

# McGladrey & Pullen

Certified Public Accountants

## **Coastal Community Action, Inc.**

Financial and Compliance Reports  
09.30.07

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Board of Directors  
Coastal Community Action, Inc.  
Newport, North Carolina

We have audited the accompanying statement of financial position of Coastal Community Action, Inc. as of September 30, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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. 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 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 Coastal Community Action, Inc. as of September 30, 2007, 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.

In accordance with Government Auditing Standards, we have also issued our report dated March 11, 2008 on our consideration of the Organization'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 Coastal Community Action, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal and State Awards-Cash Basis, as required by U. S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" and North Carolina General Statute 143C-6-23, and the accompanying schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America or a complete presentation in accordance with the cash or programmatic bases. Under the cash basis, receipts are recognized when received rather than earned, and expenditures are recognized when paid rather than when the obligation is incurred. Under the programmatic basis, revenue is recognized when measurable and available and expenditures are recognized when incurred. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Morehead City, North Carolina  
March 11, 2008

**Coastal Community Action, Inc.**

**Statement of Financial Position**  
**September 30, 2007**

**Assets**

Cash and cash equivalents	\$ 897,892
Restricted cash (Note 7)	59,897
Accounts receivable (Note 7):	
Grants and contracts (Note 5)	232,415
Other	12,013
Prepaid expenses	32,656
Other assets	4,432
Property and equipment, net of accumulated depreciation (Notes 3 and 7)	3,937,417
<b>Total assets</b>	<b>\$ 5,176,722</b>

**Liabilities and Net Assets**

Liabilities:	
Accounts payable	\$ 148,614
Accrued expenses (Note 4)	239,453
Deferred revenue	293,365
Long-term debt:	
Mortgage payable (Note 7)	3,224,101
Capital leases payable (Note 7)	8,761
<b>Total liabilities</b>	<b>3,914,294</b>

Commitments and Contingencies (Notes 2, 3, 5 and 10)

Net Assets, unrestricted	1,262,428
<b>Total liabilities and net assets</b>	<b>\$ 5,176,722</b>

See Notes to Financial Statements.

**Coastal Community Action, Inc.**

**Statement of Activities**

**Year Ended September 30, 2007**

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Revenue (Notes 5 and 7):	
Federal grants	\$ 9,473,193
State grants	447,180
In-kind contributions (Note 9)	1,829,177
Interest	12,095
Program services	64,624
Contracted services	413,166
Local revenue	63,217
Lease Income	8,535
Rent Income	350,203
Other	49,639
<b>Total revenue</b>	<u>12,711,029</u>
Expenses:	
Program services	
Head start program	7,424,786
Housing assistance program	1,822,541
Community services program	306,723
Housing repairs program	1,043,859
Senior Programs	759,663
Other programs, primarily aging and health related	406,669
Management and general	687,255
<b>Total expenses</b>	<u>12,451,496</u>
<b>Increase in net assets</b>	259,533
Net assets, beginning	<u>1,002,895</u>
Net assets, ending	<u><u>\$ 1,262,428</u></u>

See Notes to Financial Statements.

**Coastal Community Action, Inc.**

**Statement of Cash Flows**  
**Year Ended September 30, 2007**

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Cash Flows From Operating Activities	
Increase in net assets	\$ 259,533
Adjustments to reconcile increase in net assets to net cash provided by in operating activities:	
Depreciation	252,585
Loss on disposal of assets	625
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	338,240
Prepaid expenses	(12,289)
Increase (decrease) in:	
Accounts payable and accrued expenses	(45,242)
Deferred revenue	32,197
<b>Net cash provided by operating activities</b>	<u>825,649</u>
 Cash Flows Used In Investing Activities	
Restricted cash set aside for mortgage loan requirements	(19,056)
Purchase of property and equipment	<u>(205,542)</u>
<b>Net cash used in investing activities</b>	<u>(224,598)</u>
 Cash Flows Used In Financing Activities	
Payments on mortgages payable	(72,709)
Payments on capital leases	<u>(16,286)</u>
<b>Net cash used in financing activities</b>	<u>(88,995)</u>
 <b>Increase in cash and cash equivalents</b>	512,056
 Cash and Cash Equivalents, unrestricted	
Beginning	<u>385,836</u>
Ending	<u>\$ 897,892</u>
 Supplemental Disclosure of Cash Flow Information	
Cash payments for interest	<u>\$ 145,687</u>

See Notes to Financial Statements.

