

OFFICIAL  
FILE COPY

DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

99701907  
9104

CAMERON COMMUNITY ACTION AGENCY, INC.  
CAMERON, LOUISIANA

ANNUAL FINANCIAL REPORT  
For the Year Ended December 31, 1998

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

Release Date MAR 3 1 1999

CAMERON COMMUNITY ACTION AGENCY, INC.  
CAMERON, LOUISIANA  
TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3 - 4
Statement of Cash Flows	5
Notes to the Financial Statement	6 - 10
<b>Other Information:</b>	
Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based On An Audit of Financial Statement Performed in Accordance With Government Auditing Standards	11 - 12
Auditor's Report on Compliance With Requirement Applicable To Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133	13 - 14
Schedule of Federal Awards	15
Schedule of Findings and Questioned Costs	16

Gleen O. Everhart  
Certified Public Accountant  
310 Beauregard  
Sulphur, Louisiana 70663

Tel. (318) 625-9183

Fax (318) 625-9196

**Independent Auditor's Report**

Board of Directors  
Cameron Community Action Agency, Inc.  
Cameron, Louisiana

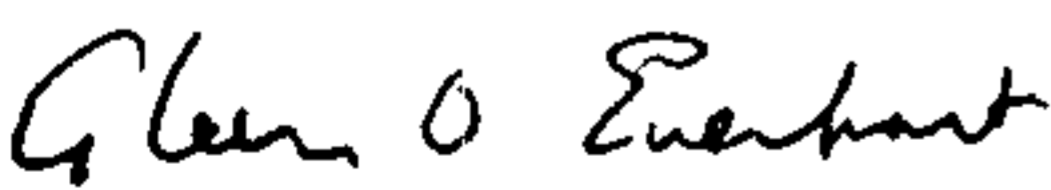
I have audited the accompanying statement of financial position of Cameron Community Action Agency, Inc. (a nonprofit organization) as of December 31, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Cameron Community Action Agency, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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. 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 the 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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cameron Community Action Agency, Inc. as of December 31, 1998, 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*, I have also issued my report dated March 8, 1999 on my consideration of Cameron Community Action Agency, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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, *Audits 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 my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

  
March 8, 1999

**CAMERON COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 1998

	<b>1998</b>
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 13,053
Grants Receivable (Net)	1,338
Promises to Give (Restricted to Future Periods)	161,577
Inventory	2,779
<b>Total Current Assets</b>	<b>178,747</b>
Noncurrent assets	
Fixed Assets - Net	130,445
<b>Total Noncurrent Assets</b>	<b>130,445</b>
<b>Total Assets</b>	<b>\$ 309,192</b>
 <b>Liabilities and Net Assets</b>	
Current Liabilities	
Accounts payable and accrued expenses	2,608
Accrued vacation pay	4,785
<b>Total Current Liabilities/Total Liabilities</b>	<b>7,393</b>
Net assets	
Unrestricted	140,222
Temporarily Restricted	161,577
<b>Total Unrestricted Net Assets/Total Net Assets</b>	<b>301,799</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 309,192</b>

The accompanying notes are an integral part of these statements.

**CAMERON COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 1998

<b>Changes in Unrestricted Net Assets</b>	<b>1998</b>
Revenues	
Grants	\$ 407,645
Contract/COA	30,499
Individuals	10,478
In-Kind	3,330
Services	3,906
Facilities	235,620
Fees	6,315
Sundry	8,750
<b>Total Unrestricted Revenues</b>	<b>706,543</b>
Expenses	
Program Services	
CSBG	30,323
Child and Adult Food Program	50,329
Head Start	216,153
Transportation	31,213
Other	27,940
Summer Child Care Program	92,860
<b>Total Program Services</b>	<b>448,818</b>
Support Services	
Depreciation	26,450
<b>Total Support Services</b>	<b>26,450</b>
<b>Total Expenses</b>	<b>475,268</b>
<b>Increase in Unrestricted Net Assets</b>	<b>231,275</b>
Temporarily Restricted Net Assets	
Department of Social Services - USDHH	161,577
<b>Increase in Temporarily Restricted Net Assets</b>	<b>161,577</b>
<b>Interest Income</b>	<b>199</b>

The accompanying notes are an integral part of these statements.

**Statement of Activities (Continued)**

<b>Increase in Net Assets</b>	393,051
<b>Prior Period Adjustment - Correction of Error</b>	<u>(261,980)</u>
<b>Net Assets at Beginning of Year as Restated</b>	<u>170,708</u>
<b>Net Assets at End of Year</b>	<u>\$ 301,779</u>

The accompanying notes are an integral part of these statements.

