

	OCS DISASTER RELIEF	FEMA EMERGENCY ASSISTANCE	EMERGENCY SHELTER	GENERAL FUND	COMMUNITY SERVICES BLOCK GRANT	01 STATE	TOTAL ALL PROGRAMS
Changes in unrestricted net assets	0	(4,872)	(5,012)	(8,943)	(2,086)	(987)	(31,309)
Other changes in unrestricted net assets:							
Transfer in				3,792		3,081	57,439
Transfer out	(5,730)			(4,387)		(492)	(57,439)
Increase (decrease) in unrestricted net assets	(5,730)	(4,872)	(5,012)	(9,538)	(2,086)	1,602	(31,309)
Changes in temporarily restricted net assets:							
Support Grants Federal			5,782		153,857		2,855,146
Net assets released from restrictions:							
Satisfaction of program restrictions			(3,276)		(153,117)		(2,895,667)
Increase (decrease) in temporarily restricted net assets	0	0	2,506	0	740	0	(40,521)
Increase (decrease) in net assets	(5,730)	(4,872)	(2,506)	(9,538)	(1,346)	1,602	(71,830)
Net assets at March 31, 1995, as restated	4,699	7,615	3,128	15,444	472	560	729,651
Net assets at March 31, 1996	<u>(1,031)</u>	<u>\$2,743</u>	<u>\$622</u>	<u>\$5,906</u>	<u>(\$874)</u>	<u>\$2,162</u>	<u>\$657,821</u>

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
 STATEMENTS OF ACTIVITY BY PROGRAM
 FOR THE YEAR ENDED MARCH 31, 1996

	HOMELESS PREVENTION	HOUSING DEPART MENT	PARISH COUNCIL	HOME DAY CARE	CAA HURRICANE DISASTER	CSBG HURRICANE RELIEF	HEADSTART EMERGENCY SUPPLEMENT
Changes in unrestricted net assets:							
Support Grants							
Federal				\$47,503			
State							
Local		\$19,125					
Other support							
Utilization of contributed food							
Utilization of contributed professional services							
Utilization of contributed facilities							
Other		\$3,088	278				
Net assets released from restrictions:							
Satisfaction of program restrictions	\$5,700		53,770	1,520			
Total unrestricted support	5,700	3,088	73,173	49,023	0	0	0
Expenses							
Salaries	1,064	11,067	32,273	13,232			
Utilization of contributed food							
Utilization of contributed professional services			1,150			167	
Professional services Contractual							
Machinery and equipment							
Renovation			2,008				
Rent							
Services				32,271	330		
Utilization of contributed facilities							
Contributions made to other agencies							
Supplies		425	1,296	160			
Travel and van costs		84	19,028	385			
Insurance			4,009				
Services provided to community							
Emergency assistance							
Food						250	
Medical							
Rent	5,050						
Utility payments	916						
Homework center							
Heatwave Intervention							
Other	176	677	7,611	1,292	112		
Depreciation			9,139			360	21,882
Total unrestricted expenses	7,206	12,253	76,514	47,340	606	777	21,882

	HEAD START #22	HEAD START REIMBURSEMENT	LOUISIANA HOUSING DEVELOPMENT	LIHEAP UTILITY	WEATHERIZATION	HOUSING COUNSELING
Changes in unrestricted net assets	37,319	(16,035)	8,015	(4,451)	1,133	204
Other changes in unrestricted net assets:						
Transfer in	21,848	13,958	3,101	2,170		
Transfer out	(16,483)	(20,350)		(855)	(474)	
Increase (decrease) in unrestricted net assets	42,684	(22,427)	11,116	(3,136)	659	204
Changes in temporarily restricted net assets:						
Support Grants Federal	2,515,304		34,161	56,601	28,363	1,108
Net assets released from restrictions:						
Satisfaction of program restrictions	(2,516,771)	(25,938)	(41,878)	(63,567)	(29,022)	(1,108)
Increase (decrease) in temporarily restricted net assets	(1,467)	(25,938)	(7,717)	(6,966)	(659)	0
Increase (decrease) in net assets	41,217	(48,365)	3,399	(10,102)	0	204
Net assets at March 31, 1995, as restated	218,709	51,421	(3,334)	7,245	1,510	(204)
Net assets at March 31, 1996	<u>\$259,926</u>	<u>\$3,056</u>	<u>\$65</u>	<u>(\$2,857)</u>	<u>\$1,510</u>	<u>\$0</u>

NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT
OF BEGINNING BALANCES

The following schedule summarizes the restatement of beginning net assets in accordance with SFAS No. 117:

<u>Category of Net Assets</u>	<u>Fund Balances 3/31/95 before Restatement</u>	<u>Changes Increases (Decreases)</u>	<u>Net assets 3/31/95 after Restatement</u>
Unrestricted	\$ 15,455	\$(50,911)	\$(35,456)
Restricted	714,191	(714,191)	
Temporarily restricted	<u> </u>	<u>765,102</u>	<u>765,102</u>
Total	<u>\$729,646</u>	<u>-0-</u>	\$ <u>729,646</u>

Temporarily restricted net assets are composed of undepreciated fixed assets purchased with federal dollars which may have to be returned to the grantor in the event the grant is discontinued at some point in the future. This category also includes federal revenues received in excess of expenses recorded.

NOTE 8 - RELATED ENTITIES (cont'd)

The Association acting in the capacity of a Community Housing Development Organization (CHDO) is the administrative manager of the complex. The accounting and financial management of the complex is handled by another partner.

