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AVOYELLES PROGRESS ACTION COMMITTEE, INC.
AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

DUCOTE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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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 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 4/21/10

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, 2009, 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 auditing standards generally accepted in the United States of America and the 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 consideration of internal control over financial reporting as a basis of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2009, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 16, 2010, on our consideration of Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Board of Directors
Page 2
March 16, 2010

Our audit was performed for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying financial information on pages 20-24 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 is not a required part of the financial statements of the Avoyelles Progress Action Committee, Inc. 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

DUCOTE & COMPANY
Marksville, Louisiana
March 16, 2010

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

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

We have audited the statement of financial statements of the Avoyelles Progress Action Committee, Inc. (a nonprofit organization) as of September 30, 2009, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated March 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered 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 financial statements and not to provide an opinion on the effectiveness of the Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Ducote & Company

DUCOTE & COMPANY
Marksville, Louisiana
March 16, 2010

FINANCIAL STATEMENTS

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
COMBINED STATEMENT OF FINANCIAL POSITION
ALL PROGRAMS
SEPTEMBER 30, 2009**

	Direct Federal Program	Indirect Federal Program	Non-Federal Program	Totals Memo Only
ASSETS				
Current Assets				
Cash and cash equivalents	\$46,433	\$16,710	\$28,853	\$91,996
Grants receivable	0	201,282	0	201,282
Due from other programs	0	10,000	0	10,000
Total current assets	<u>46,433</u>	<u>227,992</u>	<u>28,853</u>	<u>303,278</u>
Property, Plant & Equipment (net of accum depreciation)	2,233,028	17,294	126,745	2,377,067
Other Assets				
Deposits	100	0	0	100
TOTAL ASSETS	<u>\$2,279,561</u>	<u>\$245,286</u>	<u>\$155,598</u>	<u>\$2,680,446</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$12,020	\$114,661	\$875	\$127,557
Due to other programs	0	10,000	0	10,000
Notes payable, current portion	33,518	0	6,245	39,763
Total current liabilities	<u>45,538</u>	<u>124,661</u>	<u>7,120</u>	<u>177,320</u>
Long-Term Liabilities				
Notes payable, net of current portion	1,412,513	0	115,456	1,527,969
Total liabilities	1,458,051	124,661	122,576	1,705,288
Net Assets				
Unrestricted	821,510	120,626	33,022	975,157
Total net assets	<u>821,510</u>	<u>120,626</u>	<u>33,022</u>	<u>975,157</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$2,279,561</u>	<u>\$245,286</u>	<u>\$155,598</u>	<u>\$2,680,446</u>

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, 2009

	<u>Direct Federal Program</u>	<u>Indirect Federal Families</u>	<u>Non-Federal Program</u>	<u>Totals Memo Only</u>
UNRESTRICTED NET ASSETS				
Support				
Grants earned	\$2,005,748	\$1,505,788	\$0	\$3,511,536
In-kind contributions	622,492	0	0	622,492
Other support	<u>14,680</u>	<u>0</u>	<u>1,300</u>	<u>15,980</u>
Total Support	<u>2,642,920</u>	<u>1,505,788</u>	<u>1,300</u>	<u>4,150,008</u>
Expenses:				
Program Services				
Salaries	1,071,324	294,593	19	1,365,937
Fringe benefits	238,194	38,558	0	276,751
Contractual	5,111	3,354	0	8,466
Travel	40,796	6,698	0	47,494
Space costs	34,864	843,612	0	878,476
Consumable supplies	94,307	39,226	0	133,533
Materials/food costs	11,042	192,327	0	203,369
Other expenses	458,983	98,117	18,932	576,032
In-kind contributions	<u>622,492</u>	<u>0</u>	<u>0</u>	<u>622,492</u>
Total Program Services	<u>2,577,113</u>	<u>1,516,486</u>	<u>18,951</u>	<u>4,112,550</u>
Increase (decrease) in unrestricted net assets before operating transfers	65,807	(10,698)	(17,651)	37,458
Operating transfers in (out)	<u>(10,552)</u>	<u>(8,094)</u>	<u>18,646</u>	<u>0</u>
Increase (decrease) in unrestricted net assets	55,255	(18,792)	995	37,458
Net assets, beginning of year	<u>766,255</u>	<u>139,418</u>	<u>32,027</u>	<u>937,700</u>
Net assets, end of year	<u>\$821,510</u>	<u>\$120,626</u>	<u>\$33,022</u>	<u>\$975,157</u>

