

**ELLIOTT & ASSOCIATES, INC.**

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 71496-1287

(504) 298-2244  
Date 12/28/84  
To: 298-2244

W. Mailed 1/28/85, CVA.

**Report of Independent Public Accountant on Compliance  
With Laws, Regulations, Contracts and Grants on an  
Audit of Financial Statements Performed in Accordance  
With Governmental Auditing Standards**

Board of Directors  
Vernon Community Action Council, Inc.  
Louisville, Louisiana

I have audited the general purpose financial statements of Vernon Community Action Council, Inc., as of and for the year December 31, 1984, and have issued my report thereon dated July 30, 1985. I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133,  audits of institutions of higher education and other recipients of federal assistance. These standards and the Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Vernon Community Action Council, Inc. is the responsibility of Vernon Community Action Council, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Vernon Community Action Council, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed the following instances of noncompliance that is required to be reported under Government Auditing Standards:

**Finding:** This audit report is not being issued within the six months of the close of the December 31, 1984 fiscal year-end. This is a violation of LA R.S. 224:114(A)(5)(g).

**Management Response:** These are the combined reasons for the delay in the release of the report:

The chief accountant and executive director for the Vernon Community Action Council resigned in May 1985 thus leaving the top two positions to new personnel and causing an overall lack of knowledge about accounting transactions that occurred during the fiscal year.

Vernon Community Action Council intends to file future reports on a timely basis.

I considered this instance of noncompliance in forming my opinion on whether the various Community Action Council's 1988 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated July 30, 1987, on these general purpose financial statements.

This report is intended for the information of the audit committee, management, the various funding agencies, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Elliott & Assoc. "APAC"*  
Louisville, Louisiana  
July 30, 1987

# ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 71486-1287

CPA# 200-0747  
CPA# 200-0707  
No. 199-020

W. Michael Elliott, CPA

## Report of Independent Public Accountant on Compliance with the General Requirements Applicable to Federal Award Programs

BOARD of Directors  
Verona Community Action Council, Inc.  
LOUISVILLE, LOUISIANA

I have audited the financial statements of the Verona Community Action Council, Inc., a nonprofit organization, as of and for the year December 31, 1988, and have issued my report thereon dated July 30, 1989.

I have applied procedures to test the Verona Community Action Council Inc.'s compliance with the following requirements applicable to its federal programs, which are identified in the accompanying schedule of federal awards for the year December 31, 1988.

### General Requirements

Political Activity	Blanket Checks
Civil Rights	Drug-Free Workplace Act
Cost Accounting	Administrative Requirements
Federal Financial Reports	

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions," my procedures were substantially less in scope than an audit. The objective of which is the expression of an opinion on the Verona Community Action Council Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed two instances of non-compliance with the requirements listed in the second paragraph of this report that are described in the schedule of findings and questioned costs on pages 26 and 27. With respect to items not tested, nothing came to my attention that caused me to believe that the Verona Community Action Council Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the audit committee, management, the various funding agencies, and the legislative auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Elliott & Assoc. "APAC"*  
Louisville, Louisiana  
July 30, 1989

**ELLIOTT & ASSOCIATES, INC.**

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 71490-1287

0045124-700  
0045125-500  
Rev. 10-1-80

W. Michael Egan, CPA

**Report of Independent Public Accountant on  
Compliance with Specific Requirements  
Applicable to Nonmajor Program Transactions**

Board of Directors  
Verona Community Action Council, Inc.  
Bossierie, Louisiana

I have audited the financial statements of the Verona Community Action Council, Inc. as of and for the year December 31, 1986, and have issued my report thereon dated July 30, 1987.

In connection with my audit of the 1986 general purpose financial statements of Verona Community Action Council, Inc., and with my consideration of the Verona Community Action Council, Inc.'s internal control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133 Audits of Institutions of Higher Education and Other Nonprofit Institutions, I selected certain transactions applicable to certain nonmajor federal programs for the year December 31, 1986. As required by OMB Circular A-133, I performed auditing procedures to test compliance with the requirements governing types of services allowed or not allowed and eligibility test not applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Verona Community Action Council, Inc.'s compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of my procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to those not tested, nothing came to my attention that caused me to believe that the Verona Community Action Council, Inc. had not complied, in all material respects, with those requirements. Also, the results of my procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the audit committee, management, the various funding agencies, and the legislative Auditor of the State of Louisiana. This distribution is not intended to limit the distribution of this report, which is a matter of public record.