In addition to its share of profits or losses, the Association will receive \$15 per occupied unit per month as a management fee.

The Partnership's year end is December 31st. No financial information for that period was available at the time of this report; however, no significant activity other than construction had taken place at that date.

NOTE 9 - CONCENTRATIONS

Ninety-seven percent of the Association's funding is obtained from federal grants. The largest federal grant administered by the Association is the Head Start program. Head Start funding composed seventy-eight percent of the Association's total funding for the year ended March 31, 1996.

NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF BEGINNING BALANCES

The Association adopted SFAS No. 116, "Accounting for Contributions Received and Made", in 1996. This statement establishes accounting standards for the recognition of all contributions made or received including contributions of goods and services. Under the provisions of SFAS No. 116, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. As permitted by this new statement, the Association has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This statement also requires the Association to present a Statement of Cash Flows rather than a Statement of Changes in Financial Position.

NOTE 6 - UTILIZATION OF CONTRIBUTIONS

The following contributions were received and recognized by the Association during the year ended March 31, 1996.

<u>Program</u>	<u>Contribution</u>	<u>Amount</u>
General		
Operations	Commodities	\$ 28,835
Head Start	Rent	64,809
Head Start	Professional Services	<u>60,354</u>
	Total recognized contributions received	<u>\$153,998</u>

In addition to the recognized contributions, the Association receives donations from parent volunteers in the Head Start Program. These contributed services and food items were not recognized because they do not meet the criteria set forth in FASB 116, however, these contributions do meet the matching requirement set forth in the Head Start grant. The sum of the unrecognized and recognized "in-kind" contributions to the Head Start Program total approximately \$463,443.

NOTE 7 - TRANSFER OF ASSETS

In the past, the Association was requested by the U.S. Department of Health and Human Services to sponsor operations of the Head Start programs in Acadia, Jeff Davis, and Vermilion parishes. The Association agreed to operate the programs for one year. The Association ceased operating these centers on June 30, 1995. Various organizations assumed the operations of these centers July 1, 1995.

Upon cessation of operations, the Association transferred assets, purchased for the above mentioned programs to the respective successor organizations. At the time of the transfer, fixed assets net of accumulated depreciation and net assets were decreased by approximately \$153,000.

NOTE 8 - RELATED ENTITIES

In May of 1995, the Association entered into a Limited Partnership as a General Partner sharing .5% in profits and losses and 25% in ownership capital. The partnership was formed for the purpose of constructing and maintaining a 30 unit low to moderate income townhouse community, "Sparrow Gardens Townhouses", located in Centerville, Louisiana. The total cost of the project was approximately to be \$1,390,000. This project was completed in January of 1996.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

July 19, 1996

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1996, and have issued our report thereon dated July 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the St. Mary Community Action Committee Association, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the Association's management are required to assess the expected benefits and related costs of internal control structure 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, and that transactions are

	HOMELESS PREVENTION	HOUSING DEPART- MENT	PARISH COUNCIL	HOME DAY CARE	CAA HURRICANE DISASTER	CSBG HURRICANE RELIEF	HEADSTART EMERGENCY SUPPLEMENT
Changes in unrestricted net assets	(1,506)	(9,165)	(3,341)	1,683	(606)	(777)	(21,882)
Other changes in unrestricted net assets:							
Transfer in	500	2113	5,729	1,147	(632)		(1,849)
Transfer out		(2,089)	(4,098)				
Increase (decrease) in unrestricted net assets	(1,006)	(9,141)	(1,710)	2,830	(1,238)	(777)	(23,731)
Changes in temporarily restricted net assets:							
Support Grants							
Federal	6,200		53,770				
Net assets released from restrictions:							
Satisfaction of program restrictions	(5,700)		(53,770)	(1,520)			
Increase (decrease) in temporarily restricted net assets	500	0	0	(1,520)	0	0	0
Increase (decrease) in net assets	(506)	(9,141)	(1,710)	1,310	(1,238)	(777)	(23,731)
Net assets at March 31, 1995, as restated	(89)		21,173	(851)	25	1,677	400,451
Net assets at March 31, 1996	<u>(\$595)</u>	<u>(\$9,141)</u>	<u>\$19,463</u>	<u>\$459</u>	<u>(\$1,213)</u>	<u>\$900</u>	<u>\$376,720</u>



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL AWARD PROGRAM TRANSACTIONS

July 19, 1996

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1996, and have issued our report thereon dated July 19, 1996.

In connection with our audit of the financial statements of the St. Mary Community Action Committee Association, Inc., and with our consideration of the Association's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain nonmajor federal award programs for the year ended March 31, 1996. As required by OMB Circular A-133, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and claims for advances and reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the St. Mary Community Action Association, Inc. had not complied, in all material respects, with those requirements.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 1996
Increase (Decrease) in Cash and Cash Equivalents

Cash flows from operating activities:	
Cash received from Federal grantors	\$3,300,949
Cash received from state grants	10,024
Cash received from local grants	21,531
Miscellaneous receipts	20,464
Cash paid to employees	(1,987,079)
Cash paid to vendors	(1,234,055)
Net cash provided by operating activities	<u>131,834</u>
Cash flows from investing activities:	
Purchase of fixed assets	(160,515)
Proceeds from asset disposition	1,078
Insurance proceeds	11,559
Net cash used in investing activities	<u>(147,878)</u>
Cash flows from financing activities:	
Payments on notes payable	(24,191)
Interest paid	1,571
Proceeds from loan	12,030
Net cash used by investing activities	<u>(10,590)</u>
Net decrease in cash and cash equivalents	(26,634)
Cash and cash equivalents at beginning of year	61,587
Cash and cash equivalents at end of year	<u>\$34,953</u>



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL
REQUIREMENTS APPLICABLE TO FEDERAL AWARD PROGRAMS

July 19, 1996

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1996, and have issued our report thereon dated July 19, 1996.

