

CAMERON COMMUNITY ACTION AGENCY, INC.
Grand Lake, Louisiana

Financial Statements
December 31, 2018

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Cameron Community Action Agency, Inc. (the Agency) (a non-profit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 12 through 14 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2019, on our consideration of the Agency'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
May 10, 2019

Cameron Community Action Agency, Inc.
Statement of Financial Position
As of December 31, 2018

Assets	
Current Assets	
Cash and cash equivalents	\$ 125,734
Grants receivable	11,500
Inventory	3,113
Prepaid expenses	20,831
Total Current Assets	161,178
 Noncurrent Assets	
Buildings and improvements	3,974,180
Vehicles	158,123
Furniture, fixtures and equipment	89,775
	4,222,078
Less accumulated depreciaiton	(1,516,396)
Total Noncurrent Assets	2,705,682
Total Assets	\$ 2,866,860
 Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 22,053
Accrued payroll	3,487
	25,540
 Net Assets	
Without Donor Restrictions	2,841,320
Total Net Assets	2,841,320
Total Liabilities and Net Assets	\$ 2,866,860

See accompanying notes to financial statements.

Cameron Community Action Agency, Inc.
Statement of Activities
For the Year Ended December 31, 2018

Changes in Net Assets Without Donor Restrictions:

Revenue, Gains and Other Support

Support:

Contributions	\$ 17,686
Grants from governmental agencies and other organizations	666,626
Total support	684,312

Revenues:

Program service fees	15,573
Interest income	-
Total revenues	15,573

Total Revenue, Gains and Other Support

Without Donor Restrictions	699,885
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Expenses

Program Services:

Head Start	676,956
Community Services Block Grant (CSBG)	49,123
Child and Adult Care Food Program (CACFP)	50,118
Low-Income Home Energy Assistance Program (LIHEAP)	11,720
Local funds and programs	23,672
Teen center	19,811
Head Start parent involvement	14,391
Total program services	845,791

Total Expenses	845,791
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Decrease in Net Assets Without Donor Restrictions	(145,906)
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Net Assets Without Donor Restrictions, Beginning of Period	2,987,226
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Net Assets Without Donor Restrictions, End of Period	\$ 2,841,320
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Cameron Community Action Agency, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2018

Cash Flows From Operating Activities	
Cash received from supporters, grants, programs, fees	\$ 704,585
Cash paid to employees, suppliers and for programs	<u>(718,744)</u>
Net Cash Provided (Used) by Operating Activities	<u>(14,159)</u>
Net Decrease in Cash and Cash Equivalents	(14,159)
Cash and Cash Equivalents - Beginning of Period	<u>139,893</u>
Cash and Cash Equivalents - End of Period	<u><u>\$ 125,734</u></u>
Reconciliation of Decrease in Net Assets Without Donor Restrictions to Net Cash Provided (Used) by Operating Activities:	
Increase (decrease) in net assets without donor restrictions	\$ (145,906)
Adjustments to reconcile changes in excess of revenue and support over expenses to net cash provided (used) by operating activities:	
Depreciation	134,594
(Increase) decrease in receivables, inventory and prepaid expenses	4,880
Increase (decrease) in accounts payable and payroll liabilities	<u>(7,727)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (14,159)</u></u>

See accompanying notes to financial statements.

Cameron Community Action Agency, Inc.
Schedule of Functional Expenses
For the Year Ended December 31, 2018

	Program Services							
	Head Start	CSBG	CACFP	LIHEAP	Local funds	Teen Center	Parent Involvement	Total
Salaries	\$ 332,632	\$ 24,883	\$ 2,056	\$ 3,163	\$ 4,877	\$ 16,155	\$ -	\$ 383,766
Payroll taxes	30,970	3,929	-	-	6,419	2,436	-	43,754
Fringe benefits	-	-	-	-	-	-	-	-
Direct emergency assistance	-	2,500	-	-	1,227	-	-	3,727
Utility assistance	-	-	-	4,769	-	-	-	4,769
Contracted Services	12,676	5,524	-	1,189	308	-	231	19,928
Parent Involvement	-	-	-	-	-	-	13,063	13,063
Supplies and materials	-	2,250	9,505	-	2,743	1,220	-	15,718
Classroom supplies	23,502	-	-	-	-	-	-	23,502
Office supplies	4,468	2,237	479	2,136	65	-	-	9,385
Repairs and maintenance	48,810	-	1,292	-	719	-	-	50,821
Training and seminars	8,916	778	72	-	500	-	-	10,266
Travel	10,220	1,000	-	-	406	-	-	11,626
Utilities	33,403	3,007	2,080	-	2,951	-	-	41,441
Insurance	31,223	2,000	-	-	572	-	-	33,795
Rent	4,213	-	-	-	-	-	-	4,213
Dues	-	325	-	-	1,325	-	-	1,650
Food purchases	479	-	34,634	-	-	-	-	35,113
Depreciation	132,871	-	-	463	1,260	-	-	134,594
Miscellaneous	2,573	690	-	-	300	-	1,097	4,660
Total Expenses	\$ 676,956	\$ 49,123	\$ 50,118	\$ 11,720	\$ 23,672	\$ 19,811	\$ 14,391	\$ 845,791