*W. Michael Egan*  
Elliott & Assoc. SA992  
Bossierie, Louisiana  
July 31, 1987

## VENUE COMMUNITY ACTION COUNCIL, INC.

Exhibit B

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP  
DECEMBER 31, 1976

	Governmental Fund Type		Account	Total	Total
	General Fund	Special Revenue	Other General Fund Assets		
<b>ASSETS</b>					
Cash (Note 2)	\$ 4,297	\$ 889	\$ ---	\$ 5,186	\$ 3,451
Contracts receivable (Note 2)	---	58,880	---	58,880	34,673
Accounts receivable	276	---	---	276	---
Due from other funds (Note 4)	39,318	28,863	---	67,181	44,000
Buildings and equipment (Note 5)	---	---	83,251	83,251	94,373
<b>Total assets</b>	<b>\$ 43,891</b>	<b>\$ 87,832</b>	<b>\$ 83,251</b>	<b>\$ 215,024</b>	<b>\$ 176,507</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 2,378	\$ 39,387	\$ ---	\$ 41,765	\$ 18,000
Payroll taxes and deductions payable	3,830	2,910	---	6,740	2,800
Due to funding agency (Note 10)	---	2,320	---	2,320	2,800
Due to other funds (Note 4)	4,820	41,383	---	46,203	34,000
<b>Total liabilities</b>	<b>\$ 11,028</b>	<b>\$ 83,000</b>	<b>\$ ---</b>	<b>\$ 94,028</b>	<b>\$ 57,600</b>
<b>FUND BALANCES</b>					
Unexpended	38,231	---	---	38,231	34,000
Reserved	---	2,530	---	2,530	19,791
<b>Total fund balances</b>	<b>\$ 38,231</b>	<b>\$ 2,530</b>	<b>\$ ---</b>	<b>\$ 40,761</b>	<b>\$ 53,791</b>
Investment in general fixed assets (Note 5)	---	---	83,251	83,251	34,216
<b>Total fund equity</b>	<b>\$ 38,231</b>	<b>\$ 2,530</b>	<b>\$ 83,251</b>	<b>\$ 124,032</b>	<b>\$ 88,007</b>
<b>Total liabilities and fund balances</b>	<b>\$ 49,259</b>	<b>\$ 85,530</b>	<b>\$ 83,251</b>	<b>\$ 218,040</b>	<b>\$ 141,704</b>

The accompanying notes are an integral part of this statement.

**WISSON COMPANY ACTION COUNCIL, INC.**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - ALL GOVERNING FUND TYPES**  
**For the Year Ended December 31, 1988**

EXHIBIT B

	GENERAL	Special Revenues	Totals (Summation Only)
<b>REVENUES</b>			
Intergovernmental	\$ 370	\$498,408	\$498,778
Public support	2,253	1,018	3,271
Interest	489	78	567
Miscellaneous	3,281	33,188	36,469
Total revenues	<u>3,281</u>	<u>\$498,514</u>	<u>\$498,778</u>
<b>EXPENDITURES</b>			
Salaries	275	217,008	217,283
Fringe benefits	132	29,808	31,090
Travel	235	6,812	7,047
Operating services	8,388	244,150	252,538
Operating supplies	2,800	56,288	59,088
Other costs	1,743	16,208	17,951
Capital outlay	3,180	100	3,280
Total expenditures	<u>35,853</u>	<u>\$492,113</u>	<u>\$492,320</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	(1,572)	26,790	24,618
<b>Other financing sources (uses):</b>			
Transfers in (GDSG #)	14,540	1,401	26,488
Transfers out (GDSG #)	(1,881)	(10,000)	(25,488)
Refunds to funding agency	-----	(13,333)	(13,333)
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>			
	12,659	12,332	24,874
Fund balances, beginning of year	21,088	18,324	31,312
Fund balances, end of year	<u>\$33,747</u>	<u>\$ 30,656</u>	<u>\$ 64,403</u>

The accompanying notes are an integral part of this statement.

