

CENLA COMMUNITY ACTION COMMITTEE, INC.

AUDIT REPORT

MARCH 31, 2007

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 10/24/07

Terrie L. Jackson
Certified Public Accountants

CENLA COMMUNITY ACTION COMMITTEE, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT ON EXAMINATION OF THE FINANCIAL STATEMENTS	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
NOTES TO THE FINANCIAL STATEMENTS	7-12
 <u>SUPPLEMENTAL INFORMATION</u> 	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	14
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>	15-16
REPORT ON COMPLIANCE WITH REQUIRMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CIRCULAR A-133	17-18
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	20-21
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR LOUISIANA LEGISLATIVE AUDITOR	22
COMBINING STATEMENTS OF FINANCIAL POSITION	23
COMBINING STATEMENTS OF ACTIVITIES	24

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cenla Community Action Committee, Inc.
Alexandria, Louisiana

We have audited the accompanying statements of financial position of Cenla Community Action Committee, Inc. (Cenla) as of March 31, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Cenla Community Action Committee, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Cenla Community Action Committee, Inc. as of March 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2007 on our consideration of Cenla Community Action Committee, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and

the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Cenla taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Houston, Texas
September 21, 2007

Cenla Community Action Committee, Inc.
 Statements of Financial Position
 March 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Current assets		
Cash	\$ 268,130	\$ 219,615
Grants receivable	380,552	372,567
Other assets	-	<u>2,338</u>
Total current assets	648,682	594,519
 Prepaid expenses	 8,547	 32,091
 Property and Equipment		
Furniture, fixtures, equipment	997,822	997,822
Vehicles	1,237,048	947,184
Buildings	1,525,492	1,525,492
Land	45,225	45,225
Less accumulated depreciation	<u>(1,877,834)</u>	<u>(1,730,785)</u>
Net property and equipment	1,927,753	1,784,938
 Total assets	 <u>\$ 2,584,982</u>	 <u>\$ 2,411,549</u>
 Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 471,306	\$ 208,492
Accrued liabilities	70,036	203,889
Deferred revenues	-	150,914
Current portion of long term debt	<u>218,482</u>	<u>43,115</u>
Total current liabilities	759,824	606,410
 Noncurrent liabilities		
Notes payable	<u>563,168</u>	<u>781,687</u>
Total liabilities	1,322,992	1,388,097
 Net assets		
Unrestricted	148,657	63,316
Temporarily restricted	15,111	-
Permanently restricted	<u>1,098,222</u>	<u>960,136</u>
Total net assets	1,261,990	1,023,452
Total liabilities and net assets	<u>\$ 2,584,982</u>	<u>\$ 2,411,549</u>

See accompanying notes.

Cenla Community Action Committee, Inc.
 Statements of Activities
 For the Years Ended March 31, 2007 and 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2007 Total</u>	<u>2006 Total</u>
<u>Revenues, gains, and other support:</u>					
Grant funds	\$ -	\$ 7,274,617	\$ -	7,274,617	\$ 7,391,049
Interest	-	-	-	-	-
Local	50,114	-	-	50,114	11,593
Senior Citizens	50,880	-	-	50,880	60,266
Other	23,972	-	-	23,972	2,572
	<u>124,966</u>	<u>7,274,617</u>	<u>-</u>	<u>7,399,582</u>	<u>7,465,480</u>
<u>Net assets released from restriction:</u>					
Satisfaction of program restrictions	6,926,520	(6,926,520)	-	-	-
Satisfaction of capital acquisition	-	(289,864)	289,864	-	-
Mortgage payments	-	(43,122)	43,122	-	-
Expiration of time restrictions	147,049	-	(147,049)	-	-
	<u>7,073,569</u>	<u>(7,259,506)</u>	<u>185,937</u>	<u>-</u>	<u>-</u>
Total unrestricted revenues, gains, and other support	7,198,535	15,111	185,937	7,399,582	7,465,480
<u>Expenses and losses:</u>					
Head Start and Early Head Start Grant	6,111,208	-	-	6,111,208	5,996,575
Child and Adult Care Food Program	539,904	-	-	539,904	531,853
Community Services Block Grant	406,473	-	-	406,473	446,071
Home Energy Assistance	13,228	-	-	13,228	308,200
Home Land Security	1,585	-	-	1,585	-
TANF	7,251	-	-	7,251	-
FEMA	7,165	-	-	7,165	-
Senior Citizens	74,232	-	-	74,232	33,045
Client Assistance	-	-	-	-	22,065
Total expenses and losses	7,161,045	-	-	7,161,045	7,337,809
Changes in net assets:	37,490	15,111	185,937	238,538	127,671
Net assets at beginning of year	<u>111,167</u>	<u>-</u>	<u>912,285</u>	<u>1,023,452</u>	<u>895,781</u>
Net assets at end of year	<u>\$ 148,657</u>	<u>\$ 15,111</u>	<u>\$ 1,098,222</u>	<u>\$ 1,261,990</u>	<u>\$ 1,023,452</u>

