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United Community Action Association, Inc.  
Terrebonne, Louisiana

Financial Statements

As of and for the Year Ended June 30, 1997  
With Supplemental Information Schedules

1997-06-30

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the recipient, or assigned 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 FEB 24 1998

Urban Community Action Association, Inc.  
Paterson, New Jersey

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# CPA & ACCOUNTANTS

Chartered Public Accountants

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## Independent Auditor's Report

To the Board of Directors  
Union Community Action Association, Inc.  
Cantonville, Louisiana

We have audited the accompanying statement of financial position of Union Community Action Association, Inc. as of June 30, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Union Community Action Association, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 Union Community Action Association, Inc. as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 1997 on our consideration of Union Community Action Association, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic statements of Union Community Action Association, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations* and is 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.

The accompanying supplemental schedules shown on pages 13-16 are presented for the purpose 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 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Cook and Warshaw  
Certified Public Accountants  
November 13, 1997

Union Community Action Association, Inc.  
 Ferronville, Louisiana  
 Statement of Financial Position  
 June 30, 1997

Assets

Current assets:

Cash	\$	118,080
Certificates of deposit		100,381
Grant receivables		60,318
Accrued interest		1,711
Due from other funds		—
Total current assets		280,470

Property and equipment:

Property and equipment		280,474
Accumulated depreciation		(202,680)
Net property and equipment		77,794

Total Assets

\$ 358,264

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$	676
Accrued liabilities		89,888
Due to other funds		112,218
Reimbursable advances		84,232
Total current liabilities		293,014

Net assets:

Unrestricted:

Operating		282,983
Fixed assets		78,880
Total net assets		361,863

Total Liabilities and Net Assets

\$ 358,264

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

Union Community Action Association, Inc.  
 Farmville, Louisiana  
 Statement of Activities  
 For the Year Ended June 30, 1987

	<u>Unaudited</u>
<b>Revenue and Other Support:</b>	
Contractual revenue - grants	\$ 1,540,259
Interest income	10,818
Miscellaneous revenues	17,685
<b>Total revenue and other support</b>	<u>1,568,762</u>
<b>Expenses:</b>	
Job training assistance	1,286,873
Food stamps	28,086
Migrant education	58,522
Community services	54,681
Home energy assistance	41,875
Commodities distribution	6,242
Emergency assistance	13,864
Medical application assistance	2,920
General services	18,086
<b>Total expenses</b>	<u>1,509,948</u>
<b>Change in net assets:</b>	\$ 168
<b>Net assets as of beginning of year</b>	241,019
<b>Net assets as of end of year</b>	<u>\$ 241,187</u>

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

Union Community Action Association, Inc.  
 Ferrisville, Louisiana  
 Statement of Cash Flows  
 For the Year Ended June 30, 1987

Operating activities:

Change in net assets		\$ 1,168
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		32,173
Increased decrease in operating assets:		
Grant receivables	( 12,801)	
Accrued interest		297
Increase (decrease) in operating liabilities:		
Accounts payable	( 33,254)	
Accrued liabilities		51,403
Receivable advances		<u>70,838</u>
Net cash provided for operating activities		<u>68,435</u>

Investing Activities

Payments for property and equipment		4,580
Net cash used in investing activities		<u>( 4,580)</u>

Net increase in cash and cash equivalents		63,855
Cash and cash equivalents as of beginning of year		318,535
Cash and cash equivalents as of end of year		<u>\$ 382,390</u>

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

Union Community Action Association, Inc.  
Baton Rouge, Louisiana  
Notes to Financial Statements  
June 30, 1997

11) Summary of Significant Accounting Policies

B. Nature of Activities

Union Community Action Association, Inc. (Union) is a private non-profit corporation incorporated under the laws of the State of Louisiana. Union is governed by a Board of Directors composed of 15 members. These board members receive no compensation for their services.

Union operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Union parishes Louisiana. The following programs, shown with their approximate percentage of total revenues, are administered by Union:

**Title II-B Program (21%)** - Prepares adults for participation in the labor force by increasing their occupational and educational skills. Funding is provided by Job Training Partnership Act federal funds passed through the Louisiana Department of Labor.

**Title II-B Program (22%)** - Enhances the basic educational skills of youth, encourages school completion or enrollment in supplementary or alternative school programs and provides eligible youth with exposure to the world of work. Funding is provided by Job Training Partnership Act federal funds passed through the Louisiana Department of Labor.