**BOSTON COMMUNITY ACTION COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1974**

**Note 1 - Summary of Significant Accounting Policies**

Boston Community Action Council, Inc. is designated to be governed by a board comprised of five representatives of the poor, five concerned citizens, and five elected officials.

The accounting policies of the Council conform in generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 34:113 and to the guidelines set forth in the Accounting Manual for State and Local Governments, Guide, *Handbook of State and Local Government*, Guide.

The following is a summary of certain significant accounting policies.

**Financial Reporting Policy**

This report includes all funds and account groups which are controlled by or dependent on the Boston Community Action Council, Inc.'s Board of Directors. Control by or dependence on the Council was determined on the basis of budget adoption, election or appointment of governing body, and other general oversight responsibility.

**Fund Accounting**

The accounts of the Boston Community Action Council, Inc. are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are used and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are grouped into two generic fund types and two broad fund categories as follows:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use, and balances of the Council's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

VERNON COMMUNITY ACTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2 - Summary of Significant Accounting Policies (Continued)

The following are the Vernon Community Action Council, Inc.'s governmental fund types:

General Fund - The General Fund is the general operating fund of the Vernon Community Action Council, Inc. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specified revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement flows applied.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts.

Methods and Budgetary Information

The Vernon Community Action Council, Inc. follows these procedures in establishing the budgetary data reflected in their financial statements:

1. The various funding agencies notify the Vernon Community Action Council, Inc. each year as to the funding levels for each program grant.
2. The Executive Director prepares a proposed budget based on the grant funding levels and then submits the budget to the Board of Directors for approval.



VERNON COMMUNITY ACTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1. Summary of Significant Accounting Policies (Continued)

1. The Board of Directors reviews and adopts the budget prior to the respective programs' fiscal year ends.
2. The adopted budget is forwarded to funding agencies for final approval.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. Budgets for the Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Directors of the Council. Such amendments were not material in relation to the original appropriation.
5. Expenditures cannot legally exceed appropriations on an individual fund level.

Total Columns of Combined STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "supplemental only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial positions, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Further, in such data comparability is considered, interfund eliminations have not been made in the aggregation of this data.

Fixed Assets

The fixed assets represent a summary of movable capital acquisition assets of the Council and are capitalized in accordance with FIVE PERCENT of the Louisiana Revised Statutes. Movable property is valued at historical acquisition cost except where otherwise noted. No depreciation has been provided for any general fixed assets and portions of this account information is not included to support them as available resources for present or future Council operations. The dollar value of movable assets as of December 31, 2004 amounts to \$83,281.

VARRON COMMUNITY ACTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 1 - Summary of Significant Accounting POLICIES (CONTINUED)**

**Comparative Data**

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**Taxable Status**

The Council is exempt from Federal Income Tax as a non-profit organization under Section 501 (c) (3) of the Internal Revenue Code. The laws of the State of Louisiana also exempt the corporation from income taxation.

**Funding Policies**

The Council receives their monies through basically three methods of funding. Most of the funds are obtained on a grant basis. Under this method funds are received on a monthly allotment of the total budget in advance of the actual expenditures.

The Council also receives funds as a reimbursement of actual expenditures. The other method by which the Council receives funding is through contributions from local public and private sources.

**Note 2 - Cash, Collateral**

As of December 31, 1986, cash held by the Varron Community Action Council, Inc. was secured in full by FIVE FEDERAL DEPOSITORS INSURANCE CORPORATION insurance at the financial institution where deposited.

**Note 3 - Contract Receivables**

As of December 31, 1986, contract receivables consisted of the following:

LIKEMO Weatherization	118,000
Crime Victim's Assistance (CVA)	2,000
Children's Trust Fund (CTF)	3,750
LIKEMO Energy Assistance	13,000
Family Preservation	2,500
GRAC	10,000
Medicaid	14,000
Total	255,250

These amounts were collected in full subsequent to December 31, 1986.