See accompanying notes.

Cenla Community Action Committee, Inc.
 Statements of Cash Flows
 For the Years Ended March 31, 2007 and 2006

	2007	2006
<u>Cash flows from operating activities:</u>		
Cash received from grants	\$ 7,391,598	\$ 7,410,412
Cash paid to employees and suppliers	(6,829,747)	(7,107,030)
Interest paid	(63,527)	(67,078)
Net cash provided (used) by operating activities	498,324	236,304
<u>Cash flows from investing activities:</u>		
Capital purchases	(289,864)	(174,887)
Other	(116,793)	(17,196)
Net cash provided (used) by investing activities	(406,657)	(192,083)
<u>Cash flows from financing activities:</u>		
Increase (Decrease) in notes payable	(43,152)	(64,089)
Other	-	-
Net cash provided (used) by financing activities	(43,152)	(64,089)
Net increase (decrease) in cash	48,515	(19,868)
Cash at beginning of year	219,615	239,483
Cash at end of year	\$ 268,130	\$ 219,615
<u>Reconciliation of change in net assets</u>		
<u>to net cash provided by operating activities:</u>		
Change in net assets	\$ 238,538	\$ 127,671
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	147,049	140,947
Change in receivables	(7,985)	(55,068)
Change in accounts payables	120,722	22,754
Net cash provided (used) by operating activities	\$ 498,324	\$ 236,304

See accompanying notes
Page 5

Cenla Community Action Committee, Inc.
Statements of Functional Expenses
March 31, 2007 and 2006

Expenses:	Early and	Child and	Community	Homeland	Energy	FEMA	TANF	Senior	Other	2007	2006
	Regular Head Start	Adult Care Food	Services	Security				Citizens	General Services	TOTAL	TOTAL
Personnel	\$ 3,630,400	\$ 148,767	\$ 275,094	\$ 1,585	\$ 9,163	\$ -	\$ -	\$ 24,293	\$ -	\$ 4,089,302	\$ 3,975,505
Fringe benefits	1,129,713	177,889	63,145	-	2,543	-	-	16,876	-	1,390,166	1,370,085
Travel	46,618	1,971	7,132	-	-	40	-	3,049	-	58,810	44,965
Equipment	-	-	-	-	-	-	-	-	-	-	3,395
Supplies	213,614	892	-	-	455	189	-	-	-	215,150	205,539
Occupancy	118,283	-	-	-	-	-	-	275	-	118,558	138,518
Contractual	74,876	-	-	-	250	-	-	-	-	75,126	96,500
Telephone	27,917	-	-	-	-	62	-	976	-	28,956	42,366
Utilities	263,529	-	-	-	141	-	-	1,178	-	264,849	178,704
Insurance	75,731	-	-	-	-	-	-	-	-	75,731	122,510
Vehicle operation	188,515	-	-	-	-	-	-	-	-	188,515	17,282
Maintenance	34,154	11,425	-	-	-	-	-	1,616	-	47,194	190,892
Office expense	-	-	-	-	-	-	-	-	-	-	5,412
Professional services	57,941	-	-	-	-	-	-	-	-	57,941	54,619
Food and supplies	21,058	194,773	-	-	-	4,819	-	-	-	220,650	302,922
Interest expense	63,527	-	-	-	-	-	-	-	-	63,527	67,078
Miscellaneous	914	-	-	-	-	-	-	-	-	914	68,997
Client assistance	211	-	18,245	-	-	1,899	7,251	19,136	-	46,743	292,417
Other	17,158	4,188	42,856	-	675	155	-	6,833	-	71,865	19,159
Total	\$ 5,964,159	\$ 539,904	\$ 406,473	\$ 1,585	\$ 13,228	\$ 7,165	\$ 7,251	\$ 74,232	\$ -	\$ 7,013,996	\$ 7,196,862
Depreciation	147,049	-	-	-	-	-	-	-	-	147,049	140,947
Total	\$ 6,111,208	\$ 539,904	\$ 406,473	\$ 1,585	\$ 13,228	\$ 7,165	\$ 7,251	\$ 74,232	\$ -	\$ 7,161,045	\$ 7,337,809