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
ALL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Direct Programs	Indirect Programs	Non-Federal Programs	Totals Memo Only
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$55,255	\$(18,792)	\$995	\$37,458
Adjustments to reconcile changes net assets to net cash provided by operating activities:				
Depreciation	79,672	9,695	3,870	93,237
(Increase) decrease in operating assets:				
Grants receivable	0	(111,645)	0	(111,645)
Other receivable	8,670	(10,000)	0	(1,330)
Increase (decrease) in operating liabilities:				
Accounts payable	5,832	94,403	(3,067)	97,168
Other payables	0	5,200	(3,870)	1,330
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>149,429</u>	<u>(31,139)</u>	<u>(2,072)</u>	<u>116,218</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from debt	324,869	0	0	324,869
Principal payments of debt	(54,473)	0	(5,882)	(60,355)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>270,396</u>	<u>0</u>	<u>(5,882)</u>	<u>264,514</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(426,663)	(5,673)	0	(432,336)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(426,663)</u>	<u>(5,673)</u>	<u>0</u>	<u>(432,336)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,838)	(36,812)	(7,954)	(51,604)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>53,271</u>	<u>53,522</u>	<u>36,807</u>	<u>143,600</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$46,433</u>	<u>\$16,710</u>	<u>\$28,853</u>	<u>\$91,996</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, 2009

NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization:

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

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

Nature of Activities:

The primary funding sources and their purposes of APAC are:

Direct Federal Programs

Department of Health & Human Services:

Head Start - a full year (nine month) program which provides comprehensive early child development for disadvantaged, pre-school (ages 3 and 4) 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.

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, 2009

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. This program had no activity during the fiscal year ended September 30, 2009.

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, 2009, 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.

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.

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, 2009

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, 2009, all property and equipment owned by APAC has been acquired with grant monies. Property and equipment consist of the following:

	<u>Balance</u> <u>9/30/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2009</u>
Direct Federal Programs	\$2,711,473	\$426,663	\$0	\$3,138,136
Indirect Federal Programs	92,880	5,673	0	98,558
Non-Federal Programs	154,803	0	0	154,803
Totals	2,959,156	<u>432,336</u>	<u>0</u>	3,391,492
Accumulated Depreciation	(921,192)	<u>(93,237)</u>	<u>0</u>	(1,014,430)
Net Property and Equipment	<u>\$2,037,964</u>			<u>\$2,377,067</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 2009

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, 2009, APAC has adopted the provisions of SFAS No. 93. Depreciation is calculated using the straight-line method with assets lives of 5 to 30 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, 2009, the following interprogram receivables/payables existed:

	<u>Receivable</u>	<u>Payable</u>
Direct Federal Program:		
Headstart	\$0	\$0
Indirect Federal Program:		
LIHEAP Energy Assist	10,000	0
Weatherization	0	10,000
Non-Federal Program:		
General Fund	<u>0</u>	<u>0</u>
Totals	<u><u>\$10,000</u></u>	<u><u>\$10,000</u></u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 2009

NOTE E - GRANTS RECEIVABLE

As of September 30, 2009, grants receivable was composed of:

Child Care Food State of Louisiana	\$23,940
Headstart Dept of Health & Human Services	0
LIHEAP Dept of Energy	140,858
Weatherization: Dept of Energy	<u>36,484</u>
Total	<u><u>\$201,282</u></u>

NOTE F - SUMMARY OF GRANTS

APAC was primarily funded through the following grants for the year ended September 30, 2009:

<u>Funding Source</u>	<u>Program Year(s) Covered</u>	<u>Recognized Support</u>
Direct Federal Programs:		
Headstart	7/1/208-6/30/09 7/1/2009-6/30/10	\$2,005,748
Indirect Federal Programs:		
Community Service Block Grant	1/1/2008-12/31/2008 1/1/2009-12/31/2009	167,909
Dept of Energy Weatherization	4/1/2008-3/31/2009 4/1/2009-3/31/2010	270,419
LIHEAP Energy Assistance	4/1/2008-3/31/2009 4/1/2009-3/31/2010	893,593
Child Care Food Program	10/1/08-9/30/2009	<u>173,867</u>
		<u><u>\$3,511,536</u></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, 2009

NOTE G – LONG-TERM NOTE PAYABLE

On May 6, 2002 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$156,713 for the purpose of providing the cost of building an administrative facility. The Board of Directors entered into a security agreement with the Union Bank to borrow \$156,713 at an interest rate of 7.75% payable over twenty years. At September 30, 2009 the outstanding principal balance was \$127,701. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	6,245	9,203	15,448
2011	6,747	8,701	15,448
2012	7,288	8,159	15,447
2013	7,874	7,574	15,448
2014	8,506	6,941	15,447
2015-2022	<u>85,041</u>	<u>26,088</u>	<u>111,129</u>
Totals	<u>\$121,701</u>	<u>\$66,666</u>	<u>\$188,367</u>

On November 15, 2002 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$137,562 for the purpose of providing the cost of building the Cinderella Headstart facility located in Marksville, Louisiana. The Board of Directors entered into a security agreement with the Union Bank to borrow \$137,562 at an interest rate of 7.75% payable over twenty years. At September 30, 2009 the outstanding principal balance was \$110,677. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	5,117	8,439	13,556
2011	5,528	8,028	13,556
2012	5,972	7,584	13,556
2013	6,451	7,105	13,556
2014	6,969	6,587	13,556
2015-2022	<u>80,640</u>	<u>28,276</u>	<u>108,916</u>
Totals	<u>\$110,677</u>	<u>\$66,019</u>	<u>\$176,696</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 2009

NOTE G – LONG-TERM NOTE PAYABLE (continued)

On September 14, 2004 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$82,796 for the purpose of providing the cost of purchasing the Lil Bo Peep Headstart facility located in Effie, Louisiana. The Board of Directors entered into a security agreement with the Union Bank to borrow \$82,796 at an interest rate of 7.75% payable over twenty years. At September 30, 2009 the outstanding principal balance was \$72,017. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	2,653	5,505	8,158
2011	2,866	5,292	8,158
2012	3,096	5,062	8,158
2013	3,345	4,813	8,158
2014	3,614	4,544	8,158
2015-2024	<u>56,443</u>	<u>24,949</u>	<u>81,392</u>
Totals	<u>\$72,017</u>	<u>\$50,165</u>	<u>\$122,182</u>

On March 11, 2005, the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$277,362, for the purpose of providing the cost of constructing the Brooks Center Headstart facility located in Bunkie, Louisiana. The Board of Directors entered into a security agreement with the Union Bank to borrow \$277,362 at an interest rate of 7.0% payable over twenty years. At September 30, 2009 the outstanding principal balance was \$242,313. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	9,077	16,741	25,818
2011	9,733	16,085	25,818
2012	10,437	15,381	25,818
2013	11,191	14,627	25,818
2014	12,000	13,818	25,818
2015-2024	<u>189,875</u>	<u>78,662</u>	<u>268,537</u>
Totals	<u>\$242,313</u>	<u>\$155,314</u>	<u>\$397,627</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 2009

NOTE G – LONG-TERM NOTE PAYABLE (continued)