VERMONT COMMUNITY ACTION COUNCIL, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 4--Interfund Receivables/Payables**

Individual amounts due from/to other funds as of December 31, 1986 are as follows:

	Interfund Receivables	Interfund Payables
General Fund (Local Fund)	\$27,807	\$ 0,000
Homeless Trust	800	---
EMSP	1,568	---
Emergency Food and Shelter	---	58
Office of Women's Services	---	3,782
Sanctus Hill	---	18,438
Crisis Victim's Assistance	---	948
Bedford	---	13,280
Children's Trust Fund	---	3,893
CHHS	---	8,480
Emergency	25	---
LIVEST Energy Assistance	3,840	---
Transitional Housing	18,388	---
SNHS	150	---
Family Preservation	---	3,199
Commodity	388	---
Butler Street	---	3,880
Weatherization	---	10,000
Debtline	11,808	---
Housing Preservation Fund	---8,000	---
<b>Totals</b>	<b>\$81,388</b>	<b>\$47,380</b>

**Note 5--Programs Placed Year-End**

The programs included in this audit report as of December 31, 1986 have various fiscal year-ends. Therefore, no budgeted versus actual expenditures comparison is shown because of such inconsistencies in the accounting periods.

**Note 6--Changes in General Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance December 31, 1985	Additions	Disposals	Balance December 31, 1986
Equipment and Buildings	\$ 84,233	\$ 3,310	\$14,000	\$ 73,543

**Note 7--Commitments and Contingencies**

Vermont Community Action Council is involved in a dispute with the Homeless Trust of Agency about the amount of each year that is owed to Vermont Council on Aging for approximately the past three years. Negotiations toward a settlement between the two parties has ongoing at this time, but no definite settlement or amount has been agreed upon. Thus, no determination of the actual liability can be made at this time.

**WARREN COMMUNITY ACTION COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 8--Transfers In/Out**

During the fiscal year ended December 31, 1986, transfers in/out from the respective funds were as follows:

	Transfers In	Transfers Out
Local Fund	\$ 14,507	\$ (280)
Commodities	----	(185)
Crime Victims' Assistance (CVA) - Public Support	1,128	---
Medicaid	---	(18,805)
Emergency Fund and Shelter	20	---
Welfare/Intake	40	---
ICAFS	407	---
Emergency	3,750	---
JobNet Fund	---	(180)
Office of Women's Services	818	---
<b>Totals</b>	<b>\$ 20,670</b>	<b>\$ (19,865)</b>

**Note 9--Discontinued Events**

In July 26, 1985, Warren Community Action Council's former executive director and board members as of June 28, 1986 were named as defendants by a former employee alleging unjust termination of her position along with others on June 25, 1986. The suit seeks a return to her former position and full back pay plus interest and damages as well as attorney fees. Warren Community Action Council management intends to vigorously defend its position in this case and no determination of any liability if any, can be made at this time.

**Note 10--Due To Funding Agencies**

The December 31, 1986 balance in Due to Funding Agencies consists of the following:

Fiscal year December 31, 1985 Housing Preservation	
Amount due to Funding Agency as of	
December 31, 1986	\$ 280
1987	5,962
Kendall Trust	200
CVA	20
<b>Total</b>	<b>\$7,322</b>

#### SUPPLEMENTAL DATA

## VERNON COMMUNITY ACTION CENTER, INC.

COMBINED SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GENERAL REVENUE FUNDS  
For the Year Ended December 31, 1990

	1990	1989	1988	Totals
<b>REVENUES</b>				
Intergovernmental	\$ 318	\$ ---	\$ ---	\$ 318
Public support	325	4,018	---	4,343
Interest	448	---	---	448
Miscellaneous	3,782	3,038	440	7,260
Total revenues	4,873	7,056	440	12,369
<b>EXPENDITURES</b>				
Salaries	386	---	---	386
Fringe benefits	132	---	---	132
Travel	8	295	---	303
Operating services	3,328	3,073	---	6,401
Operating supplies	2,082	836	---	2,918
Other costs	188	3,073	340	4,599
Capital outlay	3,188	---	---	3,188
Total expenditures	12,048	7,207	340	19,595
Excess of revenues over (under) expenditures	(4,148)	3,844	100	(1,194)
Other financing sources (uses):				
Transfers in	14,401	---	---	14,401
Transfers out	(200)	---	(188)	(388)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	10,053	3,844	---	13,897
Fund balances, beginning of year	12,368	9,321	---	21,689
Fund balances, end of year	22,411	13,165	---	35,576

VERNON COMMUNITY ACTION COUNCIL, INC.