**Title II-C Program (24%)** - Improves the long-term employability of youth; enhances the educational, occupational, and citizenship skills of youth; encourages school completion or enrollment in alternative school programs; increases the employment and earnings of youth; and reduces welfare dependency. Funding is provided by Job Training Partnership Act federal funds passed through the Louisiana Department of Labor.

**Title III-F Program (27%)** - Establishes an early reemployment capacity for dislocated workers by providing comprehensive coverage to workers regardless of the cause of dislocation, providing early referral from the unemployment insurance system to adjustment services as an integral part of the adjustment process; and fostering labor, management and community partnerships with government in addressing worker dislocation with an emphasis on retaining and reemployment services rather than income support. Funding is provided by Job Training Partnership Act federal funds passed through the Louisiana Department of Labor.

**WIA Program (24%)** - Provides basic skills/welfare-to-education and occupational skill training to youth and adults facing serious barriers to employment for participation in the labor force by providing job training and other services. Funding is provided by federal funds passed through the Louisiana Department of Education.

(Continued)



Bribe Community Action Association, Inc.  
Farmville, Louisiana  
Notes to Financial Statements  
June 30, 1997  
(Continued)

**55 Incentive Program (FV) —** Provides adult and/or youth remediation activities that will result in job preparation for future employment needs.

**Food Stamps (FN) —** Provides distribution of food stamps to help low-income households buy the food that they need for good health. Funding is provided by federal funds passed through the Louisiana Department of Health and Hospitals.

**Migrant Education (FM) —** Provides assistance to establish or improve programs designed to meet the special educational needs of migratory children of migratory agricultural workers or migratory fishes. Funding is provided by federal funds passed through the Louisiana Department of Education.

**Community Services Block Grant (FS) —** Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Department of Labor.

**Home Energy Assistance (FE) —** Assists low income households offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

**Commodities Distribution (LSD) —** Provides distribution of U.S.D.A. donated commodities to eligible persons in the community. Funding is provided by federal funds passed through the Louisiana Department of Agriculture and Forestry.

**Emergency Program (LSE) —** Provides various types of assistance payments to areas of high need throughout the community to persons based upon their employment or poverty status. Funding is provided by federal funds from the Federal Emergency Management Agency.

**B. Basis of Accounting**

The financial statements of Bribe have been prepared on the accrual basis of accounting.

**C. Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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.

(Continued)

Union Community Action Association, Inc.  
Farmerville, Louisiana  
Notes to Financial Statements  
June 30, 1987  
(Continued)

D. Income Tax Status

Union is a non-profit corporation and is exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Union's tax-exempt purpose is subject to taxation as unrelated business income. Union had no such income for the audit period.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Union considers all unrestricted highly liquid investments with an initial maturity of six months or less to be cash equivalents, when there is no significant penalty for early withdrawal.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Federal Government has a nonexclusive interest in property purchased with Federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to Federal regulations.

H. Compensated Absences

Employees accrue vacation leave and sick accruals in accordance with policy followed from year to year up to 40 days. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 60 days. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

(Continued)

Union Community Action Association, Inc.  
Terrebonne, Louisiana  
Notes to Financial Statements  
June 30, 1987  
(Continued)

1. Revenue and Support

Contributions received are reported as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contractual grant revenue is reported as unrestricted support due to the restrictions placed on these funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject Union to concentrations of credit risk consist primarily of temporary cash investments and grant receivables.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 1987, Union had no significant concentrations of credit risk in relation to grant receivables.

Union maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. As June 30, 1987, total cash balances held at financial institutions was \$307,586. Of this amount, \$137,693 was insured by FDIC, \$170,274 was collateralized by pledged securities and the remaining \$197,648 was uninsured.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 1987, but received after that date.

(Continued)

Union Community Action Association, Inc.  
 Ferronville, Louisiana  
 Notes to Financial Statements  
 June 30, 1987  
 (Continued)

(4) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at June 30, 1987:

Fund	Due From Other Funds	Due To Other Funds
General Services	\$ 98,340	\$ 41,850
Title II-A Program	28,005	5,800
Title II-B Program	5,080	8,213
Title II-C Program	-	11,181
Title II	8,234	-
JTPA gr.	-	7,001
JTPA Incentive	-	7,404
Food Stamps	-	3,218
Migrant Education	-	8,560
Community Services Block Grant	-	18,001
Commodities Distribution	-	2,484
Home Energy Assistance	-	6,488
Emergency Assistance	-	04
Medicaid Application Assistance	1,520	-
	<u>\$ 112,219</u>	<u>\$ 112,219</u>

(5) Property and Equipment

Property and equipment consist of the following:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Furniture and equipment	5-10 years	\$ 358,308	\$ 58,307	\$ 416,615
Trucks	5 years	18,085	18,304	36,389
Accumulated depreciation		( 217,000)	( 84,648)	( 301,648)
Net investment in property and equipment:		<u>\$ 159,393</u>	<u>\$ 70,000</u>	<u>\$ 229,393</u>

Depreciation expense for the year ended June 30, 1987 was \$30,777.