**CAMERON COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 1998

<b>Cash Flows From Operating Activities</b>	<b>1998</b>
Net increase in net assets	\$ 393,051
Adjustment to reconcile change in net assets to net cash used by operating activities	
Depreciation	26,450
Increase in grants receivable	(1,338)
Increase in other assets	(164,356)
Decrease in accounts payable and accrued expenses	(22,527)
Decrease in Net Assets - Effects of Apply FASB 117	(236,992)
Net cash provided by operating activities	(5,712)
 <b>Cash Flows From Investing Activities</b>	
Interest Income	199
Net Cash Provided by Investing Activities	199
 <b>Net Increase in Cash and Cash Equivalents</b>	 (5,513)
 <b>Cash and Cash Equivalents at Beginning of Year</b>	 18,566
 <b>Cash and Cash Equivalents at End of Year</b>	 \$ 13,053

The accompanying notes are an integral part of these statements.

Cameron Community Action Agency, Inc.  
Cameron, Louisiana  
Notes to Financial Statements  
For the Year ended December 31, 1998

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

[a] Nature of Activities

Cameron Community Action Agency, Inc. is a nonprofit corporation incorporated to strengthen and preserve the dignity and economic mix of the parish. The work of the corporation significantly affects three levels of community life: helping individuals and families with housing, social services; Summer Child Care Program, establishing other programs designed to meet pressing community needs; and acting as the sponsor of the Head Start Program in Cameron Parish neighborhood environment.

[b] Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

[c] Basis of Presentation

At December 31, 1998, the Cameron Parish Community Action Agency, Inc., adopted Financial Accounting Board Statements Numbers 116 and 117. Consequently, financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS 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.

[d] Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

[e] Concentration of Revenue/Support

The Organization receives its annual revenue and support from a number of State and Federal Agencies. The major portion of that support is derived from the U.S. Department of Health and Human Services - Head Start Program and the State Department of Social Services Summer Child Care Program. The Organization also received in excess of \$200,000 in contributed facilities from the Cameron Policy Jury.

[f] Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.



[g] Donated Services

Donated services have been reflected in the financial statements at their fair value for the services received.

[h] Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

[I] Income Tax Status

The Cameron Community Action Agency, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Service Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

[J] Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets generally as follows:

Furniture and Equipment	7 years
Vehicles	5 years
Buildings	15 years

**Note 2 - CHANGE IN ACCOUNTING PRINCIPLES**

Change for New Pronouncement

In 1998, the Organization adopted 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. In addition, the Organization is required to present a Statement of Cash Flows. As permitted by the Statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification resulted in a charge to net assets \$261,980.

**Note 3 - COMMITMENTS**

None

**Note 4 - LONG-TERM DEBT**

None

**Note 5 - PRIOR PERIOD ADJUSTMENTS**

Prior to Fiscal Year Ended December 31, 1998, the Agency employed the Governmental Accounting model for financial statement presentation (fund presentation) and used the modified-accrual method of recognizing revenue and expenditures. Due to the nature of the Agency's mission as a Not-For-Profit, tax exempt organization, it was concluded that the Governmental model was used in error, consequently, the Not-For-Profit model more appropriately reflects the Agency's financial presentation, therefore, the use of the modified-accrual, fund accounting presentation was discontinued. To avoid an overstatement of the current years net assets a prior period adjustment has been reflected in these statements.

**Note 6 - PROPERTY AND EQUIPMENT**

Property and equipment consisting of the following:

Building	\$ 14,858
Less: Accumulated depreciation	( 991)
Furniture and fixtures	51,595
Less: Accumulated depreciation	(7,371)
Vehicles	90,442
Less: Accumulated depreciation	(18,088)
Net	<u>\$130,445</u>

**Note 7 - RELATED PARTY TRANSACTION**

None

**Note 8 - GRANTS RECEIVABLE**

Grants receivable represent amounts that have been expended for grant purposes and are to be reimbursed by the grantor. Management considers all receivables to be collectible, therefore, no allowance for doubtful accounts has been established.

**Note 9 - PENSION PLANS**

The Cameron Community Action Agency, Inc. does not have a pension plan for its employees; however, they do participate in the FICA program.

**Note 10 - COMPENSATED ABSENCES**

The Cameron Community Action Agency, Inc., accrues a liability for vacation pay in accordance with SFAS No. 43.. A liability for vacation pay has been presented in these statements.

**Note 11 - OFF-BALANCE SHEET RISK**

The Cameron Community Action Agency, Inc. does not engage in off-balance sheet financing as defined in FAS Statement 105.

**Note 12 - BANK ACCOUNTS**

In accordance with FAS Statement 105, the Cameron Community Action Agency, Inc. maintains all funds in one bank. These funds are secured by the Federal Deposit Insurance Corporation in the amount of \$100,000. The monetary assets of Cameron Community Action Agency, Inc. does not exceed the insured amount.