COMBINED STATEMENT OF FINANCIAL RESOURCES, REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL PURPOSE FUNDS  
For the Year Ended December 31, 1976

REVENUES	Medical	Art Exhibits	Commodities	Emergency Food and Shelter
Intergovernmental	\$75,740	\$ 1,500	\$ 2,400	\$18,800
Public support	---	---	---	---
INCOME	---	---	---	51
Miscellaneous	40,821	---	---	18,188
<b>TOTAL REVENUES</b>	<b>116,561</b>	<b>1,500</b>	<b>2,400</b>	<b>36,939</b>
<b>EXPENDITURES</b>				
Salaries	48,908	---	---	---
Travel	5,847	---	---	---
Transit	2,165	---	68	---
Specialty services	8,842	1,800	2,000	18,888
Operating supplies	599	---	144	---
Other costs	83	---	---	18,853
Facilities	---	---	---	---
Equipment	---	---	---	---
Capital outlay	---	---	840	---
<b>Total expenditures</b>	<b>66,345</b>	<b>1,800</b>	<b>2,948</b>	<b>37,741</b>
Excess of revenues over (under) expenditures	49,816	---	---	---
Other financing sources (uses):				
Transfers in	---	---	---	21
Transfers out	(18,848)	---	1821	---
Refunds to Funding Agencies	---	---	---	---
Excess of revenues and other financing sources over (under) expenditures and other financing uses	---	---	---	21
Fund balances, beginning	---	---	---	---
Fund balances, ending	\$ 49,816	\$ ---	\$ 1,821	\$ 21

VERNON COMMUNITY ACTION COUNCIL, INC.

COMBINED SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS (CONTINUED)  
For the Year Ended December 31, 1995

	OFFICE OF WORKER'S REVENUE		CHILDREN'S TRUST FUND		LIFESAF PROPERTY FUND
	7/1/95 - 6/30/96	7/1/95 - 6/30/96	7/1/95 - 6/30/96	7/1/95 - 6/30/96	
<b>REVENUE</b>					
Intergovernmental	\$14,244	\$	0 2,384	0 1,786	104,088
Public support	-----	-----	-----	-----	-----
Interest	-----	-----	-----	-----	-----
Miscellaneous	-----	-----	-----	-----	2,143
Total revenues	14,244	-----	2,384	1,786	106,231
<b>EXPENDITURES</b>					
Salaries	6,048	2,888	1,800	2,080	-----
Fringe benefits	871	388	185	204	-----
Travel	651	180	104	24	-----
Operating supplies	6,800	607	145	-----	56,315
Capital supplies	-----	-----	128	-----	-----
Other costs	1,381	-----	382	84	-----
Facilities	-----	-----	-----	-----	-----
Equipment	-----	-----	-----	-----	-----
Capital outlay	-----	-----	-----	-----	-----
Total expenditures	14,024	3,953	2,738	2,312	56,315
Excess of revenues over other's expenditures	220	(1,971)	25	(526)	1,890
Other financing resources (uses):					
Transfers in	428	-----	-----	-----	-----
Transfers out	-----	-----	-----	-----	-----
Refunds to funding agencies	-----	-----	-----	-----	-----
Excess of revenues and other financing resources over transfers expenditures and other financing uses	428	(1,971)	24	(526)	2,090
Fund balance, beginning	-----	-----	333	-----	180
Fund balance, ending	\$ 428	\$ (1,971)	\$ 357	\$ (526)	\$ 2,070