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Program Description -

The Cenla Community Action Committee, Incorporated was incorporated by the State of Louisiana on September 27, 1971. Specifically, the corporation is organized to:

- A. promote and develop economic opportunity in the community comprising all of the Parish of Rapides and the State of Louisiana,
- B. provide services, directly and indirectly to those in need of increased economic opportunity,
- C. promote the education and welfare of the people of the community and State of Louisiana,
- D. provide decent housing that is affordable to low and moderate income people or homeless individuals,
- E. to mobilize such human and financial resources as may be available to combat poverty and economic instability in the community and the State of Louisiana, and
- F. to avail itself and the community of the benefits conferred by Public Law 88-452, 78 stat. 508, as may be periodically amended and supplemented by other statues and by appropriate rules and regulations of any administrative body.

Cenla's operations are segregated into general grant programs as follows:

Head Start Program (HS) provides comprehensive educational and support services to low-income and disabled children three to five years of age and children who have not reached the compensatory school age. This program provides health, mental health, nutrition, education and parent involvement services to children in an effort to enable the child to function at an optimum level in their environment.

Early Head Start Program (EHS) provides similar services as Head Start to children zero to three years of age. Cenla operates Head Start and Early Head Start centers in Rapides Parish. The goal of the program is to bring about a greater depth of social competence in children by considering the total development of the child, to enable parents to become better caregivers and teachers to and for their children, and to assist parents in obtaining their personal goals including education and economic independence. Funding is provided through federal funds from the U.S. Department of Health and Human Services.

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(Continued)

Child and Adult Care Food Program (CACFP) provides a food service program in conjunction with the Head Start and Early Head Start Programs. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

Community Services Block Grant (CSBG) provides administrative costs for various programs in order to provide assistance to low-income, disadvantaged and unemployed persons through providing emergency assistance, transportation services, housing services, nutrition services, community projects, employment services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

Home Energy Assistance Program (LIHEAP) provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

Senior Citizens Program provides funding to meet various needs of senior citizens of Rapides Parish. Funding is provided by an ad valorem tax passed through the Rapides Parish Police Jury.

Temporary Assistance for Needy Families (TANF) provides earned income tax credit (EITC) outreach and free federal tax preparation services for low-income individuals and families. Funding is provided through federal funds passed through the Department of Health and Human Services.

Reporting Entity - The governing body of Cenla is its Board of Directors. The Board appoints an Executive Director to administer the affairs of the agency. Cenla is not considered a component of the city, county or any governmental body. The governing board independently oversees the agencies operations.

- 1) The accompanying financial statements include all of the organization's programs, activities and functions of Cenla for which the Board has oversight responsibility, except as described in the following paragraph. Such oversight responsibilities include designation of management, the ability to significantly influence operations, accountability for fiscal matters, and the scope of public services.
- 2) Some equipment is owned by Cenla while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment purchased with grant funds, therefore its disposition, as well as the ownership of any sale proceeds therefrom is subject to funding source regulations.

CENLA COMMUNITY ACTION COMMITTEE, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007
 (Continued)

NOTE 2: BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles. Cenla uses the accrual basis of accounting.

Financial Statement Presentation – The financial statements are presented as recommended by Financial Accounting Standards Board’s Statement of Financial Accounting Standard (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires the agency to report information regarding its financial position and activities into three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Revenue and Support – Grant revenues (Grants and Governmental reimbursements) are recognized using the legal and contractual requirements of the Agency’s programs as guidance. Grant revenues (where funds must be expended for specific purposes prior to amount being reimbursed to the Agency) are recognized based on expenditures recorded.