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## Coastal Community Action, Inc.

### Notes To Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** Coastal Community Action, Inc. ("CCA") is a nonprofit corporation organized under the laws of the state of North Carolina for the purpose of providing access to community services, advocacy for necessary services, and to provide direct housing, health, day care, aging, emergency and certain other social services to qualifying residents of Carteret, Craven, Duplin, Jones, Lenoir, Onslow, and Pamlico counties.

#### A summary of significant accounting policies follows:

**Basis of presentation:** In order to report limitations and restrictions placed by donors on the use of resources available to CCA, its accounts are separated into three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, as applicable.

Unrestricted net assets represent resources whose use is not limited or restricted by donors. They generally arise as a result of earning revenue under grant agreements and other exchange transactions, and receiving unrestricted contributions, or temporarily restricted contributions whose restrictions have been accomplished.

Temporarily restricted net assets represent resources whose use is limited by donors as to the purpose and/or the time in which they may be expended. Temporarily restricted net assets are reclassified to unrestricted as their time and/or purpose restrictions are met. At September 30, 2007, there were no temporarily restricted net assets.

Permanently restricted net assets represent resources whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of CCA. The income may be unrestricted or may be restricted according to grantor's or donor's wishes. At September 30, 2007, there were no permanently restricted net assets.

**Cash and cash equivalents:** CCA considers unrestricted debt instruments purchased with an original maturity of three months or less to be cash equivalents. For purposes of reporting cash flows, CCA excludes lender restricted cash from cash and cash equivalents. At times, the level of CCA's deposits exceed federal depository insurance coverage limits. CCA has not suffered any financial loss on such deposits and does not believe that it is exposed to significant credit risk on its cash and cash equivalents.

**Grants and contract receivable:** Grants and contracts receivable are carried at original amount and are not discounted for any doubtful receivables. It has been management's experience to collect all of its outstanding receivables and therefore an allowance for doubtful accounts is not considered necessary. If and when management decides that an allowance would be necessary, we would determine the allowance by evaluating individual grant and contract receivables along with the grantor's financial condition, credit history and current economic conditions. Grants and contracts receivable will be written off in the year deemed to be uncollectible and any recoveries of previously written off amounts will be recorded in the year received. Management considers receivables past due when the balance is outstanding more than 30 days.

**Property and equipment:** Property and equipment is capitalized at acquisition cost or fair value on the date received by donation. Depreciation is provided over the estimated useful lives of all depreciable assets (regardless of method of acquisition) on the straight-line method. CCA evaluates property and equipment for impairments whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

**Deferred revenue:** Grants received in exchange for services rendered are recognized as revenue in the period in which they are earned. Proceeds received in advance of the grant period in which they are earned are recorded as deferred revenue.

**Coastal Community Action, Inc.**

**Notes To Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

A summary of deferred revenue, by program, as of September 30, 2007, is as follows:

Housing Assistance Payments Program	\$ 171,403
More @ Four - Carteret	26,481
Transition Grants CCR - Smart Start	17,314
Community Services Block Grant	3,261
Senior Companion Program	5,449
Urgent Repair	69,457
	<u>\$ 293,365</u>

Contributions: Gifts of cash and unconditional promises to give (pledges) are recognized when received and presented as unrestricted support or, if they are received with donor stipulations that limit the use of the donated assets, as restricted support. 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. Donor-restricted contributions, including investment gains and investment income with similar characteristics, whose restrictions are met in the same reporting period in which they are received are reported as unrestricted support. Pledges are recorded as received, and allowances are provided for amounts estimated to be uncollectible. Conditional grants and contributions are recognized when the conditional promise becomes unconditional.