See accompanying notes to financial statements.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements
December 31, 2018

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Cameron Community Action Agency, Inc. (the Agency) is a private nonprofit corporation and was incorporated in January of 1987. The Agency will continue in existence for ninety-nine years per its charter and is governed by a board of directors consisting of elected officials, clergymen, local business leaders, advocates for the poor and other interested individuals. The Agency receives grants from the federal and state governments to conduct various service programs.

Service programs include but are not limited to Head Start, Community Service Block grants (CSBG), Child and Adult Food Program (CACFP) and the Low-Income Home Energy Assistance Program (LIHEAP). Head Start provides educational, psychological, nutritional, medical, and social services to the Area's economically challenged pre-school children. CSBG funds are used for administrative and other budgeted purposes as well as direct emergency assistance for qualifying residents. CACFP provides food and food service supplies to the children enrolled in the Head Start program. LIHEAP funds are used for the payment of home energy bills for qualifying residents.

In addition, the Agency handles local funds for energy grants, medical assistance and teen outreach programs as well as dealing with housing issues for qualifying residents.

Income Taxes

The Agency is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes is included in the financial statements.

The Agency is required to file the applicable Form 990, *Return of Organization Exempt from Income Tax*. The applicable form is based on the Agency's gross receipts. The Agency is in compliance with the filing requirements of the Internal Revenue Service. Returns are subject to examination by the IRS, generally for three years after they are filed.

Method of Accounting

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave accumulates at a rate of 1.5 days per month and is not payable upon termination or resignation. Vacation leave accumulates at the same rate after three months of service has been completed. Upon termination or resignation, a maximum of nine days can be paid to an employee. This same amount can be carried over from year to year. Any liability as of December 31, 2018 would be considered immaterial and has not been recorded on the Agency's accounting records.

Property and Equipment

The Agency capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful life of the asset. 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.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Agency generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Agency but these services do not meet the criteria for recognition as contributed services.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donations

Donations received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2018 consists of the following:

Buildings	\$ 3,974,180
Vehicles	158,123
Equipment	<u>89,775</u>
	4,222,078
Less accumulated depreciation	<u>(1,516,696)</u>
Net property and equipment	<u>\$ 2,705,682</u>

Depreciation expense for the year ended December 31, 2018 was \$134,594.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Agency determined the fair value of its assets and liabilities through a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Agency has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions that market participants would utilize in pricing the asset.

The fair value of financial instruments, including cash, approximate the carrying value, principally because of the short maturity of those items and are considered Level 1 or Level 2.

NOTE 4 - ECONOMIC DEPENDENCY

The Agency receives a substantial portion of its total support and revenues from the U.S. Department of Health and Human Services for the Head Start program. A significant reduction in the level of this support or suspension in funding would have an adverse effect on the continuing operations of the Agency.

NOTE 5 - SUBSEQUENT EVENTS

The Agency evaluated its December 31, 2018 financial statements for subsequent events through May 10, 2019, the date of which the financial statements were available to be issued. The Agency is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 6 – BOARD COMPENSATION

Members of the Agency 's Board of Directors receive no compensation and are reimbursed only for any expenses incurred relating to the Agency's business which must have appropriate supporting documentation.

NOTE 7 – GRANT REVENUE

The Agency's major source of revenue is federal and state governmental grants. The use of these funds is restricted to the purpose set forth in the individual grant agreement. Such grants are subject to review and audit by the grantor agencies. The result of such reviews or audits could result in requests for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the grant. In the opinion of the Agency's management, such disallowances and requests for reimbursements, if any, will not be significant.

NOTE 8 – FUNCTIONAL ALLOCATION OF EXPENSES

Expenses were allocated in the accompanying financial statements to program service functional expense groups. The methods of allocation were based on several factors such as utilization of office space as well as the Agency's estimates of the relative proportion of various staff members' time and effort between program and administrative functions.

NOTE 9 – LEASES

The Company leases office equipment under the terms of an operating lease. The lease commenced in June 2015 and the lease term is 4 years. Monthly payments including sales tax amount to \$538.