Cenla reports grants and gifts of cash and other assets as restricted support if they are received with donor or grant stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Property and Equipment – It is the Cenla’s policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions 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 stipulation 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. Cenla recognizes depreciation on its fixed assets in accordance with generally accepted accounting principles. The Federal government has a reversionary interest in property purchased with Federal funds. Its disposition, as well as any disposition proceeds, is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding source. Fixed assets are depreciated using the straight-line method as follows:

<u>Property & Equipment</u>	<u>Useful Life</u>	<u>Method</u>
Buildings	30 years	Straight-line
Furniture, fixtures, equipment	5 – 10 years	Straight-line
Vehicles	5 years	Straight-line

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(Continued)

Depreciation expense for the year ended March 31, 2007 totaled \$147,049.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, Cenla considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cenla had no cash equivalents at March 31, 2007.

Use of Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Income Taxes – Cenla is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a private corporation.

Contributed Services – During the year ended March 31, 2007, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Agency at the Head Start and Early Head Start facilities in meeting their non federal share requirement, but these services do not meet the criteria for recognition as contributed services.

NOTE 3: PROGRAM EXPENSES

Net assets were released from grantor restrictions by incurred expenses satisfying the restricted purposes or by occurrence of other events specified by funding sources.

Purpose restrictions accomplished:

Head Start & Early Head Start Program	\$6,296,934
Child and Adult Care Food Program	539,905
Community Services Block Grant	406,473
Temporary Assistance for Needy Families	7,250
General Administration	7,165
Homeland Security	<u>1,584</u>
Total	\$7,259,311

CENLA COMMUNITY ACTION COMMITTEE, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007
 (Continued)

NOTE 4: LEASE COMMITMENTS

Cenla leases several buildings and certain operating equipment under operating leases. Rent expense for the year ended March 31, 2007 was \$118,558.

NOTE 5: NOTES PAYABLE

Cenla had notes payable in the amount of \$781,650 at year-end. These notes were netted against property and equipment.

Notes payable consists of the following at March 31:

	<u>2007</u>
Loan payable, Peoples State Bank, maturity December 14, 2007, interest at 8.75%, monthly payments of \$2,500.00 including interest, with one balloon payment at maturity collateralized by buildings	\$ 184,546
Loan payable, Peoples State Bank, maturity March 23, 2014, interest at 7.5%, monthly payments of \$4,558.19 including interest, with one balloon payment at maturity collateralized by building	427,860
Loan payable, Peoples State Bank, maturity December 15, 2013, interest at 7.5%, monthly payments of \$1,825.06 including interest, with one balloon payment at maturity collateralized by buildings	<u>169,244</u>
Total	781,650
Less current portion	<u>(218,482)</u>
Long-term portion	\$ 563,168

Interest expense related to the notes for the year totaled \$63,527.

Future maturities of long-term debt as of March 31, 2007 are as follows:

CENLA COMMUNITY ACTION COMMITTEE, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007
 (Continued)

Year ended March 31,	<u>Approximate Amount</u>
2009	\$ 34,870
2010	37,605
2011	40,554
2012	43,672
Thereafter	<u>408,845</u>
Total	\$563,168

NOTE 6: CONCENTRATION OF CREDIT RISK

Cenla received over 98% of its funding from Federal and State grants with the Head Start program providing over 85% of all grant revenues.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of March 31, 2007, Cenla had no significant concentrations of credit risk in relation to grant receivables.

NOTE 7: PENSION

Cenla participates in a qualified 403(b) plan for all eligible employees. Employees eligible to participate may contribute \$9,500 or 20% of their annual salary to the plan. Cenla will match the employees' contributions up to 5% of the employees' gross wages. The assets of the plan are managed by separate directors and are not included in these financial statements. Cenla contributed \$108,960 to the plan for the year ended March 31, 2007.

NOTE 8: CONTINGENCY

Employees of the agency are entitled to annual leave depending on job classification, length of service and other factors. Cenla's policy is to pay one year accumulated annual leave, not to exceed one hundred forty-four hours, if funds are available. Accordingly, no liability has been recorded in the accompanying statement of financial position. Cenla agrees to recognize the costs of compensated absences when actually paid.