Contracted services: CCA contracts with Pamlico, Carteret and Craven counties to offer day care services to their citizens who are qualified for day care assistance. These individuals have the option to use any day care facility as well as CCA.

Donated assets: Real estate, materials, equipment, use of facilities, and other objectively measurable assets received as donations are recognized in the accompanying financial statements at their estimated fair values at the date they are received. Such contributions may vary from year to year. Restrictions are not implied on donated long-lived assets received without donor stipulations as to how long the assets must be used.

Income taxes: CCA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except to the extent of taxes on any unrelated business income.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and gains, and expenses and losses, during the reporting period. Actual results could differ from those estimates.

**Note 2. Pension Plan**

The Organization has a defined contribution retirement plan in effect whereby qualifying employees may elect to participate. The plan is administered by Mutual of America Life Insurance Company. Under the plan, a predetermined contribution "may be made by each qualifying employee who has elected coverage," based on annual compensation levels. The Organization matches 75 percent of employee contributions with a maximum matching contribution of 4% of applicable employee compensation. The Organization contributed \$53,078 during the year ended September 30, 2007.

**Coastal Community Action, Inc.**

**Notes To Financial Statements**

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**Note 3. Property and Equipment**

A summary of property and equipment as of September 30, 2007, is as follows:

Motor vehicles	\$ 729,227
Equipment	675,615
Furniture and fixtures	204,829
Buildings	3,146,814
Land	532,725
	<hr/>
	5,289,210
Less accumulated depreciation	1,351,793
	<hr/>
	\$ 3,937,417
	<hr/>

The Organization has acquired the majority of its motor vehicles, equipment and furniture and fixtures with grant funds. The grantor agencies reserve the right to request the assets be returned to the grantor agencies at the end of the grant relationship.

**Note 4. Compensated Absences**

Accounting principles generally accepted in the United States of America require that an accrual be made for employees' rights to receive compensation for future absences from employment because of illness, holiday, vacation, or other reasons when certain conditions are met. Employees may accumulate up to ten days of annual leave. The amount of accrued compensated absences at September 30, 2007, totaling \$90,437 is included in accrued expenses.

**Note 5. Economic Dependence/Contingency**

CCA receives approximately 78% percent of its revenue from federal and State sources for the various programs CCA administers. Balances due from federal and State sources comprise 95% of the grant and contracts receivable balance as of September 30, 2007. Any significant change, either increase or decrease, in funding for these programs could result in a material change in CCA's operations.

As noted above, CCA's revenue is derived primarily from federal and State programs. Periodic audits of these programs are required and certain costs may be questioned as not being appropriate expenditures under terms of the program agreements. Such audits could result in the refund of monies to the agencies responsible for these programs. No provision has been made in the accompanying financial statements for the refund of such monies.

**Note 6. Line of Credit**

During 2003, CCA established an unsecured bank line of credit with interest at prime rate, renewable annually in August, for advances limited to \$100,000. As of September 30, 2007, CCA had not used this line of credit. The prime rate as of September 30, 2007 was 7.75%.

**Coastal Community Action, Inc.**

**Notes To Financial Statements**

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**Note 7. Long-Term Debt**

A summary of the Company's long-term debt, and collateral pledged thereon, consisted of the following at September 30, 2007:

**Mortgages Payable:**

**U.S. Department of Agriculture, Rural Development Administration:**

Obligation due in annual installments of \$55,260, including interest at a rate of 4.5%, through January 2034, collateralized by all rents, revenues, fees, charges, assessments, all income from whatever source derived, accounts receivable, other choices in action of whatever nature and service charges in connection with the operation of the facilities of Newport Administration Building. \$ 852,896

Obligation due in annual installments of \$78,650, including interest at a rate of 4.375%, through April 2034, collateralized by all rents, revenues, fees, charges, assessments, all income from whatever source derived, accounts receivable, other choices in action of whatever nature and service charges in connection with the operation of the facilities of Beaufort Child Development Center. 1,228,165