We have applied procedures to test the compliance of the St. Mary Community Action Committee Association, Inc. with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended March 31, 1996:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments" and/or the "Compliance Supplement for Audits of Institutions of Higher Learning and Other Nonprofit Institutions." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the St. Mary Community Action Committee Association, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

FEDERAL AWARDS, INTERNAL
ACCOUNTING CONTROL, AND COMPLIANCE SECTION

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ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITORS' REPORT

and

INDEPENDENT AUDITORS' REPORTS ON FEDERAL AWARDS, INTERNAL
ACCOUNTING CONTROL, AND COMPLIANCE

For the Year Ended March 31, 1996

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 OCT 16 1996

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. Mary Community Action Committee
Association, Inc.
Franklin, Louisiana

We have audited the statement of financial position of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of March 31, 1996, and the related statements of activity and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

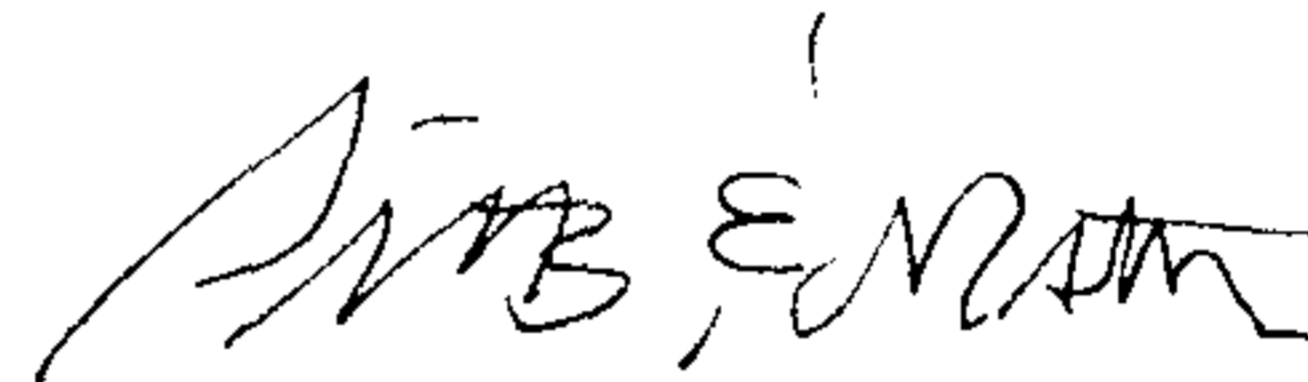
We conducted our audit in accordance with generally accepted auditing standards; Governmental Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 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 the St. Mary Community Action Committee Association, Inc. as of March 31, 1996, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 10 to the financial statements, during the current year, the Association changed its method of accounting for contributions and its method of financial reporting and financial statement presentation as prescribed by Statements of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" and No. 117, "Financial Statements of Not-for-Profit Organizations".

In accordance with Government Auditing Standards, we have also issued a report dated July 19, 1996, on our consideration of St. Mary Community Action Committee Association's internal control structure and a report dated July 19, 1996, on its compliance with laws and regulations.

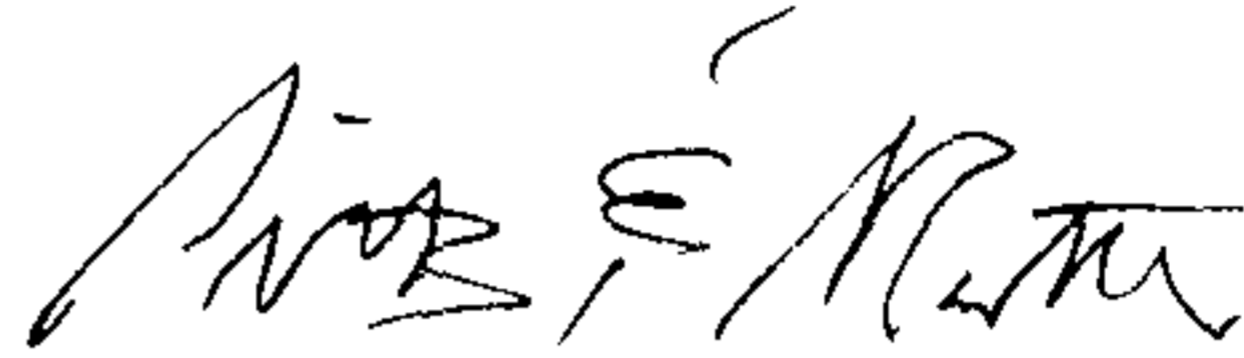
Our audit was made for the purpose of forming an opinion on the basic financial statements. The individual program statements of activity are presented, for additional analysis and are not a required part of the financial statements of the St. Mary Community Action Committee Association, Inc. Such information has been subjected to the auditing procedures applied in the examination 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.



