

9104

RECEIVED
LEGISLATIVE AUDITOR
04 JUL -2 AM 11:29

CAMERON COMMUNITY ACTION AGENCY, INC.
CAMERON, LOUISIANA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
December 31, 2003

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

Release Date 8-4-04

CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2 - 3
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	4 - 5
Schedule of Findings and Questioned Costs	6 - 7
Statement of Financial Position	8
Statement of Activities	9
Statement of Cash Flows	10
Notes to Financial Statements	11 - 14
SUPPLEMENTARY DATA	
Schedule of Federal Financial Assistance	16
Compensation for Board Members	17
Schedule of Prior Year Findings	17

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

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, 2003, and the related statements of activities and cash flows for the year then ended. These 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Community Action Agency, Inc. as of December 31, 2003, and 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 a report dated June 26, 2004, on my consideration of Cameron Community Action Agency, Inc.'s internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Cameron Community Action Agency, Inc. 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.

Elliott & Assoc. "APAC"
Leesville, Louisiana
June 26, 2004

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

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 the Cameron Community Action Agency, Inc. as of and for the year ended December 31, 2003, and have issued my report thereon dated June 26, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the 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 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 solely for the information of the Board of Directors and management of the Cameron Community Action Agency, Inc., the Legislative Auditor's office of the State of Louisiana, and federal and state awarding agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Elliott & Assoc. "APAC"

Leesville, Louisiana

June 26, 2004

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

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

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

Compliance

I have audited the compliance of the 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, 2003. The Cameron Community Action 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 the Cameron Community Action Agency, Inc.'s management. My responsibility is to express an opinion on the Cameron Community Action Agency, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on the Cameron Community Action Agency, Inc.'s compliance with those requirements.

In my opinion, the 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 of the year ended December 31, 2003.

Internal Control Over Compliance

The management of the 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 performing my audit, I considered the 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 the 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 solely for the information of the Board of Directors and management of the Cameron Community Action Agency, Inc., the Legislative Auditor's office of the State of Louisiana, and federal and state awarding agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Elliott & Assoc. "APAC"

Leesville, Louisiana

June 26, 2004

Cameron Community Action Agency, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 2003

I have audited the financial statements of the Cameron Community Action Agency, Inc. as of and for the year ended December 31, 2003, and have issued my report thereon dated June 26, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. *Report on Internal Control and Compliance
Material to the Financial Statements*

Internal Control

Material Weaknesses Yes No
Reportable Conditions Yes No

Compliance

Compliance Material to Financial
Statements Yes No

b. *Federal Awards*

Internal Control

Material Weaknesses Yes No N/A
Reportable Conditions Yes No N/A

Type of Opinion On Compliance For Major Programs

Unqualified Qualified
Disclaimer Adverse
N/A

Are their findings required to be reported in accordance with Circular A-133,
Section .510(a)?

Yes No N/A

c. Identification of Major Programs

CFDA Number(s)

Name of Federal Program

93.600

Head Start Projects - Center Base

Dollar threshold used to distinguish between Type A and Type B Programs:
\$300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?
(X) Yes () No () N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

CAMERON COMMUNITY ACTION AGENCY, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2003

ASSETS

Current Assets	
Cash and cash equivalents	\$ 49,469
Other receivable	<u> ---</u>
Total Current Assets	<u>49,469</u>
Noncurrent Assets	
Property and equipment (net)	<u>249,389</u>
Total Noncurrent Assets	<u>249,389</u>
Total Assets	<u>\$298,858</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Note and accounts payable	\$ 47,151
Accrued vacation pay	<u>5,341</u>
Total Current Liabilities/Total Liabilities	<u>52,492</u>
Net Assets	
Unrestricted	<u>246,366</u>
Total Unrestricted Net Assets/Total Net Assets	<u>246,366</u>
Total Liabilities and Net Assets	<u>\$298,858</u>

The accompanying notes are an integral part of this statement.

CAMERON COMMUNITY ACTION AGENCY, INC.
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2003

UNRESTRICTED NET ASSETS	
Unrestricted Revenues	
Grants	\$733,176
Contributions	22,210
Services	11,525
Interest income	73
Other	<u>9,725</u>
Total Unrestricted Revenues	<u>776,709</u>
Expenses	
Program Services	
Community Service Block Grant	58,555
Child and Adult Food Program	44,886
Head Start	497,769
Other programs (Note 15)	<u>177,383</u>
Total Program Services	<u>778,593</u>
Support Services	
Depreciation	<u>39,049</u>
Total Support Services	<u>39,049</u>
Total Expenses	<u>817,642</u>
Decrease in Unrestricted Net Assets	(40,933)
NET ASSETS AT BEGINNING OF YEAR	<u>287,299</u>
NET ASSETS AT END OF YEAR	<u>\$246,366</u>

The accompanying notes are an integral part of this statement.