Obligation due in annual installments of \$45,058, including interest at a rate of 4.250%, through June 2035, collateralized by all rents, revenues, fees, charges, assessments, all income from whatever source derived, accounts receivable, other choices in action of whatever nature and service charges in connection with the operation of the facilities of Pamilco Child Development Center. 729,411

Obligation due in annual installments of \$11,503, including interest at a rate of 4.250%, through June 2035, collateralized by all rents, revenue, fees, charges, assessments, all income from whatever source derived, accounts receivable, other choices in action of whatever nature and service charges in connection with the operation of the facilities of Pamilco Child Development Center. 185,446

**RBC Centura:**

Obligation due in monthly installments of \$2,327, including interest at a rate of 7.330%, through June 2020, collateralized by the Pamilco Child Development Center. 228,183

Total mortgages payable 3,224,101

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Coastal Community Action, Inc.

Notes To Financial Statements

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**Note 7. Long-Term Debt (Continued)**

**Capital Leases Payable:**

8.04% lease purchase contract requiring monthly payments of \$175 through April 2008. Collateralized by equipment with a carrying value of \$3,660.	\$ 1,191
11.1% lease purchase contract requiring monthly payments of \$105 through July 2009. Collateralized by equipment with a carrying value of \$2,584.	2,082
9.2% lease purchase contract requiring monthly payments of \$128 through July 2009. Collateralized by equipment with a carrying value of \$3,291.	2,582
11% lease purchase contract requiring monthly payments of \$96 through July 2009. Collateralized by equipment with a carrying value of \$2,366.	1,904
12% lease purchase contract requiring monthly payments of \$1,012 through October 2007. Collateralized by equipment with a carrying value of \$17,034.	<u>1,002</u>
Total leases payable	<u>8,761</u>
Total mortgages and leases payable	3,232,862
Less current maturities	72,930
	<u><u>\$ 3,159,932</u></u>

Aggregate maturities required on long-term debt as of September 30, 2007 are due in future years as follows:

Year Ending September 30,	
2008	\$ 72,930
2009	73,658
2010	74,175
2011	77,927
2012	81,772
Thereafter	<u>2,852,400</u>
	<u><u>\$ 3,232,862</u></u>

In connection with the debt agreements with the U.S. Department of Agriculture, Rural Development Administration, CCA has agreed to establish and make monthly or annual payments to a special savings account until one annual payment has been accumulated for each of the loans. The balance of restricted cash in connection for the above debt agreements at September 30, 2007 is \$59,897.

Interest expense for 2007 was \$144,737.

**Coastal Community Action, Inc.**

**Notes To Financial Statements**

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**Note 8. Rental Expense**

CCA rents various equipment and buildings under short-term lease agreements for which the total minimum rental commitment at September 30, 2007 is not material. Rental expense included in the statement of activities for the year ended September 30, 2007 is \$374,895.

**Note 9. In-Kind Contributions and Expense**

CCA receives the use of facilities from Craven County and recognizes these as in-kind contributions at their estimated fair market value. Any future use of these facilities is conditional upon CCA continuing to provide Head Start daycare services. Total in-kind contributions for facilities for the year ended September 30, 2007 amounted to \$1,327,783. Other in-kind contributions of \$501,394 related to educational services were recorded for the year ended September 30, 2007.

**Note 10. Contingencies**

Litigation

CCA is named defendant in a couple of lawsuits, related to carrying out its functions. Based upon its consultations with the Agency's attorneys, CCA believes its ultimate liability, if any, will not be significant.