Crime Victim's Assistance		Weatherization		Transitional Housing		BACP
4/1/95 - 8/31/95	9/1/95 - 8/31/97	4/1/95 - 8/31/95	9/1/95 - 8/31/97	4/1/95 - 8/31/95	9/1/95 - 8/31/97	
\$ 4,784	\$ 3,000	\$ 4,376	\$ 19,577	\$ 28,675	\$ 28,680	\$12,426
000	000	000	000	121	5,087	000
000	000	000	000	000	000	000
000	000	000	000	000	000	000
\$ 4,784	\$ 3,000	\$ 4,376	\$ 19,577	\$ 28,675	\$ 28,679	\$12,426
6,333	824	2,399	3,485	7,328	16,480	10,888
874	131	337	709	241	8,882	7,284
161	000	000	000	128	88	000
8,314	338	888	4,368	8,188	7,737	788
888	000	2,381	3,958	000	35	000
000	50	000	000	352	151	188
000	000	000	000	000	000	000
000	000	000	000	000	000	188
\$8,314	\$3,812	\$4,612	\$18,888	\$18,863	\$8,936	\$11,888
18331	965	1481	3,848	8,383	17150	856
3,658	000	48	000	000	000	000
000	000	000	000	000	000	000
000	000	000	000	000	000	12,8820
660	845	000	3,048	8,343	(278)	(594)
18820	000	000	000	4,732	000	984
\$ 1,000	\$ 885	\$ 000	\$ 3,048	\$ 14,088	\$ 8714	\$ 000



VERNON COMMUNITY ACTION COUNCIL, INC.  
 DIVISION OF FEDERAL FINANCIAL ASSISTANCE  
 Period Ended December 31, 1995

(1) Listed below is a summary of the data for grants awarded during the period covered by my examination:

Federal Catalog Number	Program Title
93.071	Community Services Block Grant - Community Food and Nutrition
93.649	Community Services Block Grant
93.042	LIBRIP Weatherization (4-5-94 to 3-31-95)
93.042	LIBRIP Weatherization (4-5-94 to 3-31-95)
93.646	LIBRIP Energy Assistance
93.023	Emergency Food & Shelter
15.413	Housing Preservation
14.174	Transitional Housing (5-3-95 to 5-31-95)
14.174	Transitional Housing (5-3-95 to 5-31-95)
14.935	Crime Victim Assistance (12-1-95 to 9-30-96)
14.935	Crime Victim Assistance (12-1-95 to 9-30-97)
14.931	Emergency Shelter Grants Program
14.181	Section 815 Supportive Housing
94.084	Americorp
93.556	Family Preservation
total	

(2) Scope of SubSI Pursuant to the Single Audit Act of 1984 and OMB Circular A-133.

All Federal grant receipts of the Vernon Community Action Council, Inc. are included in the scope of the OMB Circular A-133 (the "Single Audit").

(3) Summary of Significant Accounting Policies:

The above statement of grant data has been prepared on the accrual basis of accounting.

## Schedule 3

Grants Received	Revenues Recognized	Expenses
\$ 1,297	\$ 1,357	\$ 1,357
95,834	93,309	93,453
67,573	4,779	4,779
24,200	19,537	15,888
55,859	55,000	55,549
28,878	18,878	18,878
5,500	5,000	54
49,250	24,876	15,843
49,350	24,593	24,883
14,950	9,384	9,784
18,500	2,800	1,863
28,831	27,400	27,840
28,600	---	---
73,034	28,463	28,463
<u>12,000</u>	<u>28,680</u>	<u>28,680</u>
<b>\$ 201,504</b>	<b>\$171,752</b>	<b>\$171,000</b>

## Schedule 4

## VERNON COMMUNITY ACTION COUNCIL, INC.

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS  
December 31, 1994 and 1993

	1994	1993
General fixed assets:		
Land	\$ 4,000	\$ 4,000
Building	39,800	39,800
Equipment	<u>40,251</u>	<u>41,232</u>
Total general fixed assets	\$ 84,051	\$ 85,032
Investment in general fixed assets by source:		
Special revenue funds	\$ 57,410	\$ 58,377
Local funds	4,822	4,822
Fundices	<u>20,820</u>	<u>20,820</u>
Total investment in general fixed assets	\$ 83,052	\$ 84,020

VERDOR COMMUNITY ACTION COUNCIL, INC.  
CONTRIBUTION OF BOARD MEMBERS  
FOR THE YEAR ENDED DECEMBER 31, 1986

During the period covered by my administration, there were no payments made to or on behalf of board members.