SUPPLEMENTAL INFORMATION

CENLA COMMUNITY ACTION COMMITTEE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2007

Federal Grantor/Pass through Grantor/Program Title	Federal CFDA <u>Number</u>	Agency or Pass-through <u>Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program			
Head Start Program	93.600	06CH5002/41	\$ 6,296,934
Passed through Louisiana Department of Labor Community Services Block Grant (CSBG)	93.569	2007N0014	119,230
Community Services Block Grant (CSBG)	93.569	2006N0014	<u>287,243</u>
			406,473
Passed through Louisiana Housing Finance Agency Home Energy Assistance Program (LIHEAP)	93.568	Unknown	13,228
Passed through Louisiana Department of Social Services Temporary Assistance for Needy Families (TANF)	93.558	Unknown	7,251
			<u>6,723,885</u>
U. S. DEPARTMENT OF HOMELAND SECURITY			
Passed through a local governing board			
Emergency Food and Shelter Program (FEMA)	97.024	N/A	7,165
Passed through State of Louisiana Homeland Security and Emergency Preparedness	97.067	Unknown	1,584
			<u>8,749</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through Louisiana Department of Education			
Child and Adult Care Food Program (CACFP)	10.558	N/A	<u>539,904</u>
			<u>\$ 7,272,538</u>

RECONCILIATION OF FINANCIAL STATEMENT EXPENSES TO FEDERAL EXPENDITURES

EXPENSES FROM FINANCIAL STATEMENTS	\$ 7,161,045
Less: Non federal expenses	(74,444)
Depreciation	(147,049)
Add: Mortgage payments	43,122
Equipment acquisition	<u>289,864</u>
Total Federal Expenditures	<u>\$ 7,272,538</u>

See accompanying notes.

Cenla Community Action Committee, Inc.
Notes to Schedule of Expenditures of Federal Awards
March 31, 2007

Basis of Presentation – Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of Cenla Community Action Committee, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore certain amounts presented in this schedule may differ from amounts presented or used in the financial statements.

Cenla is able to reconcile the amounts on the accompanying schedule of federal awards to those on the financial statements.

Non-federal expenses consist of the following:

Senior Services	\$74,232
Benevolent Expenses	<u>212</u>
Total	\$74,444

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

To the Board of Directors
Cenla Community Action Committee, Inc.
Alexandria, Louisiana

We have audited the financial statements of Cenla Community Action Committee, Inc. (Cenla) as of and for the year ended March 31, 2007, and have issued our report thereon dated September 21, 2007. We conducted our 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cenla Community Action Committee, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cenla's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

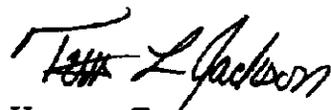
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cenla's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the board of directors, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Houston, Texas
September 21, 2007

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Society of Louisiana CPAs

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

To the Board of Directors
Cenla Community Action Committee, Inc.
Alexandria, Louisiana

Compliance

We have audited the compliance of Cenla Community Action Committee, Inc. (Cenla) 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 March 31, 2007. Cenla Community Action Committee, 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 Cenla's management. Our responsibility is to express an opinion on Cenla's compliance based on our audit.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cenla's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cenla's compliance with those requirements.

In our opinion, Cenla Community Action Committee, 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 March 31, 2007.

Internal Control Over Compliance

The management of Cenla is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cenla's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cenla's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management, the board of directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Houston, Texas
September 21, 2007

Cenla Community Action Committee, Inc.
Summary Schedule of Prior Audit Findings
March 31, 2007

2006-1: FINDING

DEPARTMENT OF HEALTH AND HUMAN SERVICES – Head Start and Early Head Start Programs CFDA #93.600, YEAR ENDED MARCH 31, 2005

Statement of Condition:

It was noted that the prior year's SF 269 did not reconcile to the books of original entry and did not reconcile to the SF 272 for the period. The agency under reported the federal expenditures on the Schedule of Expenditures of Federal Awards for the year ended March 31, 2005. This condition did not exist for the year ended March 31, 2006.

Recommendation:

It was recommended that the agency reconcile the SF 272 to the SF 269's.

Current Status:

SF 269 and SF 272 reports for the ensuing year have been reconciled to each other and to the books of original entry. Condition no longer exists.