## **SUPPLEMENTARY INFORMATION**

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**Coastal Community Action, Inc.**  
**Combining Schedules of Revenues and Expenditures - Programmatic Basis**  
**For the Year Ended September 30, 2007**  
**(Page 1 of 2)**

	Child Development Programs	Housing Assistance Programs	Community Services Programs	Housing Repairs Programs	Senior Programs	Other Programs & Non-program Revenue/Costs	Totals
<b>Revenue:</b>							
<b>Grants:</b>							
Federal	\$ 5,729,017	\$ 1,844,182	\$ 353,869	\$ 972,431	\$ 545,476	\$ 28,218	\$ 9,473,193
State	272,185	-	-	114,648	49,807	10,540	447,180
In-kind	1,696,279	-	-	-	132,898	-	1,829,177
Program services	64,624	-	-	-	-	-	64,624
Local revenue	4,625	-	-	528	58,064	-	63,217
Contracted services	413,166	-	-	-	-	-	413,166
Interest (Non-Program)	-	82	-	-	-	12,013	12,095
Lease Income	-	-	-	-	-	8,535	8,535
Rent income	-	-	-	-	-	350,203	350,203
Other	760	11,208	341	-	1,101	36,229	49,639
<b>Total revenue</b>	<b>8,180,656</b>	<b>1,855,472</b>	<b>354,210</b>	<b>1,087,607</b>	<b>787,346</b>	<b>445,738</b>	<b>12,711,029</b>
<b>Expenditures:</b>							
Salaries	2,997,723	133,807	152,616	187,540	104,712	44,169	3,620,567
Fringe benefits	989,316	36,511	39,883	49,801	26,767	8,729	1,151,007
Indirect costs	569,569	25,422	34,233	30,397	19,894	8,392	687,907
Admin Fee Portability	-	1,352	-	-	-	-	1,352
Administrative cost	-	-	-	1,016	-	-	1,016
Dump fees	-	-	-	127	-	-	127
Labor	-	-	-	81,985	-	-	81,985
Stipends	-	-	-	-	346,440	-	346,440
Client payments	-	-	49,602	-	-	-	49,602
Housing assistance	-	1,564,016	-	-	-	-	1,564,016
In-kind space	1,327,551	-	-	-	232	-	1,327,783
Contractual services	194,349	-	-	-	-	16,600	210,949
Professional services	-	-	-	-	-	162	162
Food costs	215,441	-	-	-	-	-	215,441
Equipment leasing	-	-	-	8,835	-	-	8,835
Supplies	287,857	6,017	5,038	5,290	8,515	456	313,173
Small tools & equipment expense	-	-	-	10,702	-	-	10,702
Renovations	11,119	-	-	-	-	-	11,119
Utilities	189,334	-	-	-	-	14,428	203,762
United Way expenses	-	5,695	-	-	-	-	5,695
Telephone	55,856	1,699	1,420	3,509	1,239	261	63,984
Travel	30,929	3,613	18,337	23,744	91,988	1,607	170,218
Audit and accounting fees	4,458	9,881	2,116	3,286	3,736	1,339	24,816
Advertising	11,095	28	550	1,688	-	-	13,361
Insurance	85,220	1,373	1,163	6,265	3,090	236	97,347
Postage	8,439	4,210	1,866	1,835	4,321	37	20,708
Recognition	-	-	10,306	-	5,905	859	17,070
Mental health	2,509	-	-	-	-	-	2,509
Meals and activities	-	-	-	-	6,680	-	6,680
Rents	316,588	15,017	13,123	15,775	11,771	2,621	374,895
In-kind other	368,728	-	-	-	132,666	-	501,394

(Continued)

**Coastal Community Action, Inc.**  
**Combining Schedules of Revenues and Expenditures - Programmatic Basis**  
**For the Year Ended September 30, 2007**  
**(Page 2 of 2)**

