</u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2016**

**NOTE D - GRANTS RECEIVABLE**

As of September 30, 2016, grants receivable was composed of:

Indirect Federal Programs:	
CSBG	
State of Louisiana	\$ -
Department of Energy	
State of Louisiana	2,118
Total	<u>\$ 2,118</u>

**NOTE E- GRANT REVENUE BY SOURCE FUNDING**

Indirect Federal Programs:	
Community Service Block Grant	\$ 158,266
Department Of Energy Weahterization	225,068
LIHEAP Energy Assistance	<u>42,668</u>
Total of All Programs	<u>\$ 426,002</u>

**NOTE F- PLANT, FURNITURE, FIXTURES AND EQUIPMENT**

As of September 30, 2017, all property and equipment owned by APAC has been acquired with grant monies. 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. Property and equipment consist of the following:

	<u>Balance</u> <u>9/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2017</u>
<u>Indirect Federal Programs</u>				
Furniture and Equipment	\$ 92,888	\$ -	\$ -	\$ 92,888
Less: Accumulated Depr.	<u>(85,947)</u>	<u>(2,268)</u>	<u>-</u>	<u>(88,215)</u>
Net Property and Equipment	<u>\$ 6,941</u>	<u>\$ (2,268)</u>	<u>\$ -</u>	<u>\$ 4,673</u>
<u>General Fund</u>				
Building	\$ 217,637	\$ -	\$ -	\$ 217,637
Less: Accumulated Depr.	<u>(114,897)</u>	<u>(6,956)</u>	<u>-</u>	<u>(121,853)</u>
Net Property and Equipment	<u>\$ 102,740</u>	<u>\$ (6,956)</u>	<u>\$ -</u>	<u>\$ 95,784</u>

APAC has adopted the provisions of SFAS No. 93. Depreciation is calculated using the straight-line method with assets lives of 5 to 40 years.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2016**

**NOTE D - GRANTS RECEIVABLE**

As of September 30, 2016, grants receivable was composed of:

Indirect Federal Programs:	
CSBG	
State of Louisiana	\$ -
Department of Energy	
State of Louisiana	2,118
Total	<u>\$ 2,118</u>

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	<u>Balance</u> <u>9/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2017</u>
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Net Property and Equipment	<u>\$ 102,740</u>	<u>\$ (6,956)</u>	<u>\$ -</u>	<u>\$ 95,784</u>

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**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Notes to the Financial Statements (continued)**  
**September 30, 2017**

**NOTE H - 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 I - EMPLOYEE BENEFIT PLAN**

Avoyelles Progress Action Committee, Inc. (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. The plan was terminated in 2014.

**NOTE J. TAX EXEMPT STATUS REVOCATION**

In May of 2015, the Internal Revenue Service processed an automatic revocation of the tax-exempt status under 501(c)(3) for failure to file three consecutive tax returns for tax years 2012, 2013, and 2014. The tax preparer responsible for filing these returns is currently working on reinstatement of the exemption retroactive to the original date of filing for tax exemption.

**NOTE K – COMMITMENTS AND CONTINGENCIES**

In June 2017, the Louisiana Housing Corporation (LHC) conducted a review of the Avoyelles Progress Action Committee's (APAC) Weatherization Assistance Program and concluded that 10 out of 16 units inspected were in non-compliance, 4 of the units of which required re-work. The re-works were to be completed by July 31, 2017. For the 10 incomplete units, LHC is requesting APAC to fully reimburse the LHC for all costs associated with the 10 units totaling \$83,285.78. APAC is currently looking into options with the District Attorney's Office for possible charges against the previous program director. Additional information has been submitted to LHC to verify use of the funding. The matter has not been resolved as to the date of this report.

**NOTE L – EVALUATION OF SUBSEQUENT EVENTS**

The Agency has evaluated subsequent events through March 27, 2017, the date, which the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**INDIRECT FEDERAL PROGRAMS**  
**SEPTEMBER 30, 2017**

	<b>CSBG Program</b>	<b>Dept of Energy Weatherization Program</b>	<b>LIHEAP Energy Assistance Program</b>	<b>Totals Memo Only</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$11,322	\$3,738	\$1,337	\$16,398
Grants receivable	0	0	2,118	2,118
Due from other programs	10,577	0	46,594	57,171
<b>Property, Plant &amp; Equipment</b>				
Property, Plant & Equipment (net of accum depreciation)	4,634	0	39	4,673
<b>TOTAL ASSETS</b>	<b>\$26,533</b>	<b>\$3,738</b>	<b>\$50,089</b>	<b>\$80,360</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Due to other programs	\$5,862	\$7,013	\$0	\$12,875
Accounts payable	0	0	0	0
Total liabilities	5,862	7,013	0	12,875
<b>Net Assets</b>				
Unrestricted	20,671	(3,274)	50,089	67,485
Total net assets	20,671	(3,274)	50,089	67,485
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$26,533</b>	<b>\$3,738</b>	<b>\$50,089</b>	<b>\$80,360</b>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**INDIRECT FEDERAL PROGRAMS**  
**SEPTEMBER 30, 2017**