In March 2006, the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$215,051, for the purpose of providing the cost of constructing the Jack and Jill Headstart facility located in Cottonport, Louisiana. The Board of Directors entered into a security agreement with the Union Bank to borrow \$215,051 at an interest rate of 7.75% payable over twenty years. At September 30, 2009 the outstanding principal balance was \$196,735. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	6,113	15,083	21,196
2011	6,604	14,592	21,196
2012	7,135	14,061	21,196
2013	7,708	13,488	21,196
2014	8,327	12,869	21,196
2015-2024	<u>160,848</u>	<u>83,458</u>	<u>244,306</u>
Totals	<u>\$196,735</u>	<u>\$153,551</u>	<u>\$350,286</u>

In May 2007, the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$143,550, for the purpose of providing for part of the cost of constructing the New Beginnings Headstart facility located in Mansura, Louisiana. The Board of Directors entered into a security agreement with the Union Bank to borrow \$143,550 at an interest rate of 7.75% payable over twenty years. At September 30, 2009 the outstanding principal balance was \$135,480. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	3,751	10,400	14,151
2011	4,052	10,099	14,151
2012	4,377	9,773	14,150
2013	4,729	9,422	14,151
2014	5,109	9,042	14,151
2015-2027	<u>113,462</u>	<u>65,132</u>	<u>178,594</u>
Totals	<u>\$135,480</u>	<u>\$113,868</u>	<u>\$249,348</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 2009

NOTE G – LONG-TERM NOTE PAYABLE (continued)

In August 2008, the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$370,260, for the purpose of providing for part of the cost of constructing the Mother Hubbard headstart facility located in Simmesport, Louisiana. The Board of Directors entered into a security agreement with the Union Bank to borrow \$370,260 at an interest rate of 7.5% payable over twenty years. At September 30, 2009, the outstanding principal balance was \$365,853. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	3,694	27,387	31,081
2011	3,981	27,100	31,081
2012	4,290	26,791	31,081
2013	4,623	26,458	31,081
2014	4,981	26,100	31,081
2015-2027	<u>344,284</u>	<u>399,105</u>	<u>743,389</u>
Totals	<u>\$365,853</u>	<u>\$532,941</u>	<u>\$898,794</u>

In February 2009, the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of indebtedness in the principal amount of \$324,869, for the purpose of providing for part of the cost of constructing the Mother Goose headstart facility located in Hessmer, Louisiana. The Board of Directors entered into a security agreement with the Union Bank to borrow \$324,869 at an interest rate of 7.5% payable over thirty years. At September 30, 2009, the outstanding principal balance was \$322,956. Future debt service requirements are as follows:

Fiscal Year Ended	Principal	Interest	Total
2010	3,114	24,149	27,263
2011	3,355	23,908	27,263
2012	3,616	23,647	27,263
2013	3,896	23,367	27,263
2014	4,199	23,064	27,263
2015-2039	<u>304,776</u>	<u>362,221</u>	<u>666,997</u>
Totals	<u>\$322,956</u>	<u>\$480,356</u>	<u>\$803,312</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
Notes to the Financial Statements (continued)
September 30, 2009

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

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, 2009, APAC contributed \$25,008, as the agency's match, to the plan.

NOTE J - USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

NOTE K - COMMITMENTS AND CONTINGENCIES

APAC leases various buildings on a one-year, renewable basis. The buildings are used primarily for Head Start facilities. Over the past several years the Agency has constructed its own facilities for the Head Start Program. These projects are expected to be completed within the next fiscal year and following the completion of these construction projects, APAC does not expect to lease buildings for its programs.

In September 2007, the Avoyelles Progress Action Committee, Inc opened a revolving line of credit in the amount of \$50,000 at the Union Bank. The line of credit was renewed in September 2009. The purpose of the line of credit is to provide temporary cash funds while awaiting grant reimbursement revenues if needed by the Agency. As of September 30, 2009, there was no outstanding balance on the line of credit.

NOTE L - SUBSEQUENT EVENTS

The Board of the Avoyelles Progress Action Committee, Inc. authorized a resolution to construct a new Headstart facility, Humpty Dumpty, and Headstart administrative offices in Moreauville, Louisiana. Land for the facility has been purchased and the bids have been let and accepted for the construction of the facility. The total contract for the construction of the facility is approximately \$385,000. It is anticipated that construction on the facility will begin in March 2010 and be completed by September 2010.