	Child Development Programs	Housing Assistance Programs	Community Services Programs	Housing Repairs Programs	Senior Programs	Other Programs & Non-program Revenue/Costs	Totals
Medical /Dental services	\$ 1,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,683
Soft Costs	-	-	-	7,522	-	-	7,522
Hard Costs	-	-	-	411,526	-	-	411,526
Materials	-	-	-	192,324	-	-	192,324
Vehicle repair	25,643	-	-	3,741	-	-	29,384
Repairs and maintenance	61,006	-	-	-	-	7,260	68,266
Machinery Maintenance	-	-	-	417	-	-	417
Copier Lease payments	12,292	-	-	-	-	-	12,292
Client Education	1,298	-	-	486	-	-	1,784
Transportation consumables	22,028	-	-	-	-	-	22,028
Parent activity	11,134	-	-	-	-	-	11,134
Physicals	-	-	-	-	1,289	-	1,289
Mortgage interest expense	-	-	-	-	-	145,504	145,504
Property Tax	1,533	-	-	-	-	-	1,533
FSS Escrow	-	35,573	-	-	-	-	35,573
Revolving Loan Expense	-	-	-	-	-	(932)	(932)
Transportation expense	-	-	-	-	6,000	-	6,000
Training	65,072	907	4,222	3,884	1,815	125	76,025
Vehicle Purchases	44,072	-	-	-	-	-	44,072
Classroom consumables	4,444	-	-	-	-	-	4,444
Health & Safety	-	-	-	18,971	-	-	18,971
Computer Cost	16,036	1,000	-	-	-	-	17,036
Field Trips	1,220	-	-	-	-	-	1,220
Playground	55,065	-	-	-	-	-	55,065
Cobra Expense	-	-	-	-	-	14,782	14,782
Equipment purchase	-	-	-	6,899	-	-	6,899
Other	6,971	1,078	4,954	40	1,215	(206)	14,052
<b>Total expenditures</b>	<b>7,995,578</b>	<b>1,847,199</b>	<b>339,429</b>	<b>1,077,605</b>	<b>778,275</b>	<b>266,429</b>	<b>12,304,515</b>
<b>Revenue over expenditures</b>	<b>\$ 185,078</b>	<b>\$ 8,273</b>	<b>\$ 14,781</b>	<b>\$ 10,002</b>	<b>\$ 9,071</b>	<b>\$ 179,309</b>	<b>\$ 406,514</b>

Reconciliation of revenues and expenditures-  
programmatic basis with GAAP basis:

Revenue over expenditures - programmatic basis	\$ 185,078	\$ 8,273	\$ 14,781	\$ 10,002	\$ 9,071	\$ 179,309	\$ 406,514
Capitalized expenditures included in capital outlay and other expenditures	82,392	-	-	6,899	-	-	89,291
Capital leases included in expenditures	8,106	495	244	233	280	6,928	16,286
Depreciation	(89,075)	(1,259)	(1,771)	(3,783)	(1,562)	(155,135)	(252,585)
Loss on disposal of assets	(200)	-	-	-	-	(425)	(625)
Indirect costs	569,569	25,422	34,233	30,397	19,894	8,392	687,907
Revenue over program expenses - GAAP basis	755,870	32,931	47,487	43,748	27,683	39,069	946,788
Indirect costs reported as separate item, management and general	(569,029)	(25,398)	(34,201)	(30,368)	(19,875)	(8,384)	(687,255)
Increase in net assets - GAAP basis	\$ 186,841	\$ 7,533	\$ 13,286	\$ 13,380	\$ 7,808	\$ 30,685	\$ 259,533

**Coastal Community Action, Inc.**  
**Head Start Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended August 31, 2007**