**Note 13 - ECONOMIC DEPENDENCY**

The Cameron Community Action Agency, Inc. receives a substantial amount of its support from the Federal Government and State Grants. Renewal of these grants are subject to approval from year to year.

**Note 14 - TEMPORARILY RESTRICTED NET ASSETS**

This balance represents amounts that have been approved in prior periods, however, they will not be available for use by the Agency until future periods. The accounting for these assets are in accordance with SFAS Numbers 116 and 117.

Amounts represented are:

Louisiana Department of Social Services - Summer Child Care Program	\$104,497
United States Department of Health & Human Services - Head Start Program	<u>57,080</u>
Total	<u>\$161,577</u>

**PERMANENTLY RESTRICTED NET ASSETS**

None.

**Note 15 - SUBSEQUENT EVENTS**

None

**Note 16 - CONTINGENCIES**

None

**Other Information**

Gleen O. Everhart  
Certified Public Accountant  
310 Beauregard  
Sulphur, Louisiana 70663

Tel. (318) 625-9183

Fax (318) 625-9196

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

Board of Directors  
Cameron Community Action Agency, Inc.  
Cameron, Louisiana

I have audited the financial statements of Cameron Community Action Agency, Inc. (a nonprofit organization) as of and for the year ended December 31, 1998, and have issued my report thereon dated March 8, 1999. I conducted my 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 Cameron Community Action Agency, Inc.'s financial statements are free of material misstatement, I performed test of its compliance with certain provision of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Cameron Community Action Agency, Inc's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Glen O. Ewert*  
March 8, 1999

Gleen O. Everhart  
Certified Public Accountant  
310 Beauregard  
Sulphur, Louisiana 70663

Tel. (318) 625-9183

Fax (318) 625-9196

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR 1-133**

Board of Directors  
Cameron Community Action Agency, Inc.  
Cameron, Louisiana

Compliance

I have audited the compliance of Cameron Community Action Agency, 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 December 31, 1999. Cameron Community Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cameron Community Action Agency, Inc.'s management. My responsibility is to express an opinion on Cameron Community Action Agency, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 major federal program occurred. An audit includes examining, on a test basis, evidence about Cameron Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Cameron Community Action Agency, Inc.'s compliance with those requirements.

In my opinion, Cameron Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

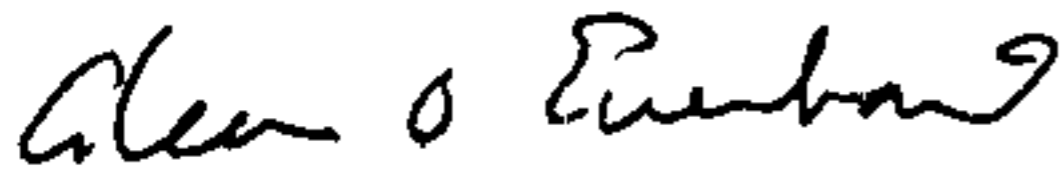
Internal Control Over Compliance

The management of Cameron Community Action Agency, 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 perform my audit, I considered Cameron Community Action Agency, 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 my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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 that risk that noncompliance 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



March 8, 1999



**CAMERON COMMUNITY ACTION AGENCY, INC.**  
**Cameron, Louisiana**

**SCHEDULE OF FEDERAL FINANCIAL AWARDS**  
**Year Ended December 31, 1998**

	<b>Federal CFDA Number</b>	<b>Expenditure</b>
Program Title		
USDA passed through LA Dept. of Education Child and Adult Food Program	10.558	\$ 20,250
U. S. Department of Health & Human Services Head Start*	93.600	225,800
Community Development Block Grant	93.569	30,323
LIHEP Energy Assistance	93.568	17,045
U.S. Department of Energy LIHEP Weatherization	81.042	601
U.S. Department of Agriculture Commodities	10.558	1,581
U. S. Department of Health & Human Services Passed through the LA Department of Social Services Summer Child Care Program	93.575	90,632
U.S. Department of Justice Crime Victims Assistance	16.575	6,567
U.S. Department of Labor JTPA	17.250	2,146
<b>TOTAL</b>		<b>\$ 394,945</b>

\*Denotes Major Federal Program

Note A - Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting under Generally Accepted Accounting Principles and which is the same basis of accounting used for presenting the financial statements.

*Gleen O. Everhart*  
Certified Public Accountant  
310 Beauregard  
Sulphur, Louisiana 70663

Tel. (318) 625-9183

Fax (318) 625-9196

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 1998**

Board of Directors  
Cameron Community Action Agency, Inc.  
Cameron, Louisiana

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal Control over major programs: Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section .510(a)?	No
Identification of major <u>programs</u> :	Head Start
Auditee qualified as low-risk auditee?	Yes