CENLA COMMUNITY ACTION COMMITTEE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2007

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weakness?

None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified that are 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 section 510(a) of Circular A-133? No

Identification of major programs:

CFDA Numbers

93.600 (Head Start and Early Head Start Program)

10.558 (Child & Adult Care Food Program)

93.569 (Community Services Block Grant)

Dollar threshold used to distinguish between type A and type B programs:
\$300,000

Auditee qualified as low-risk auditee? No

**CENLA COMMUNITY ACTION COMMITTEE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2007
(Continued)**

Section II-Financial Statement Findings

None reported

Section III-Federal Award Findings and Questioned Costs – Major Programs

None reported

Cenla Community Action Committee, Inc.
Summary Schedule of Prior Audit Findings
Schedule for Louisiana Legislative Auditor
For the Year Ended March 31, 2006

FINDING 2006-1

DEPARTMENT OF HEALTH AND HUMAN SERVICES – Head Start and Early Head Start
Programs CFDA #93.600

Statement of Condition:

It was noted that the prior year's SF 269 did not reconcile to the books of original entry and did not reconcile to the SF 272 for the period. The agency under reported the federal expenditures on the Schedule of Expenditures of Federal Awards for the year ended March 31, 2005. This condition did not exist for the year ended March 31, 2006.

Recommendation:

It was recommended that the agency reconcile the SF 272 to the SF 269's.

Current Status:

SF 269 and SF 272 reports for the ensuing year have been reconciled to each other and to the books of original entry. Condition no longer exists.

CENLA COMMUNITY ACTION COMMITTEE, INC.
COMBINING STATEMENTS OF FINANCIAL POSITION
 MARCH 31, 2007

ASSETS	BENEVOLENT FUND	NON-FED ASSETS	GEN ADMIN	ENERGY	SENIOR SERVICES	GENERAL	HEAD START	CSBG	CACFP	TANF	2007 BALANCE	2006 BALANCE
CURRENTS ASSETS												
Cash	\$ 2,146	\$ 21,543	\$ 74,937	\$ 14,496	\$ 51,139	\$ 10,453	\$ 84,510	\$ 5,738	\$ 3,170	\$ -	\$ 268,130	\$ 219,616
Grants Receivable	-	-	-	-	-	-	296,059	9,373	75,119	-	380,552	372,567
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,338
Total	2,146	21,543	74,937	14,496	51,139	10,453	380,569	15,111	78,289	-	648,682	594,520
Prepaid Expenses	-	72	-	-	8,475	-	-	-	-	-	8,547	32,091
Property and Equipment	-	-	-	-	-	-	997,822	-	-	-	997,822	997,822
Furniture, fixtures, equipment	-	-	-	-	-	-	1,237,048	-	-	-	1,237,048	947,184
Vehicles	-	-	-	-	-	-	1,525,492	-	-	-	1,525,492	1,525,492
Buildings	-	-	-	-	-	-	45,225	-	-	-	45,225	45,225
Land	-	-	-	-	-	-	(1,877,834)	-	-	-	(1,877,834)	(1,730,785)
Accumulated depreciation	-	-	-	-	-	-	1,927,753	-	-	-	1,927,753	1,784,938
Net property and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 2,146	\$ 21,615	\$ 74,937	\$ 14,496	\$ 59,614	\$ 10,453	\$ 2,308,322	\$ 15,111	\$ 78,289	\$ -	\$ 2,584,982	\$ 2,411,550
Liabilities and Net Assets												
Current Liabilities												
Accounts payable	-	-	-	24,150	-	-	368,867	-	78,289	-	471,306	208,492
Accrued liabilities	-	-	-	-	-	10,453	59,583	-	-	-	70,036	203,889
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	218,482	-	-	-	218,482	150,914
Current portion of long term debt	-	-	-	-	-	-	646,932	-	78,289	-	739,824	563,295
Total current liabilities	-	-	-	24,150	-	10,453	646,932	-	78,289	-	563,168	824,802
Long term debt, less current	-	-	-	24,150	-	-	563,168	-	-	-	563,168	-
Total liabilities	-	-	-	24,150	-	10,453	1,210,100	-	78,289	-	1,322,992	1,388,097
Net assets:												
Unrestricted	2,146	21,615	74,937	(9,655)	59,614	-	1,098,222	-	-	-	1,246,879	960,136
Temporarily	-	-	-	-	-	-	-	15,111	-	-	15,111	63,317
Total net assets	2,146	21,615	74,937	(9,655)	59,614	-	1,098,222	15,111	-	-	1,261,990	1,023,453
Total Liabilities and Net Assets	\$ 2,146	\$ 21,615	\$ 74,937	\$ 14,496	\$ 59,614	\$ 10,453	\$ 2,308,322	\$ 15,111	\$ 78,289	\$ -	\$ 2,584,982	\$ 2,411,550