(Continued)

Union Community Action Association, Inc.  
Farmerville, Louisiana  
Notes to Financial Statements  
June 30, 1987  
(Continued)

(5) Accrued Liabilities

Accrued liabilities at June 30, 1987 consisted of the following:

Accrued payroll	\$	44,278
Accrued annual leave		25,821
Accrued worker's compensation		13,818
Retirement payable		12,086
Payroll taxes payable		177
		<u>\$106,980</u>

(7) Refundable Advances

Union retains federal funds received in excess of expenditures as refundable advances until they are expended for the purpose of its contract or until the funds are returned to the appropriate funding source.

(8) Contractual Revenue - Grants

During the year ended June 30, 1987, Union received contractual revenue from federal and state grants in the amount of \$1,040,291. The continued existence of these funds is based on annual contracts renewals with various funding sources.

(9) Retirement Plan

Union has a defined contribution money purchase pension plan covering all employees that have completed 1,800 hours of service with no breaks in service in a twelve month period. Employees become eligible to participate in the plan after completing one year of service. Union contributes 4% of the employees compensation and the employees may contribute a minimum of 2% and up to 10%. The amount contributed by Union for the year ended June 30, 1987 was \$11,821.

(10) Commodity Distributions

The expenses shown as commodity distribution represent certain costs to distribute the commodities. The value of the commodities distributed was approximately \$23,118 during June 30, 1987. The value of the commodities distributed is not reflected in the accompanying financial statements.

(Continued)

Union Community Action Association, Inc.  
 Fairportville, Louisiana  
 Notes to Financial Statements  
 June 30, 1987  
 (Continued)

11) Leases

Union leases six fair buildings under operating leases. Rental costs on these leases for the year ended June 30, 1987, were \$9,000.

Commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year are as follows:

For the Year Ending June 30,		
1988	\$	9,000
1989		9,000
2000		9,000
2001		3,250
Total minimum future rentals	\$	20,250

12) Food Stamp Program

The Food Stamp Program is operated by Union, through an agreement with the Union Parish Police Jury. Under this program, Union is responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received, and issued is not recorded in the accompanying statements. Activity for the year is as follows:

Balance as July 1, 1985	\$	548,000
Received		1,781,500
Issued	(	1,881,300)
Balance at June 30, 1987	\$	438,200

(Continued)

West Community Action Association, Inc.  
 Community Services  
 Community Services of Regional Health  
 June 30, 1987

Account	1987 Budget	1987 Actual	1987 Variance	1987 Budget	1987 Actual	1987 Variance	1987 Budget	1987 Actual	1987 Variance
Capital assets:									
Land	0	0	0	0	0	0	0	0	0
Equipment or fixtures	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0
Annual income	0	0	0	0	0	0	0	0	0
Car-pool other funds	0	0	0	0	0	0	0	0	0
Unrestricted assets	0	0	0	0	0	0	0	0	0
Property and equipment	0	0	0	0	0	0	0	0	0
Property and equipment	0	0	0	0	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0	0	0	0	0
Total property and equipment	0	0	0	0	0	0	0	0	0
Total assets	0	0	0	0	0	0	0	0	0
Liabilities and fund equity									
Current liabilities:									
Accounts payable	0	0	0	0	0	0	0	0	0
Annual income	0	0	0	0	0	0	0	0	0
Car-pool other funds	0	0	0	0	0	0	0	0	0
Revolving funds	0	0	0	0	0	0	0	0	0
Total current liabilities	0	0	0	0	0	0	0	0	0

Fund equity:									
Fund equity	0	0	0	0	0	0	0	0	0
Reserve	0	0	0	0	0	0	0	0	0
Total fund equity	0	0	0	0	0	0	0	0	0
Total liabilities and fund equity	0	0	0	0	0	0	0	0	0
Total liabilities and fund equity	0	0	0	0	0	0	0	0	0

Balances

Ohio University - Athens Application for  
 Research - Business  
 Conducting Research on Personal Income  
 and Tax, 2007  
 (Continued)