CERTIFIED PUBLIC ACCOUNTANTS

July 19, 1996

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the St. Mary Community Action Committee Association, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED MARCH 31, 1996

**Changes in unrestricted
net assets:**

Support	
Grants	
Federal	\$262,987
State	10,024
Local	21,531
Contributions	153,998
Other	20,742
Net assets released from restrictions:	
Satisfaction of program restrictions	2,895,667
Total unrestricted support	<u>3,364,949</u>
Expenses	
Headstart program	2,852,811
Housing assistance programs	150,135
Transportation program	76,514
Childcare program	47,340
Emergency assistance programs	39,289
Other general assistance	66,095
Management and general	164,074
Total unrestricted expenses	<u>3,396,258</u>
Increase (decrease) in unrestricted net assets	(31,309)

**Changes in temporarily restricted
net assets:**

Support	
Grants	
Federal	2,855,146
Net assets released from restrictions:	
Satisfaction of program restrictions	(2,895,667)
Increase (decrease) in temporarily restricted net assets	(40,521)
Increase (decrease) in net assets	(71,830)
Net assets at March 31, 1995, as restated	729,651
Net assets at March 31, 1996	<u>\$657,821</u>

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

Schedule of Federal Awards
For the Year Ended March 31, 1996

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>Federal CFDA NUMBER</u>	<u>Revenue Recognized</u>	<u>Expenses Incurred</u>
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education			
* Child and Adult Care Food Program (Head Start reimbursement)	10.558	\$206,223	\$206,223
Child and Adult Care Food Program- (Day Care Home Program)	10.558	47,503	47,340
Passed through Louisiana Department of Agriculture and Forestry			
Food Distribution	10.550	28,834	28,834
Administrative Costs	10.550	<u>9,377</u>	<u>9,377</u>
Total U.S. Department of Agriculture		<u>282,560</u>	<u>291,774</u>
<u>U.S. Department of Housing and Urban Development</u>			
Housing Counseling Assistance Program	14.169	1,108	906
Passed through Louisiana Housing Finance Agency			
Housing Investment Partnership Program (Home Program)	14.231	34,161	33,863
Passed through Louisiana Department of Social Services Office of Community Services			
Emergency Shelter Grants Program	14.231	<u>5,782</u>	<u>5,782</u>
Total U.S. Department of Housing and Urban Development		<u>41,051</u>	<u>40,551</u>
<u>U.S. Department of Energy</u>			
Passed through Louisiana Department of Social Services Office of Community Services			
Weatherization Assistance for Low-Income persons	81.042	<u>28,363</u>	<u>28,363</u>
Total U.S. Department of Energy		<u>\$ 28,363</u>	<u>\$ 28,363</u>

Reconciliation of change in net assets to net cash by operating activities:

Change in net assets:		(\$71,830)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	94,787	
Gain on disposal	(278)	
Decrease in Grants receivable	188,884	
Decrease in Prepaids	95,501	
Decrease in checks issued in excess of cash	43,057	
Decrease in accounts payable	(212,194)	
Decrease in notes payable	(12,161)	
Decrease in deferred revenue	6,068	
Subtotal		<u>203,664</u>
Net cash used by operating activities		<u>\$131,834</u>

NOTE: The Association also received noncash contributions of rent and professional services totaling \$153,998 and contributed \$153,332 in net fixed assets to other agencies.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

March 31, 1996

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements follows:

The Association is a not-for-profit corporation designated as St. Mary Parish's official agency for the enactment and oversight of many social, education, and welfare programs for the citizens of the Parish. The Association receives Federal, state, and local funding to operate its various programs.

The following is a summary of the programs and their primary functions applicable to the Association during the year ended March 31, 1996:

<u>Fund</u>	<u>Funding Source</u>	<u>Functions</u>
Head Start #22	U.S. Dept. of Health and Human Services	To provide comprehensive health, educational, nutritional, social, and other services to economically disadvantaged preschool children.
Head Start Reimbursement	U.S. Dept. of Agriculture	To supply supplemental nutritious foods and nutrition education to low-income families.
Louisiana Housing Development	U.S. Dept. of Housing and Urban Development	To provide decent and affordable housing through development, construction, and rehabilitation.
LIHEAP Utility Payments	U.S. Dept. of Health and Human Services	To assist eligible households to meet home energy costs.
Weatherization	U.S. Dept. of Energy	To weatherize dwellings of low-income individuals.
Housing Counseling	U.S. Dept. of Housing and Urban Development	To provide a full range of services, advice, and assistance to housing consumers in improving their housing conditions and meeting the responsibilities of homeownership and tenancy.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

<u>Fund</u>	<u>Funding Source</u>	<u>Functions</u>
Homeless Prevention	U.S. Dept. of Health and Human Services	To prevent homelessness by assisting in mortgage and rent payments, utility disconnection prevention, and transportation for medical and job purposes.
Housing Department	St. Mary Community Action Association, Inc.	To provide housing assistance, counseling, etc. regarding home ownership.
Parish Council	St. Mary Parish Council	To supplement transportation services.
Home Day Care	U.S. Dept. of Agriculture	To supply nutritious foods to children in child-care facilities.
Community Action Agency Hurricane Disaster	LA Realtor's Association	To assist victims of Hurricane Andrew with building materials.
Community Services Block Grant-Hurricane Relief	U.S. Dept of Health and Human Services	To provide assistance to eligible households directly affected by the hurricane.
Head Start Emergency Supplement	U.S. Dept of Health and Human Services	To assist in recovery of Head Start program and families affected by Hurricane Andrew.
OCS Disaster Relief Assistance	U.S. Dept of Health and Human Services	To assist eligible households that have incurred financial hardship as a result of costs associated with Hurricane Andrew.
FEMA Emergency Assistance	Federal Emergency Management Agency	To assist eligible clients with utility, rent, emergency shelter, and food assistance.
Emergency Shelter	U.S. Dept of Health and Human Services	To provide emergency housing for victims of fire, floods, storms and other natural disasters.
General	Various	General operations.
Community Services Block Grant	U.S. Dept. of Health and Human Services	To provide administrative assistance to non-profit community service organizations.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

<u>Fund</u>	<u>Funding Source</u>	<u>Functions</u>
01 State	State of Louisiana	To supplement administrative costs

Basis of Accounting

The accrual basis of accounting is generally used by the Association.