	Agency Year Ended Sept 30, 2007	Add Sept 1, 2006 to Sept 30, 2006	Deduct Sept 1, 2007 to Sept 30, 2007	Program Year Ended Aug 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grant	\$ 4,071,469	\$ 478,177	\$ 348,836	\$ 4,200,810	\$ 4,304,873	\$ (104,063)
In-kind	1,385,023	92,288	84,544	1,392,767	1,076,219	316,548
More at 4	247,225	12,860	2,052	258,033	134,120	123,913
Other	689	-	-	689	-	689
Total revenues	5,704,406	583,325	435,432	5,852,299	5,515,212	337,087
<b>Expenditures:</b>						
<b>Head Start Full-Year/Part Day:</b>						
Salaries	2,001,548	224,583	139,906	2,086,225	2,114,845	28,620
Fringe benefits	690,374	18,251	57,202	651,423	771,449	120,026
Travel	21,450	2,234	2,194	21,490	21,067	(423)
Supplies	177,125	11,176	8,770	179,531	182,106	2,575
Property Tax	1,428	256	151	1,533	1,533	-
Utilities	142,040	11,172	10,767	142,445	155,090	12,645
Telephone	43,539	3,214	7,410	39,343	40,119	776
Insurance	55,522	5,101	5,888	54,735	55,020	285
Rents	250,487	20,807	19,167	252,127	246,172	(5,955)
Postage	4,962	625	173	5,414	4,198	(1,216)
Medical/Dental services	1,683	60	-	1,743	60	(1,683)
Speech services	-	-	-	-	2,600	2,600
Mental health	2,509	-	-	2,509	2,510	1
Renovations	8,000	-	-	8,000	8,000	-
Vehicle purchase	33,054	-	-	33,054	-	-
Parent activity	7,234	69	-	7,303	6,969	(334)
In kind space	1,144,807	80,839	80,839	1,144,807	970,065	(174,742)
Training	41,850	3,199	3,195	41,854	44,353	2,499
Field Trips	1,220	-	-	1,220	1,394	174
In kind other	240,216	11,449	3,705	247,960	106,154	(141,806)
Maintenance and repairs	50,851	4,169	829	54,191	41,163	(13,028)
Vehicle repair	25,506	5,466	1,803	29,169	26,747	(2,422)
Playgrounds	43,540	1,688	-	45,228	43,547	(1,681)
Equipment leasing	9,865	3,570	4,878	8,557	10,599	2,042
Printing and publishing	933	59	-	992	387	(605)
Contract services	153,614	10,012	11,372	152,254	128,359	(23,895)
Food costs	111,897	-	15,143	96,754	77,745	(19,009)
Family/Community	455	3,398	-	3,853	5,046	1,193
Advertising	8,626	503	1,732	7,397	6,550	(847)
Computer cost	14,518	-	-	14,518	8,726	(5,792)
Accounting and Audit Fee	373	-	-	373	400	27
Other	5,298	73	163	5,208	4,601	(607)
Classroom consumables	2,401	5,129	1,270	6,260	7,592	1,332
Transportation consumables	21,982	1,584	2,366	21,200	23,432	2,232
Total direct costs	5,318,907	428,686	378,923	5,368,670	5,118,598	(250,072)
Indirect costs	380,302	42,446	26,582	396,166	396,614	448
Total expenditures	5,699,209	471,132	405,505	5,764,836	5,515,212	(249,624)
Revenue over expenditures	\$ 5,197	\$ 112,193	\$ 29,927	\$ 87,463	\$ -	\$ 87,463

Coastal Community Action, Inc.  
Head Start - Child Care Food Program  
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual  
For the Program Year Ended August 31, 2007

	Agency Year Ended Sept 30, 2007	Add Sept 1, 2006 to Sept 30, 2006	Deduct Sept 1, 2007 to Sept 30, 2007	Program Year Ended Aug 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 321,300	\$ 16,923	\$ 14,471	\$ 323,752	\$ 470,000	\$ (146,248)
Expenditures:						
Direct costs:						
Salaries	104,919	10,798	9,030	106,687	115,800	9,113
Fringe benefits	35,587	3,323	3,795	35,115	38,748	3,633
Travel	-	35	-	35	-	(35)
Food costs	214,693	18,017	11,560	221,150	270,000	48,850
Supplies	47,329	5,135	4,873	47,591	70,700	23,109
Nonsubsidized Nutr Servs	(126,913)	-	(16,503)	(110,410)	(49,435)	60,975
Audit and accounting fees	2,641	-	-	2,641	2,300	(341)
Total direct costs	278,256	37,308	12,755	302,809	448,113	145,304
Indirect costs	19,935	2,041	1,716	20,260	21,887	1,627
Total expenditures	298,191	39,349	14,471	323,069	470,000	146,931
Revenue over (under) expenditures	\$ 23,109	\$ (22,426)	\$ -	\$ 683	\$ -	\$ 683

**Coastal Community Action, Inc.**  
**Head Start - Craven County Day Care**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended August 31, 2007**