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.

In September 2005, additional LIHEAP funds were awarded to assist with energy crisis situations for Hurricane Katrina victims, which are presented as the Hurricane Emergency Disaster Program. The Hurricane Emergency Disaster Program closed out during this fiscal year.

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, 2009**

	CSBG Program	Dept of Energy Weatherizatio Program	LIHEAP Energy Assistance Program	Child Care Food Program	Totals Memo Only
ASSETS					
Current Assets					
Cash and cash equivalents	\$537	\$9,663	\$0	\$6,511	\$16,710
Grants receivable	0	36,484	140,858	23,940	\$201,282
Due from other programs	0	0	10,000	0	10,000
Property, Plant & Equipment					
Property, Plant & Equipment (net of accum depreciation)	<u>10,416</u>	<u>4,465</u>	<u>1,731</u>	<u>682</u>	<u>17,294</u>
TOTAL ASSETS	<u>\$10,953</u>	<u>\$50,612</u>	<u>\$152,589</u>	<u>\$31,133</u>	<u>\$245,286</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Due to other programs	\$0	\$10,000	\$0	\$0	\$10,000
Accounts payable	<u>520</u>	<u>15,099</u>	<u>82,370</u>	<u>16,672</u>	<u>114,661</u>
Total liabilities	<u>520</u>	<u>25,099</u>	<u>82,370</u>	<u>16,672</u>	<u>124,661</u>
Net Assets					
Unrestricted	<u>10,434</u>	<u>25,513</u>	<u>70,219</u>	<u>14,460</u>	<u>120,626</u>
Total net assets	<u>10,434</u>	<u>25,513</u>	<u>70,219</u>	<u>14,460</u>	<u>120,626</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$10,953</u>	<u>\$50,612</u>	<u>\$152,589</u>	<u>\$31,133</u>	<u>\$245,286</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
COMBINING STATEMENT OF ACTIVITIES
INDIRECT FEDERAL PROGRAMS
SEPTEMBER 30, 2009

	CSBG Program	Dept of Energy Weatherization Program	LIHEAP Energy Assistance Program	Child Care Food Program	Totals Memo Only
UNRESTRICTED NET ASSETS					
Support					
Grants earned	<u>\$167,909</u>	<u>\$270,419</u>	<u>\$893,593</u>	<u>\$173,867</u>	<u>\$1,505,788</u>
Total Support	<u>\$167,909</u>	<u>\$270,419</u>	<u>\$893,593</u>	<u>\$173,867</u>	<u>\$1,505,788</u>
Expenses:					
Program Services					
Salaries	100,592	97,792	36,972	59,238	294,593
Fringe benefits	18,482	9,459	3,905	6,712	38,558
Contractual	428	1,206	1,720	0	3,354
Travel	50	3,418	3,229	0	6,698
Space costs	2,395	0	841,217	0	843,612
Consumable supplies	18,976	5,665	5,888	8,696	39,226
Materials/food costs	0	105,040	0	87,287	192,327
Other expenses	<u>16,295</u>	<u>56,702</u>	<u>22,344</u>	<u>2,777</u>	<u>98,117</u>
Total Program Services	<u>157,218</u>	<u>279,284</u>	<u>915,275</u>	<u>164,709</u>	<u>1,516,486</u>
Increase (decrease) in unrestricted net assets before operating transfer	10,691	(8,864)	(21,682)	9,157	(10,698)
Operating transfers in (out)	<u>(8,094)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(8,094)</u>
Increase (decrease) in unrestricted net assets	2,596	(8,864)	(21,682)	9,157	(18,792)
Net assets, beginning of year	<u>7,837</u>	<u>34,377</u>	<u>91,900</u>	<u>5,303</u>	<u>139,418</u>
Net assets, end of year	<u>\$10,434</u>	<u>\$25,513</u>	<u>\$70,219</u>	<u>\$14,460</u>	<u>\$120,626</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INDIRECT FEDERAL PROGRAMS
SEPTEMBER 30, 2009