Support and Revenues

A significant portion of the Association's support and revenues is in the form of grants from governmental agencies. These grants are generally recognized as revenue to the extent that expenses have been incurred for purposes specified by the grantor.

Expenses

Assets or expenses and their related liabilities are recorded when the related goods or services are received by the Association.

Utilization of Contributed Goods, Services or Facilities

In general contributed goods and facilities that meet the proper criteria are recorded as items of support or revenue with a like amount recorded as expense upon receipt at fair market value.

In accordance with Financial Accounting Standards No. 116, contributions of services shall be recognized only if the services received a) create or enhance nonfinancial assets or b) require specialized skills and the person providing the service possesses the specialized skill.

Fixed Assets

Purchased furniture, fixtures, and other equipment are valued at their actual cost or estimated cost. Contributed items are valued at their estimated fair market value at the date of the contribution. Fixed assets are depreciated over their estimated useful lives on the straight-line basis. Fixed assets purchased with federal dollars may need to be returned to the grantor, sold or retained by the organization in accordance with the respective grant agreements upon program completion.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. No liability is accrued in these financial statements because the accumulated amount of accrued compensated absences is immaterial to the financial statements.

Net assets

In accordance with the Statement of Financial Accounting Standards #117, the Association must report net assets in each of the following three classes:

- a. permanently restricted - net assets in this category are restricted by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization
- b. temporarily restricted - net assets in this category are restricted by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization
- c. unrestricted - net assets in this category are not restricted by donor-imposed restrictions.

The Association has unrestricted and temporarily restricted net assets.

The temporary restrictions result from grants received with restrictions that expire when those donor-imposed stipulations have been met. Once the stipulation related to the restriction has been met these temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Association considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

Income Tax Status

The Association operates as a not-for-profit organization. It is accorded tax exempt status under Section 501 (c) (3) of the Internal Revenue Code.

NOTE 2 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Association expects such amounts, if any, to be immaterial.

NOTE 3 - FIXED ASSETS

The following is a summary of fixed assets by major category with their related estimated useful lives:

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Building	\$ 459,631	35 years
Vehicles	352,919	3 years
Furniture and fixtures	47,899	5 years
Machinery and equipment	168,381	5 years
Leasehold improvements	<u>23,521</u>	5 years
Total	1,052,351	
Less: accumulated depreciation	<u>340,578</u>	
	<u>\$ 711,773</u>	

Depreciation for the year ended March 31, 1996 totaled approximately \$95,000.

NOTE 4 - LEASES

At March 31, 1996, the Association had five significant operating leases in effect. The leases cover the buildings in various locations used to service recipients of the Association's services. Total rent expense for the year ended March 31, 1996 totaled \$41,040.

The future minimum lease payments for the five leases for 1997 are approximately \$5,700.

NOTE 5 - NOTE PAYABLE

At March 31, 1996, the Association was indebted to Whitney National Bank in the amount of \$8,000 on an unsecured demand note with a stated interest rate of 9.75 percent.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 1996

ASSETS

Current assets		
Cash		\$34,953
Grants receivable		45,008
Total current assets		<u>79,961</u>
Fixed assets - less accumulated depreciation		<u>711,773</u>
Total assets		<u>\$791,734</u>

LIABILITIES AND NET ASSETS

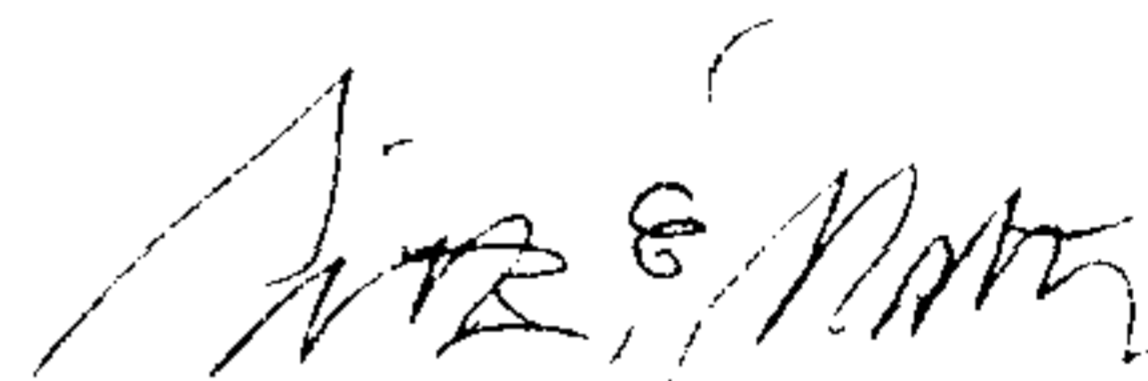
Current liabilities		
Checks issued in excess of bank balances-		\$5,172
Accounts payable and accrued expenses		120,741
Notes payable		8,000
Total current liabilities		<u>133,913</u>
Net assets		(47,368)
Unrestricted		
Temporarily restricted for:		
Fixed assets with explicit restrictions on use	\$692,532	
Housing assistance programs	9,292	
Emergency assistance programs	3,365	705,189
Total net assets		<u>657,821</u>
Total liabilities and net assets		<u>\$791,734</u>

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

In our opinion, the St. Mary Community Action Committee Association, Inc. complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended March 31, 1996.