CENLA COMMUNITY ACTION COMMITTEE, INC.
COMBINING STATEMENTS OF ACTIVITIES
YEARS ENDING MARCH 31, 2007

	BENEVOLENT FUND	NON-FED DISCRET	GENERAL ADMIN	ENERGY	SENIOR SERVICES	GENERAL	HEAD START	CSBG	CACFP	IANE	2007 Total	2006 Total
Revenues												
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Revenues	-	-	-	-	-	-	6,296,934	421,584	539,905	7,251	7,265,673	7,391,050
FEMA	-	-	7,361	-	-	-	-	-	-	-	7,361	-
Homeland Security	-	-	26,891	23,223	-	-	-	1,584	-	-	50,114	11,593
Local	-	-	-	-	-	-	-	-	-	-	50,880	60,266
Senior Citizens	-	-	-	-	50,880	-	-	-	-	-	50,880	-
Donations	2,357	21,615	-	-	-	-	-	-	-	-	23,972	2,572
	2,357	21,615	34,251	23,223	50,880	-	6,296,934	423,168	539,905	7,251	7,399,583	7,465,481
Net Assets Released												
Program Restriction	-	-	(7,165)	-	-	6,926,325	(5,963,948)	(408,057)	(539,905)	(7,251)	0	-
Mortgage Retirement	-	-	-	-	-	43,122	(43,122)	-	-	-	-	-
Equipment Acquisition	-	-	-	-	-	289,864	(289,864)	-	-	-	-	-
Expiration	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(7,165)	-	-	7,259,311	(6,296,934)	(408,057)	(539,905)	(7,251)	0	-
Total	2,357	21,615	27,086	23,223	50,880	7,259,311	-	15,111	-	-	7,399,583	7,465,481
Expenses												
Head Start	211	-	-	-	-	6,110,997	-	-	-	-	6,111,208	5,996,574
CACFP	-	-	-	-	-	539,905	-	-	-	-	539,905	531,853
CSBG	-	-	-	-	-	406,473	-	-	-	-	406,473	446,071
Homeland Security	-	-	-	-	-	1,584	-	-	-	-	1,584	-
Energy	-	-	-	13,228	-	-	-	-	-	-	13,228	308,200
TANF	-	-	-	-	-	7,251	-	-	-	-	7,251	-
FEMA	-	-	-	-	-	7,165	-	-	-	-	7,165	-
Senior Citizens	-	-	-	-	74,232	-	-	-	-	-	74,232	33,045
Client Assistance	-	-	-	-	-	-	-	-	-	-	-	22,065
	211	-	-	13,228	74,232	7,073,374	-	-	-	-	7,161,046	7,337,809
Changes in net assets												
	2,146	21,615	27,086	9,995	(23,352)	185,937	-	15,111	-	-	238,537	127,671
Beginning, Net Assets												
Operating	-	-	47,851	(19,650)	82,966	912,285	-	-	-	-	1,023,453	862,107
Transfer out	-	-	-	-	-	-	-	-	-	-	-	33,674
Adjustments	-	-	-	-	-	-	-	-	-	-	-	862,107
	-	-	-	-	-	-	-	-	-	-	-	(862,107)
Ending Net Assets												
	-	-	47,851	(19,650)	82,966	912,285	-	-	-	-	1,023,453	895,781
Ending Net Assets	\$ 2,146	\$ 21,615	\$ 74,937	\$ (9,655)	\$ 59,614	\$ 1,098,222	\$ -	\$ 15,111	\$ -	\$ -	\$ 1,261,990	\$ 1,023,452