CAMERON COMMUNITY ACTION AGENCY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Net decrease in net assets	\$ (41,005)
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Depreciation	39,049
Decrease in receivables	3,400
Decrease in accounts payable and accrued expenses	<u>(3,028)</u>
Net cash used by operating activities	<u>(1,584)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>73</u>
Net cash provided by investing activities	<u>73</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Purchase of building and vehicles	(19,817)
Increase in notes payable	<u>19,471</u>
Net cash used by financing activities	<u>(346)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,857)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>51,326</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 49,469</u>

The accompanying notes are an integral part of this statement.

CAMERON COMMUNITY ACTION AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

Cameron Community Action Agency, Inc., (Agency) 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 and social services; establishing other programs designed to meet pressing community needs; and acting as the sponsor of the Head Start program in Cameron Parish neighborhood environment.

Basis of Accounting

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

Basis of Presentation

The Cameron Community Action Agency, Inc. has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS no. 117, the Agency 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. As permitted by the statement, the Agency does not use fund accounting. Furthermore, the Agency does not have any temporarily restricted or permanently restricted net assets.

Cash and Cash Equivalents

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

Concentration of Revenue/Support

The Agency 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.

CAMERON COMMUNITY ACTION AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 increase in unrestricted net assets unless the donor has restricted the donated assets 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 agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

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.

Income Taxes

The Agency 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.

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 - Cash Collateral

As of December 31, 2003, cash held by the Cameron Community Action Agency, Inc. was secured in full by FDIC (Federal Depositors Insurance Corporation) insurance at the financial institution where deposited.

CAMERON COMMUNITY ACTION AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3 - Property and Equipment

Property and equipment consist of the following:

Buildings	\$213,125
Less: Accumulated depreciation	(41,020)
Furniture and fixtures	46,841
Less: Accumulated depreciation	(38,392)
Vehicles	185,391
Less: Accumulated depreciation	<u>(116,556)</u>
Net	<u>\$249,389</u>

Note 4 - Commitments

None

Note 5 - Long-term Debt

None

Note 6 - Related Party Transaction

None

Note 7 - 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 8 - Pension Plans

The Agency does not have a pension plan for its employees; however, they do participated in the FICA program.

Note 9 - Compensated Absences

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

Note 10 - Off-Balance Sheet Risk

The Agency does not engage in off-balance sheet financing as defined in FAS Statement 105.

CAMERON COMMUNITY ACTION AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 11 - Economic Dependency

The Agency received a substantial amount of its support from the Federal Governments and State Grants. Renewal of these grants are subject to approval from year to year.

Note 12 - Subsequent Events

None

Note 13 - Contingencies

None

Note 14 - Risk Management

The agency is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Agency carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF COVERAGE
Workmen's compensation	\$ Statutory
Auto liability	500,000
Commercial general liability	300,000
District-owned buildings and equipment	205,000

The Agency covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Agency was not involved in any litigation nor did it have asserted claims lodged against it.

Note 15 - Interest Expense

Included in program services - other programs expense is \$1176 interest expense incurred by the Agency for the year ended December 31, 2003.

SUPPLEMENTARY DATA

CAMERON COMMUNITY ACTION AGENCY, INC.
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the Year Ended December 31, 2003

<u>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURE</u>
U. S. Department of Health and Human Services		
Head Start*	93.600	\$ 497,769
Community Services Block Grant	93.569	58,555
LIHEAP Energy Assistance	93.568	<u>15,497</u>
Total U.S. Dept. of Health And Human Services		<u>571,821</u>
U. S. Department of Labor		
Title IB WIA Youth Funds	17.259	<u>30,973</u>
U. S. Department of Agriculture		
Passed through LA. Dept. of Education Child and Adult Food Program	10.558	<u>44,886</u>
U. S. Department of Education		
Passed through the LA. Dept. of Education Education Basic Grant	84.002A	<u>40,680</u>
U. S. Federal emergency Management Agency	83.523	<u>2,000</u>
Totals		<u>\$ 690,360</u>

*Denotes Major Federal Program

Note: All expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Agency's accounting policies.

See independent auditor's report.

CAMERON COMMUNITY ACTION AGENCY, INC.
COMPENSATION FOR BOARD MEMBERS

For the Year Ended December 31, 2003

During the year ended December 31, 2003, no per diem payments or other compensation payments were made to board members.

Cameron Community Action Agency, Inc.
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 2003

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were no prior year findings relating to internal control and compliance material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no prior year management letter.

See independent auditor's report.