A similar letter issued by us dated September 22, 1995, for the year ended March 31, 1995 reported no material instances of noncompliance.

This report is intended solely for the information of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS

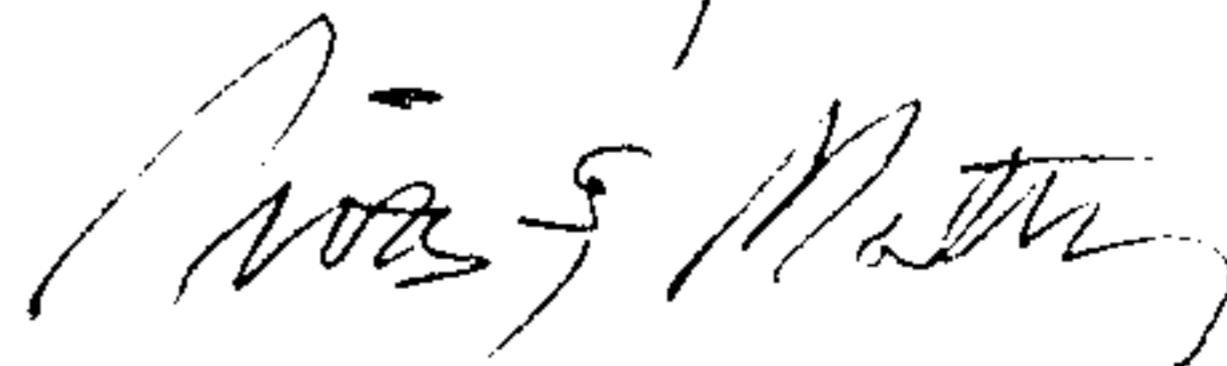
executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any 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.

In planning and performing our audit of the financial statements of the St. Mary Community Action Committee Association, Inc., for the year ended March 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion of the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure 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 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 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

A similar letter issued by us dated September 22, 1995, for the year ended March 31, 1995, reported no material weaknesses in internal accounting control.

This report is intended solely for the use of management, Federal regulatory agencies and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL AWARDS

July 19, 1996

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1996, and have issued our report thereon dated July 19, 1996. We have also audited the compliance of St. Mary Community Action Committee Association with requirements applicable to major federal award programs and have issued our report thereon dated July 19, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the St. Mary Community Action Committee Association complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing our audits for the year ended March 31, 1996, we considered the internal control structure of the St. Mary Community Action Committee Association in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the St. Mary Community Action Committee Association and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated July 19, 1996.

The management of the St. Mary Community Action Committee Association is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure 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 executed in accordance with management's authorization and recorded properly to permit the preparation of the 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, errors, irregularities, or instances of noncompliance 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, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

INTERNAL ACCOUNTING CONTROLS

- General
- Cash
- Support, program service fees, revenue, and receivables
- Contributed materials, facilities, and services
- Expenses for program and supporting services and accounts payable
- Payroll and related liabilities
- Property and equipment
- Debt and other liabilities
- Net assets

FEDERAL PROGRAM ADMINISTRATIVE CONTROLS

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific Requirements

Types of services allowed or unallowed
Eligibility
Matching, level of effort, and earmarking
Federal financial reports and claims for advances and reimbursements
Amounts claimed or used for matching
Cost allocation
Expenditure in proper fiscal period
Outreach requirement
State and local licensing requirements

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

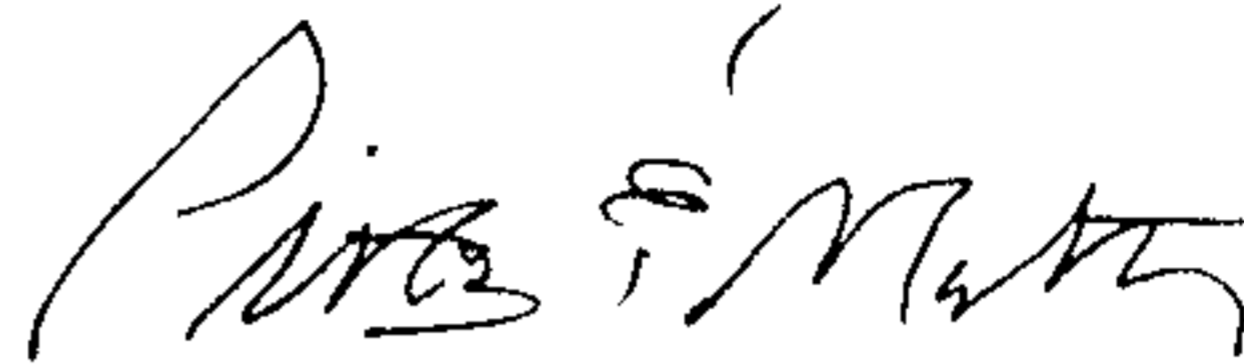
During the year ended March 31, 1996, the St. Mary Community Action Committee Association, Inc., expended 92% percent of its total federal awards under major federal award programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we 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 used for matching that are applicable to each of the Association's major federal award programs, which are identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 award program 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 structure and its operations that we consider to be material weaknesses as defined above.