Items	State Direct Funding	Community Institutions	Corporate Institutions	Private Applicant Institutions	Other Sources	Total
Current money:						
Exp:						
Fellowships or grants	1	0	0	0	18,000	18,000
Staff salaries	0	0	0	0	18,000	18,000
Travel related	0	0	0	0	0	0
Current other funds	0	0	0	0	0	0
Total current money	1	0	0	0	36,000	36,000
Equipment and supplies:						
Furniture and equipment	0	0	0	0	0	0
Research related	0	0	0	0	0	0
Total equipment and supplies	0	0	0	0	0	0
Total property purchased	1	0	0	0	0	0
Total funds	2	0	0	0	36,000	36,000
Leakages and by others:						
Grant leakage:						
Business grants	0	0	0	0	0	0
Research grants	0	0	0	0	0	0
Staff member salary	0	0	0	0	0	0
Other business salaries	0	0	0	0	0	0
Total grant leakage	0	0	0	0	0	0
Other leakage:						
Business salaries	0	0	0	0	0	0
Research salaries	0	0	0	0	0	0
Staff member salary	0	0	0	0	0	0
Other business salaries	0	0	0	0	0	0
Total other leakage	0	0	0	0	0	0
Total leakage	0	0	0	0	0	0
Net money	2	0	0	0	36,000	36,000
Overhead(s):						
Research	0	0	0	0	0	0
Total overhead	0	0	0	0	0	0
Total overhead	0	0	0	0	0	0
Total indirect and net funds	2	0	0	0	36,000	36,000



Midcontinent Area Association, Inc.  
 University Leaders  
 Conflicting Schedule of Activities  
 for the Year Ended June 30, 1997

	July-September (Actual)						October-December (Actual)						January-June (Actual)												
	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA	JYA		
	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1	201-1-1		
<b>Business and Other Support:</b>																									
Committed activities - grants																									
General revenue																									
Major program support																									
(Continuum and other support)																									
<b>Expenditures:</b>																									
Salaries	92,000	46,511	21,790	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201	46,201
fringe benefits	24,000	12,000	6,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Taxes	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Equipment	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Supplies	2,200	1,100	550	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	
Telephone and postage	2,200	1,100	550	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	
Computer services	2,200	1,100	550	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	
Repairs	2,200	1,100	550	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	
Professional services	4,400	2,200	1,100	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	
Materials	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Miscellaneous	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Travel (includes per diem)	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Printing (maps and brochures)	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Printing (bulletin services)	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Traveling	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Depreciation	1,000	500	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
<b>Total expenses</b>	<b>173,000</b>	<b>86,500</b>	<b>43,250</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>
<b>Change in net assets</b>	<b>1,000</b>	<b>500</b>	<b>250</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Net assets at beginning of year</b>	<b>25,000</b>	<b>12,500</b>	<b>6,250</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
<b>Net assets at end of year</b>	<b>26,000</b>	<b>13,000</b>	<b>6,500</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>

East Community Action Association, Inc.  
 Financials - Liabilities  
 Existing Member's Accounts  
 for the Year ended June 30, 1997

(Continued)

	Community Accounts	State Temp Accounts	Amortizable Stocks	Emergency Accounts	Member Application Accounts	Special Accounts	Total
Reserve and Other Funds							
Contractual reserve - repairs	1,000.00	44,791	5,114	11,000	2,452	-	1,103,200
Reserve - repairs	-	-	-	-	-	13,874	13,874
Manufacturing equipment	5,000	30,133	3,074	1,000	1,000	21,000	100,000
Trust account - utilities support	-	-	-	-	1,000	20,000	21,000
Expenses:							
Salaries	21,400	21	5,112	-	2,100	6,671	35,284
Profit - benefits	6,000	20	450	-	215	1,000	7,785
Tax	2,400	-	80	-	-	217	2,797
Electricity	250	11	70	-	-	200	4,219
Insurance	165	-	-	-	-	600	825
Telephone and postage	600	40	2	1	-	124	777
Director's services	141	41	4	4	-	-	190
Repairs	141	21	4	4	-	-	170
Printing and stationery	100	170	11	40	11	118	380
Advertising	2,000	20	13	20	1	10	2,064
Char. activities - programs	1,000	11,000	-	11,000	-	-	23,000
Participant wages and benefits	-	-	-	-	-	-	50,000
Participant support services	-	-	-	-	-	-	141,000
Printing	-	-	-	-	-	-	100,000
Provision	2,000	-	-	-	-	6,224	10,224
Total expenses	35,500	31,255	5,203	11,000	2,805	8,000	1,000,000
Change in net assets	2,400	2,207	2,410	-	1,900	1,413	1,000
Net assets at beginning of year	15,170	1,140	1,700	-	2,400	212,000	140,000
Net assets at end of year	17,570	3,347	4,110	-	4,300	213,413	141,000