## VERNON COMMUNITY ACTION COUNCIL, INC.

FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 19961. EMERGENCY FOOD AND SHELTER PROGRAM

**FINDING:** On July 19, 1996, the Vernon Community Action Council received \$18,188 from the Emergency Food and Shelter Program (EFSP) as a direct deposit to the Emergency Food and Shelter bank account. A check was then written on July 30, 1996 to the Vernon Council on Aging operating account for the same amount representing an allowable cost from this Federal grant program. The date was repaid from the Vernon Council on Aging and replenished into the Emergency Food and Shelter bank account on October 18, 1996. A review of the board minutes did not disclose any authorization for this loan to the Vernon Council on Aging. This loan is a violation of the funding agreement between the Vernon Community Action Council and EFSP. Furthermore, this improper loan prevented eligible participants from receiving benefits from this Federal program during the approximate eighty day period.

2. HOUSING PRESERVATION FUND

**FINDING:** The Vernon Community Action Council received two deposits during 1996 for use in the Housing Preservation Fund Fund. The first deposit was received on February 8, 1996 in the amount of \$3,500 and the second was received on April 1, 1996 in the amount of \$3,000. However, checks were written on February 24, 1996 and April 15, 1996, both for \$3,000, in loans to the Vernon Community Action Council's operating account. The amounts were paid back to the Housing Preservation Grant Fund in 1997 and were eventually refunded to the Housing Preservation Grant on March 30, 1997, due to the fact that the majority of the funds (\$5,000) were unused. A review of the board minutes did not disclose any authorization for loans to the operating account. These loans were a violation of the agency's funding agreement and these improper usage denied eligible participants from proper participation in this Federal program during the entire fiscal year.

3. RENTAL START ASSISTANCE

**FINDING:** During the fiscal period ended December 31, 1996, Vernon Community Action Council entered into a partnership agreement with Callison Property Management Group "Callison" whereby Vernon Community Action Council would exclusively administer a low cost low income apartment complex called Butler Street Apartments and in turn would be reimbursed for material costs.

VERNON COMMUNITY ACTION COUNCIL, INC.

FINISHED AND UNFINISHED COSTS  
For the Year Ended December 31, 1966

2. WELLS STREET APARTMENTS

During the fiscal period ended December 31, 1966, Vernon Community Action Council incurred material costs totaling \$24,788 representing materials used in reimbursement requests submitted by Vernon Community Action Council to Caltrans. My examination revealed that documentation was available for only two of the reimbursements totaling \$3,400. My requests for documentation for the other twelve reimbursements totaling \$21,388 were not fulfilled and thus I was not able to satisfy myself as to the propriety of these reimbursements and whether Vernon Community Action Council received full reimbursement for its costs.

My other auditing procedures involving Wells Street also revealed that labor reimbursements were reportedly sent to the Vernon Community Action Council Office by Caltrans, but no documentation was available to verify the actual labor reimbursement amounts through my paperback resistance advice and four labor reimbursement forms were noted during my examination totaling \$19,383. None of the labor reimbursements filed through the Vernon Community Action Council's general ledger and bank accounts and no direct cooperation was offered as to any documentation involving these transactions despite numerous written and verbal requests for such data. In general, there was an overall lack of communication and lack of direct cooperation and knowledge from those personnel informed about such matters for all transactions relating to Wells Street Apartments.



VERNON COMMUNITY ACTION COUNCIL, INC.

1997 CONFERENCE  
FOR THE YEAR ENDED DECEMBER 31, 1996

An exit conference was held with Vernon Community Action Council, Inc., on August 5, 1997. The following people were in attendance:

W. Michael Elliott, CPA - Elliott & Assoc., Inc.  
Melanie Lindsey - Staff Accountant - Elliott & Assoc., Inc.  
Karen Kay, Executive Director - VCAC

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# ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 71486-1287

DUPLICATE COPY  
DUPLICATE COPY  
FOR: 588504

W. Alfred Hines, CPA

## INDEPENDENT FINANCIAL REPORT

Board of Directors  
Veritas Community Action Council, Inc.  
Louisville, Louisiana

I have audited the accompanying general purpose financial statements of the Veritas Community Action Council, Inc. as of and for the year December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the Veritas Community Action Council, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards, and the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

I was unable to obtain the necessary accounting documentation for the special revenue fund titled Budget Account to satisfy myself as to those financial activities by other auditing procedures. Those financial activities are included in the Combining Special Revenue Fund Statement of Revenues and Expenditures and represent zero percent and eleven percent of the assets and revenues respectively of the Special Revenue Fund Type.

A Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types - Budget (GAAP Basis) and Actual, required by generally accepted accounting principles is not included in the accompanying financial statements. The preparation of these statements would be extremely complex because of the varying fiscal year ends.

In my opinion, except for the matter discussed in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Veritas Community Action Council, Inc. at December 31, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis.

and are not a required part of the general purpose financial statements of the Vernon Community Action Council, Inc. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Elliott & Assoc. CPAs*  
Lumberton, Louisiana  
July 30, 1980

# ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1282

Levittown, Louisiana 71466-1282

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Rev. 05/20/87

W. Elliot Jones, CPA

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANT ON INTERNAL CONTROL STRUCTURE AS EVIDENCED BY GOVERNMENT AUDITING STANDARDS

### Name of Director

Verona Community Action Council, Inc.

Levittown, Louisiana

I have audited the general purpose financial statements of Verona Community Action Council, Inc., as of and for the year December 31, 1986, and have issued my report thereon dated July 20, 1987.

I conducted my audit in accordance with generally accepted auditing standards promulgated, modified, supplemented, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular 8-133, PRINCIPLES OF INSPECTIONS BY SUPERIOR OFFICIALS AND OTHER EMPLOYEES' INSTITUTIONS. These standards and OMB Circular 8-133 require that I plan and perform the audit in a manner reasonably designed to obtain evidence about whether the financial statements are free of material misstatement.

In planning and performing my audit of the general purpose financial statements of Verona Community Action Council, Inc., for the year December 31, 1986, I considered the internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of Verona Community Action Council, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structures and to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any deficiencies in the structure to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Bank deposits  
Receiving/issuing  
Cash disbursements

Payroll  
General ledger  
Accounts payable

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structures would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the audit committee, management, the various funding agencies, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Elliott & Assoc., "APAC"*  
Lafayette, Louisiana  
July 30, 1993

# HILLOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 71496-1287

July 28, 1998  
July 28, 1998  
July 28, 1998

W. Michael Eason, CMA

## Report of Independent Public Accountant on The Internal Control Structure Used in Administering Federal Awards

Board of Directors  
Verona Community Action Council, Inc.  
Louisville, Louisiana

I have audited the general purpose financial statements of the Verona Community Action Council, Inc. in accordance with the standards for the year December 31, 1998 and have issued my report thereon dated July 20, 1999. I have also audited the council's compliance with requirements applicable to major federal programs and have issued my report thereon dated July 20, 1999.

I conducted my audits in accordance with generally accepted auditing standards concerning Auditing Standards, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Circular A-133, "Standards of Audits of Higher Education and Other Specific Institutions." These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit for the year December 31, 1998, I considered the Verona Community Action Council, Inc.'s internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the Verona Community Action Council, Inc.'s financial statements. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. I have addressed policy and procedure relevant to my audit of the financial statements in a separate report dated July 20, 1999.

The management of the Verona Community Action Council, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling that responsibility, policies and procedures by management are required to assess the expected benefits and related risks of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, misstatements, irregularities, or instances of non-compliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control policies and procedures used in administering Federal programs in the following categories:

Internal Accounting Controls, 1941 Programs

Cash receipts	Payroll
Purchasing/receiving	Property and equipment
Accounts payable	General ledger
Cash disbursements	

Internal Administrative Controls Used in Administering Federal Financial Assistance Programs

Initial activity	Cash management
Eligibility	Types of services
Reporting	Cost allocation
Matching issues	

For all of the internal control structure categories listed above, I obtained an understanding of the design of internal policies and procedures and whether they have been placed in operation, and I assessed control risk.

During the year December 31, 1994, Veterans Community Reentry Council, Inc. expended 941 of its total Federal awards under contract programs.

I performed tests of controls, as required by SAS Circular 8-112, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or owed for matching that are applicable to each of the Council's major programs, which are identified in the accompanying schedule of Federal awards, and the administrative contract programs. My procedures were based on scope that would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted no matters involving the internal control structure and did conclude that I considered to be reportable conditions under the standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters going to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Council's ability to administer Federal awards programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.



This report is intended for the information of the audit committee, management, the various funding agencies, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and dissemination is not limited.

*Elliott & Assoc. "A/C"*  
Louisiana, Louisiana  
July 30, 1997