A similar letter issued by us dated September 22, 1995, for the year ended March 31, 1995, reported no material weaknesses in relation to a federal award program.

This report is intended solely for the use of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script, appearing to read "P. J. Smith".

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

July 19, 1996

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1996, and have issued our report thereon dated July 19, 1996.

We conducted our 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 Nonprofit Institutions." Those standards and OMB Circular A-133 require that we 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 the St. Mary Community Action Committee Association, Inc. is the responsibility of the St. Mary Community Action Committee Association, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the St. Mary Community Action Committee Association, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.



INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
FEDERAL AWARDS

July 19, 1996

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc., (a nonprofit organization) as of and for the year ended March 31, 1996, and have issued our report thereon dated July 19, 1996. These financial statements are the responsibility of the Association'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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC
REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS

July 19, 1996

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1996 and have issued our report thereon dated July 19, 1996.

We have also audited the compliance of the St. Mary Community Action Committee Association Inc. with the requirements governing types of services allowed or not allowed; eligibility; matching, level of effort, or earmarking; reporting; cost allocation; expenditure in proper fiscal period; outreach requirement; state and local licensing requirements; federal reports and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended March 31, 1996. The management of the St. Mary Community Action Committee Association, Inc. is responsible for the Association's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
 STATEMENTS OF ACTIVITY BY PROGRAM
 FOR THE YEAR ENDED MARCH 31, 1996

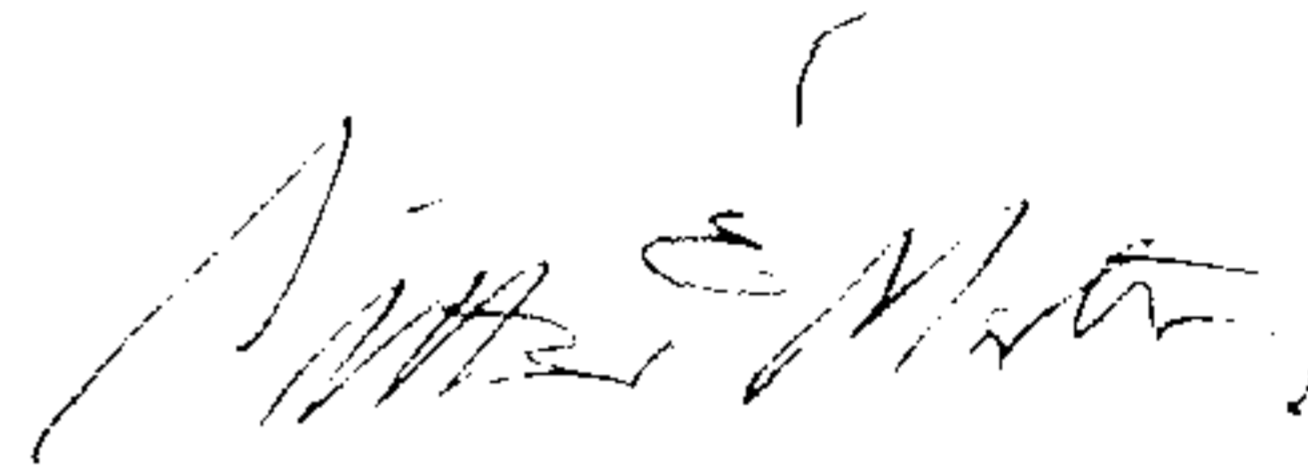
	OCS RELIEF ASSISTANCE	FEMA EMERGENCY SHELTER	GENERAL FUND	COMMUNITY SERVICES BLOCK GRANT	TOTAL ALL PROGRAMS
Changes in unrestricted net assets:					
Support Grants		\$3,056	\$6,205		\$262,987
Federal			10,024		10,024
State			2,406		21,531
Local					
Other support			28,835		28,835
Utilization of contributed food					60,353
Utilization of contributed professional services					64,810
Utilization of contributed facilities					20,742
Other		(\$190)	9,682	\$7,884	
Net assets released from restrictions:					
Satisfaction of program restrictions		3,276		\$153,117	2,895,667
Total unrestricted support	0	3,056	57,152	153,117	3,364,949
Expenses					
Salaries			10,797	118,742	1,950,247
Utilization of contributed food			28,835		28,835
Utilization of contributed professional services			474	7,137	60,353
Professional services Contractual					82,547
Machinery and equipment			3,242		3,242
Renovation			197		90,925
Rent					41,040
Services		1,550	1,190		124,658
Utilization of contributed facilities					64,810
Contributions made to other agencies					153,332
Supplies	77	4,482	1,151	2,736	86,510
Travel and van costs			536	1,418	75,622
Insurance			1,521	5,908	157,288
Services provided to community					
Emergency assistance	1,770		402	2,849	5,271
Food	149		384	2,700	115,980
Medical					19,670
Rent	3,219				8,269
Utility payments	2,675	445		2,975	12,058
Homework center				396	396
Heatwave Intervention	38	1,621	17,366	9,602	217,443
Other				740	94,787
Depreciation					
Total unrestricted expenses	0	7,928	66,095	155,203	3,396,258

SUPPLEMENTARY INFORMATION

With respect to items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the St. Mary Community Action Committee Association had not complied, in all material respects, with those requirements.