Edison Community Action Association, Inc.  
 Fairportville, Louisiana  
 Schedule of Contributions of Federal Awards  
 For the Year Ended June 30, 1987

Federal CFDA Number	Federal CFDA Number	Amount
U.S. Department of Health and Human Services		
Passed through Louisiana Department of Labor Community Services Block Grant	81-549	90,188
Passed through Louisiana Department of Social Services, Office of Community Services Home Energy Assistance Program - Energy	80-995	61,875
Total U.S. Department of Health and Human Services		<u>152,063</u>
U.S. Department of Education		
Passed through Louisiana Department of Education Migrant Education	84-011	98,420
U.S. Department of Agriculture		
Passed through Louisiana Department of Agriculture and Forestry Temporary Low-Income Food Assistance Program Food Bank Grants - Food of Commodities Distributed	10-548 10-550	5,874 22,118
Passed through Louisiana Department of Health and Hospitals Food Stamp - Administrative Match Food Stamp - Disaster Relief	10-561 10-581	28,896 1,897,206
Total U.S. Department of Agriculture		<u>2,034,094</u>

Continued

Baton Community Action Association, Inc.  
 Emergency Services  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 1981  
 (Continued)

Federal Program / Pass-Through Status / Program Title	Federal CFDA Number	Fiscal Year
<b>Federal Community Management Agency</b>		
Passed through Federal City of New Orleans Emergency Fund and Shelter Program	84.837	11,000
<b>U.S. Department of Labor</b>		
Passed through Louisiana Department of Labor Job Training Partnership Act		
The B-1 Program The B-2 Program The B-3 Program The B-4 Program The B-5 Program 5% Incentive Program	11,200 11,140 13,340 193,200 17,340 17,340	457,820 30,110 193,200 381,290 381,290
Passed through Louisiana Department of Education Job Training Partnership Act	11,200	30,110
Total U.S. Department of Labor		<u>1,386,020</u>
Total federal expenditures		<u>1,386,020</u>

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2: Reimbursement obligations reported in the schedule are the obligations at the last value of the commodities received and distributed. At June 30, 1981, obligations for food commodities in inventory.

# COOK & MORCHART

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## **Report on Compliance and on Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

To the Board of Directors  
Union Community Action Association, Inc.  
Farmerville, Louisiana

We have audited the financial statements of Union Community Action Association, Inc., as of and for the year ended June 30, 1987, and have issued our report thereon dated November 13, 1987. 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 Union Community Action Association, Inc.'s financial statements are free of material misstatements, 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 these 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Union Community Action Association, 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 weaknesses 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 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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Union Community Action Association, Inc., in a separate management letter dated November 13, 1987.

This report is intended for the information of management, the Board of Directors and Federal awarding agencies and pass through entities. However, this restriction is not intended to limit the distribution of this report.



Cook & Merhart  
Certified Public Accountants  
November 13, 1997

# COOK & HOREBART

Certified Public Accountants

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## Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

By the Board of Directors  
Union Community Action Association, Inc.  
Farmerville, Louisiana

### Compliance

We have audited the compliance of Union Community Action Association, 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 June 30, 1997. Union Community Action Association, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Union Community Action Association, Inc.'s management. Our responsibility is to express an opinion on Union Community Action Association, Inc.'s compliance based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits promulgated by the American Institute of Certified Public Accountants (AICPA); the standards applicable to financial audits promulgated by the Government Auditing Standards Board (issued by the Comptroller General of the United States); and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. These 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 Union Community Action Association, Inc.'s compliance with these 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 Union Community Action Association, Inc.'s compliance with these requirements.

In our opinion, Union Community Action Association, Inc. complied, in a material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

#### **Internal Control Over Compliance**

The management of Union Community Action Association, 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 Union Community Action Association, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended for the information of management, the Board of Directors and federal awarding agencies and their through entities. However, this restriction is not intended to limit the distribution of this report.



**Cook S. Monthari**  
Certified Public Accountant



Union Community Action Association, Inc.  
Farmerville, Louisiana

Schedule of Prior Audit Findings  
June 30, 1997

There were no findings or questioned costs for the audit period ended June 30, 1996.