The Company leases land from the Cameron Police Jury. The lease commenced in June 2007 and the lease term is 50 years. Annual payments amount to \$2,200.

Future payments of these leases are \$5,428 for the year ended December 31, 2019, \$2,200 for the year ended December 31, 2020, \$2,200 for the year ended December 31, 2021, \$2,200 for the year ended December 31, 2022, \$2,200 for the year ended December 31, 2023 and \$74,800 thereafter.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Agency’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. The Agency has \$140,347 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$125,734, grant receivables of \$11,500 and inventory of \$3,113. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The grant receivables are subject to implied time restrictions but are expected to be collected within one year. The Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 140,347</u>
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Cameron Community Action Agency, Inc.
Combining Statement of Financial Position
For the Year Ended December 31, 2018

	Local Funds	CACFP	CSBG	Head Start	Total
Assets					
Current Assets					
Cash and cash equivalents	\$ 10,616	\$ 17,103	\$ 20	\$ 97,995	\$ 125,734
Grant receivables	3,098	8,381	-	21	11,500
Inventory	-	3,113	-	-	3,113
Prepaid expenses	-	-	-	20,831	20,831
Total Current Assets	<u>13,714</u>	<u>28,597</u>	<u>20</u>	<u>118,847</u>	<u>161,178</u>
Noncurrent Assets					
Buildings and improvements	130,643	-	-	3,843,537	3,974,180
Vehicles	-	-	-	158,123	158,123
Furniture, fixtures and equipment	47,167	-	-	42,608	89,775
Total	<u>177,810</u>	<u>-</u>	<u>-</u>	<u>4,044,268</u>	<u>4,222,078</u>
Less accumulated depreciation	<u>(175,257)</u>	<u>-</u>	<u>-</u>	<u>(1,341,139)</u>	<u>(1,516,396)</u>
Total Noncurrent Assets	<u>2,553</u>	<u>-</u>	<u>-</u>	<u>2,703,129</u>	<u>2,705,682</u>
Total Assets	<u>\$ 16,267</u>	<u>\$ 28,597</u>	<u>\$ 20</u>	<u>\$ 2,821,976</u>	<u>\$ 2,866,860</u>
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ -	\$ 701	\$ -	\$ 21,352	\$ 22,053
Accrued Payroll	1,666	-	735	1,086	3,487
Total Current Liabilities	<u>1,666</u>	<u>701</u>	<u>735</u>	<u>22,438</u>	<u>25,540</u>
Net Assets					
Without Donor Restrictions	<u>14,601</u>	<u>27,896</u>	<u>(715)</u>	<u>2,799,538</u>	<u>2,841,320</u>
Total Net Assets	<u>14,601</u>	<u>27,896</u>	<u>(715)</u>	<u>2,799,538</u>	<u>2,841,320</u>
Total Liabilities and Net Assets	<u>\$ 16,267</u>	<u>\$ 28,597</u>	<u>\$ 20</u>	<u>\$ 2,821,976</u>	<u>\$ 2,866,860</u>

See accompanying notes to financial statements.

Cameron Community Action Agency, Inc.
Schedule of Government Grant Revenue
For the Year Ended December 31, 2018

Head Start	\$ 557,420
CSBG	49,317
CACFP	43,092
LIHEAP	12,608
Local grants	<u>4,189</u>
Total	<u><u>\$ 666,626</u></u>

See accompanying notes to financial statements.

Cameron Community Action Agency, Inc.
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended December 31, 2018

Agency Head Name: Dinah Landry Executive Director

Purpose	Amount
Salary	\$ 12,000
Benefits - insurance	\$ -
Benefits - retirement	\$ 953
Deferred compensation (contributions made by the agency)	\$ -
Benefits - other (pair of shoes)	\$ -
Benefits - other (fuel district vehicle)	\$ -
Car allowance	\$ -
Vehicle provided by government	\$ -
Cell phone	\$ -
Dues	\$ -
Vehicle rental	\$ -
Per diem	\$ -
Reimbursements	\$ 353
Travel	\$ 86
Registration fees	\$ -
Conference travel	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Special meals	\$ -
Other	\$ -

See accompanying notes to the financial statements.



Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

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

We have audited, in accordance with the 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, the financial statements of Cameron Community Action Agency, Inc. (a nonprofit organization) (the Agency), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 10, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard and Company

Lake Charles, Louisiana
May 10, 2019

CAMERON COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Cost
Year Ended December 31, 2018

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued				Unmodified
Internal control over financial reporting:				
Material weaknesses identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No