	CSBG Program	Dept of Energy Weatherizatio Program	LIHEAP Energy Assistance Program	Child Care Food Program	Totals Memo Only
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$2,596	\$(8,864)	\$(21,682)	\$9,157	\$(18,792)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:					
Depreciation	2,427	4,063	477	2,728	9,695
(Increase) decrease in operating assets:					
Grants receivable	0	(21,882)	(84,742)	(5,021)	(111,645)
Other receivable	0	0	(10,000)	0	(10,000)
Increase (decrease) in operating liabilities:					
Accounts payable	520	14,219	78,579	1,085	94,403
Other payables	0	10,000	0	(4,800)	5,200
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,543</u>	<u>(2,464)</u>	<u>(37,368)</u>	<u>3,149</u>	<u>(31,139)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property and equipment	(5,024)	0	(649)	0	(5,673)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(5,024)</u>	<u>0</u>	<u>(649)</u>	<u>0</u>	<u>(5,673)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	519	(2,464)	(38,017)	3,149	(36,812)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>17</u>	<u>12,127</u>	<u>38,016</u>	<u>3,361</u>	<u>53,522</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$537</u>	<u>\$9,663</u>	<u>\$(0)</u>	<u>\$6,511</u>	<u>\$16,710</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, 2009, and have issued our report thereon dated March 16, 2010. 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

Ducote & Company
Marksville, Louisiana
March 16, 2010

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
MARKSVILLE, LOUISIANA
Schedule of Expenditures of Federal Awards
For Year Ended September 30, 2009**

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Local Program Number</u>	<u>Program Expenditures</u>
U. S. Department of Agriculture Passed through the State of Louisiana, Dept of Education: Child Care Food Program	10.558	CACFP-2007	\$164,709
U. S. Department of Energy Passed through the State of Louisiana, Dept of LA Housing Financing Agency: Weatherization Assistance for Low-Income Person	81.042	CFMS 557425	279,284
U. S. Department of Health and Human Services Direct Program: Head Start	93.600*	06CH5109/39	2,577,113
Passed through the State of Louisiana, Dept of LA Housing Financing Agency: Low Income Home Energy Assistance Payments	93.568	CFMS 565754	915,275
Passed through the State of Louisiana, Dept of Labor: Community Service Block Grant	93.569	2004N0051	<u>157,218</u>
Total Federal Program Expenditures-Awards			<u><u>\$4,093,599</u></u>

* Denotes a major program

AVOYELLES PROGRESS ACTION COMMITTEE, INC
Notes to the Schedule of
Expenditures of Federal Awards
September 30, 2009

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, 2009. 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, 2009.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Avoyelles Progress Action Committee, Inc.'s internal control over compliance

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Ducote & Company

Ducote & Company
Marksville, Louisiana
March 16, 2010

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
 MARKSVILLE, LOUISIANA
 Schedule of Audit Results, Findings and Questioned Costs
 For the Year Ended September 30, 2009**

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 no

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 Audit Results, Findings and Questioned Costs
(continued)
For the Year Ended September 30, 2009

Section II-Financial Statement Findings

There are no financial statement findings.

Section III – Federal Award Findings and Questioned Costs

There are no findings related to internal controls or compliance applicable to federal awards and there are no questioned costs

**AVOYELLES PROGRESS ACTION COMMITTEE, INC
 MARKSVILLE, LOUISIANA
 Summary Schedule of Prior Audit Findings
 Year Ended September 30, 2009**

<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>
Section I – Internal Control and Compliance Material to the Financial Statements				
05-01;06-01 07-01; 08-01	9/30/2005	Incorrect use of imprest payroll account	Yes	No exceptions noted in current year

Section II – Internal Control and Compliance Material to Federal Awards

None

Section III – Management Letter

None