Schedule of Findings and Questioned Costs  
June 30, 1997

**A. Summary of Audit Results:**

1. The auditor's report expresses an unqualified opinion on the financial statements of Union Community Action Association, Inc.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of non-compliance material to the financial statements of Union Community Action Association, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular #115.
5. The auditor's report on compliance for the major federal award programs for Union Community Action Association, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Union Community Action Association, Inc. reported in Part C. of this Schedule.
7. The programs listed as major programs included: 1) Job Training Partnership Act Programs: Title B-4, Title B-5, Title B-C, Title B-F, Incentive and the 85 Program (DFA #17,346) and 2) Food Stamp Issuance (FIS #10,551) and #10,581.
8. The threshold for designating Types A and B programs was \$280,000.
9. Union Community Action Association, Inc. met the 50% coverage rule with no issues to make a low-risk auditee determination.

**B. Findings - Financial Statements Audit:** None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit:** None

**CHEN & MCKENNA**

*Certified Public Accountants*

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**Management Letter**

November 13, 1987

Board of Directors  
Union Community Action Association, Inc.  
Farmerville, Louisiana

We have audited the financial statements of Union Community Action Association, Inc. (Union), for the year ended June 30, 1987, and have issued our report thereon dated November 13, 1987. In planning and performing our audit of the financial statements of Union Community Action Association, Inc., we considered its 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.

During our audit the following items were noted involving internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control over financial reporting or operations of Union. These comments have been discussed with the appropriate members of management.

Intersalary Accounts

As of June 30, 1987, the intersalary due to and due from accounts on each grant-contract's general ledger were not reconciled and the activity posted in the accounts had not been analyzed to ensure that there were no posting errors. We made audit entries to reconcile the intersalary accounts. Also, as of June 30, 1987 the JTPA Title III-B program had a \$38,000 receivable from the General Fund and the JTPA Title III-F program had a \$4,375 receivable from the General Fund. We recommend that a monthly analysis be done on all intersalary accounts and that these balances be reconciled monthly. We also suggest that these amounts due to federal programs be repaid immediately.

Financial Reports

Union maintains their accounting records on their audit year. Certain grants-contracts end on dates other than Union's fiscal year. During our final reports looking on these grants-contracts, Union did not always have a written reconciliation between the final costout report and the grant-contract general ledger. We recommend that all financial reports prepared on grants-contracts are reconciled back to the accounting records with a written reconciliation.

General Fund Reimbursements

The nature of Union's accounting system is that the General Fund pays the bills and the other funds then reimburse the

General Fund for their share of the expenditures. These reimbursements to the General Fund were not done on a timely basis during our audit year, and as June 30, 1987, there are significant amounts due to the General Fund from the other programs. We suggest that procedures be implemented to ensure that once disbursements are made from the General Fund the program responsible for the expenses make a timely reimbursement to the General Fund.

#### Commodities Revenue

During our audit we discovered that two of the reimbursement requests for the Commodities Program had not been prepared and submitted. This resulted in a loss of revenue to Union, which resulted in a deficit of expenses over revenues for this audit period. We suggest that procedures be implemented to ensure that the employee responsible for preparing these reports be informed of the report due dates and that they are adhered to. These reports were filed during December 1987.

#### Quarterly SUTA Reports

The second quarter State Unemployment Tax Report was not filed with the appropriate agency as required. We suggest that procedures be implemented to ensure employee responsible for the preparation of these reports are aware of the due dates and that they are met. This report was subsequently filed.

#### Accrued Liability Accounts

We discovered during our audit that there is no reconciliation done of the amounts posted into the general ledger liability accounts and the subsequent payments made. We had to spend significant audit time reconciling these accounts and made significant audit entries to correct the balances in these accounts. One example of this occurred due to the fact that Union's state unemployment tax rate was lowered and this change was not reflected in the computerized payroll system, but the new rate was reflected on the reports that were filed. We suggest that the liability accounts on each program's general ledger be reconciled each month to ensure the accuracy of the expense and liability balances.

#### Fund Assets

Union has a fixed asset listing. However, it needs to be updated and maintained for all new additions and retirements on a timely basis.

We express sincere thanks to Union personnel for the cooperation and assistance provided us during our audit. We are available to provide you assistance and consultation in the implementation of the above mentioned items. This letter is furnished solely for the use of management and the Board of Directors and is not intended to be used for any other purpose.



Cook & Morehart  
Certified Public Accountants