A similar letter issued by us dated September 22, 1995, for the year ended March 31, 1995 reported one material instance of noncompliance, which was corrected in the current period.

This report is intended solely for the information of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS

A similar report issued by us dated September 22, 1995, for the period ended March 31, 1995 reported no material instances of noncompliance.

This report is intended solely for the information of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in dark ink, appearing to read "J. E. Martin". The signature is written in a cursive style with a large initial "J" and "M".

CERTIFIED PUBLIC ACCOUNTANTS

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
For the Year Ended March 31, 1996

NOTE 1 - REPORTING METHOD

In some instances, revenues and expenses per this schedule may not equal amounts reported in the basic financial statements because revenues and expenses in this schedule are reported on the basis of grant reporting requirements rather than on the basis of generally accepted accounting principles.

NOTE 2 - FOOD DISTRIBUTION

U.S.D.A. commodities are presented within the financial statements as contribution revenue and expense.

NOTE 3 - HEAD START

For purposes of this schedule, the amount reported as "expenses incurred" for the Head Start program of \$2,519,468 does not include \$60,660 in depreciation expense, \$307,330 in contributions, \$21,848 of transfers in and \$28,406 of repaid loans from Head Start Reimbursement; but this figure does include \$166,459 in fixed asset additions.

NOTE 4 - WEATHERIZATION

For the purpose of this schedule, the amount reported as expenditures does not include \$3,848 of revenues received after March 31, 1996 for expenditures related to expenses incurred during April 1996 related to the April 1, 1995 through March 31, 1996 program year.

NOTE 5 - JOB OPPORTUNITIES AND BASIC SKILLS TRAINING
(Project Independence)

The funds for the Project Independence program are composed of fifty percent federal funds and fifty percent state funds. The amounts reported in this schedule include both federal and state portions applicable to this program.

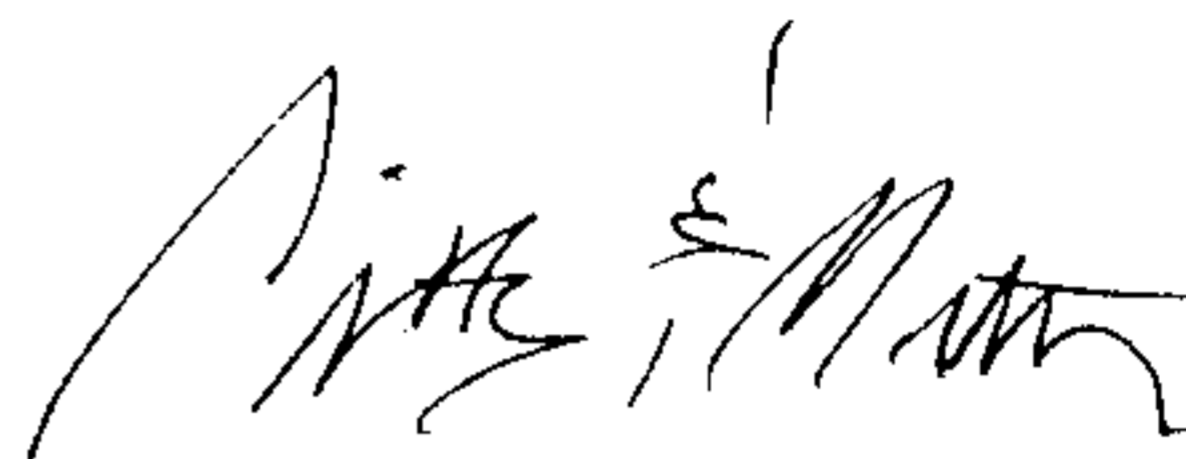
<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>Federal CFDA NUMBER</u>	<u>Revenue Recognized</u>	<u>Expenses Incurred</u>
<u>Federal Emergency Management Agency</u>			
Passed through the Louisiana Department of Military Affairs-Office of Emergency Preparedness Disaster Assistance	83.516	\$ <u>3,056</u>	\$ <u>3,056</u>
Total Federal Emergency Management Agency		<u>3,056</u>	<u>3,056</u>
<u>U.S. Department of Health and Human Services</u>			
Administration for Children and Families			
* Head Start	93.600	2,515,304	2,519,468
Passed through Louisiana Department of Social Services Office of Community Services			
Low-income Home Energy Assistance	93.568	56,601	56,601
State Emergency Shelter Grants Program	93.003	3,782	3,782
Passed through Louisiana Department of Labor			
* Community Services Block Grant	93.569	153,857	155,203
Community Services Block Grant (Homeless/ Homeless Prevention)	93.569	6,200	7,206
Passed through Louisiana Department of Social Services Office of Family Support			
Job Opportunities and Basic Skills Training (Project Independence)	93.561	<u>53,771</u>	<u>53,771</u>
Total U.S. Department of Health and Human Services		<u>2,789,515</u>	<u>2,796,031</u>
Total Federal Financial Assistance		<u>\$3,144,545</u>	<u>\$3,159,775</u>

* denotes major program

The accompanying notes are an integral part of this schedule.

A similar letter issued by us dated September 22, 1995, for the year ended March 31, 1995, reported one material instance of noncompliance which was corrected in the current year.

This report is intended solely for the use of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to read "N. H. & M. H.", is written in a cursive style.

CERTIFIED PUBLIC ACCOUNTANTS