	<u>CSBG Program</u>	<u>Dept of Energy Weatherization Program</u>	<u>LIHEAP Energy Assistance Program</u>	<u>Totals Memo Only</u>
<b>UNRESTRICTED NET ASSETS</b>				
<b>Support</b>				
Grants earned	<u>\$158,266</u>	<u>\$225,068</u>	<u>\$42,668</u>	<u>\$426,002</u>
<b>Total Support</b>	<u>158,266</u>	<u>225,068</u>	<u>42,668</u>	<u>426,002</u>
<b>Expenses:</b>				
<b>Program Services</b>				
Salaries	70,311	46,720	30,100	147,131
Fringe benefits	6,032	4,001	2,578	12,611
Contractual	5,425	1,823	2,423	9,671
Travel	4,014	1,060	51	5,125
Space costs	2,486	0	0	2,486
Consumable supplies	8,340	151	1,065	9,556
Materials/food costs	4,688	164,257	0	168,945
Other expenses	<u>56,330</u>	<u>12,732</u>	<u>16,212</u>	<u>85,274</u>
<b>Total Program Services</b>	<u>157,625</u>	<u>230,745</u>	<u>52,428</u>	<u>440,800</u>
<b>Increase (decrease) in unrestricted net assets before operating transfers</b>	640	(5,677)	(9,760)	(14,797)
Operating transfers in (out)	<u>(5,862)</u>	<u>2,000</u>	<u>4,350</u>	<u>488</u>
<b>Increase (decrease) in unrestricted net assets</b>	(5,222)	(3,677)	(5,410)	(14,309)
<b>Net assets, beginning of year</b>	<u>25,892</u>	<u>403</u>	<u>55,499</u>	<u>81,794</u>
<b>Net assets, end of year</b>	<u>\$20,671</u>	<u>\$(3,274)</u>	<u>\$50,089</u>	<u>\$67,485</u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INDIRECT FEDERAL PROGRAMS**  
**SEPTEMBER 30, 2017**

	<b>CSBG Program</b>	<b>Dept of Energy Weatherization Program</b>	<b>LIHEAP Energy Assistance Program</b>	<b>Totals Memo Only</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$(5,222)	\$(3,677)	\$(5,410)	\$(14,309)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Depreciation	1,799	187	281	2,267
(Increase) decrease in operating assets:				
Grants receivable	0	26,048	(2,118)	23,930
Other receivable	41,193	0	16,235	57,428
Increase (decrease) in operating liabilities:				
Accounts payable	(639)	(7,680)	(1,886)	(10,205)
Other payables	<u>(43,333)</u>	<u>4,223</u>	<u>(1,247)</u>	<u>(40,357)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(6,201)</u>	<u>19,101</u>	<u>5,855</u>	<u>18,754</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(6,201)	19,101	5,855	18,754
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>17,523</u>	<u>(15,363)</u>	<u>(4,517)</u>	<u>(2,357)</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$11,322</u></u>	<u><u>\$3,738</u></u>	<u><u>\$1,337</u></u>	<u><u>\$16,398</u></u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC.**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended September 30, 2017**

**Agency Head Name: Brenda Wilmer**

	<u>Amount</u>
Salary	\$ 42,903
Benefits-Payroll taxes	3,421
Conference Registration	640
Meals	241
Travel	82
Total	<u>\$ 47,287</u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC**  
**MARKSVILLE, LOUISIANA**  
**Schedule of Current Year Findings and Responses**  
**(continued)**  
**For the Year Ended September 30, 2017**

**2017-01 Revocation of Tax-Exempt Status**

Criteria – The agency is required to file annual tax returns, Form 990, as part of its compliance with Internal Revenue Service guidelines for maintaining tax-exempt status.

Condition – It came to management's attention in 2017 that the Internal Revenue Service had automatically revoked the tax-exempt status of the agency for failure to file 2012, 2013 and 2014 tax returns timely.

Cause – The contract accountant who was to prepare the returns claims to have filed them timely.

Effect – Although, the Internal Revenue Service has no record of the filing, the agency is responsible for requesting re-instatement of its tax-exemption. If the tax-exemption is not reinstated retroactive to the date of original filing it could result in loss of funding and a potential tax liability for income reported in the years not covered by the exemption.

Recommendation – The re-instatement of the tax-exempt status should be aggressively pursued and requested as retroactive to the date it was originally granted.

Management Response – Management is working on having the contract accountant request re-instatement retroactive to the date it was originally granted.

**2017-02 Non-Compliance with program guidelines**

Criteria – Program expenditures under certain programs are subject to guidelines set forth by the agency overseeing the program expenditures.

Condition – In June 2017, the Louisiana Housing Corporation (LHC) conducted a review of the Avoyelles Progress Action Committee's Weatherization Assistance Program and concluded that 10 out of 16 units inspected were in non-compliance, 4 of the units of which required re-work. LHC is requesting reimbursement of \$83,285.78 of funds for all costs associated with the deficient units.

Cause – The former program director responsible for directing the work being performed was deficient in meeting these guidelines.

Effect – APAC could be required to repay funding to LHC for money that has already been expended within the program.

Recommendation – Management should continue to work with LHC to resolve this matter and pursue any claims as deemed appropriate against the former program director.

Management Response – APAC is currently looking into options with the District Attorney's Office for possible charges against the former program director. Additional information has been submitted to LHC to verify use of the funding.

**AVOYELLES PROGRESS ACTION COMMITTEE, INC  
MARKSVILLE, LOUISIANA  
Status of Prior Year Findings  
Year Ended September 30, 2017**

<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>
2016-01	2015	Timely filing of annual Financial report.	Yes	