	Agency Year Ended Sept 30, 2007	Add Sept. 1, 2006 to Sept 30, 2006	Deduct Sept. 1, 2007 to Sept 30, 2007	Program Year Ended Aug 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Contracted services	\$ 267,966	\$ 8,259	\$ 16,419	\$ 259,806	\$ 224,000	\$ 35,806
Parent fees	35,438	1,257	1,630	35,065	46,000	(10,935)
Other	146	-	-	146	-	146
<b>Total revenues</b>	<b>303,550</b>	<b>9,516</b>	<b>18,049</b>	<b>295,017</b>	<b>270,000</b>	<b>25,017</b>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	101,758	9,409	13,770	97,397	91,000	(6,397)
Fringe benefits	47,805	672	6,072	42,405	15,800	(26,605)
Travel	565	-	28	537	-	(537)
Supplies	4,169	515	474	4,210	3,550	(660)
Telephone	2,360	196	481	2,075	2,950	875
Postage and freight	194	38	16	216	200	(16)
Maintenance and repairs	1,335	76	34	1,377	1,050	(327)
Insurance	4,923	392	396	4,919	4,600	(319)
Vehicle repair	37	-	-	37	-	(37)
Utilities	9,255	685	628	9,312	9,600	288
Equipment Lease Expense	450	249	156	543	500	(43)
Rents/leases	5,255	402	447	5,210	5,400	190
Transportation consumables	46	-	-	46	-	(46)
Contract services	8,857	636	707	8,786	9,500	714
Training	-	83	-	83	-	(83)
Admin cost	-	(1,201)	-	(1,201)	-	1,201
Advertising	581	-	143	438	-	(438)
Audit and accounting fees	785	-	-	785	-	(785)
Playground Mulch	365	-	-	365	-	(365)
Other	19	-	-	19	-	(19)
<b>Total direct costs</b>	<b>188,759</b>	<b>12,152</b>	<b>23,352</b>	<b>177,559</b>	<b>144,150</b>	<b>(33,409)</b>
<b>Indirect costs</b>	<b>19,334</b>	<b>1,778</b>	<b>2,616</b>	<b>18,496</b>	<b>26,649</b>	<b>8,153</b>
<b>Total expenditures</b>	<b>208,093</b>	<b>13,930</b>	<b>25,968</b>	<b>196,055</b>	<b>170,799</b>	<b>(25,256)</b>
<b>Revenue over (under) expenditures</b>	<b>\$ 95,457</b>	<b>\$ (4,414)</b>	<b>\$ (7,919)</b>	<b>\$ 98,962</b>	<b>\$ 99,201</b>	<b>\$ (239)</b>

**Coastal Community Action, Inc.**  
**Head Start - Pamlico County Day Care**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended August 31, 2007**

	Agency Year Ended Sept 30, 2007	Add Sept 1, 2006 to Sept 30, 2006	Deduct Sept 1, 2007 to Sept 30, 2007	Program Year Ended Aug 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Contracted services	\$ 118,715	\$ 6,510	\$ -	\$ 125,225	\$ 75,000	\$ 50,225
Parent fees	8,874	1,862	-	10,736	7,000	3,736
Other	6,532	390	420	6,502	-	6,502
<b>Total revenues</b>	<b>134,121</b>	<b>8,762</b>	<b>420</b>	<b>142,463</b>	<b>82,000</b>	<b>60,463</b>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	45,948	1,421	2,067	45,302	40,000	(5,302)
Fringe benefits	11,384	12	883	10,513	7,500	(3,013)
Utilities	4,332	133	416	4,049	2,000	(2,049)
Rents	8,445	642	1,387	7,700	16,000	8,300
Equipment Lease Expense	101	46	89	58	500	442
Supplies	1,098	8	1	1,105	100	(1,005)
Vehicle repairs	-	16	-	16	-	(16)
Maintenance and repair	930	30	9	951	1,500	549
Classroom consumables	238	-	-	238	-	(238)
Food Costs	567	-	-	567	-	(567)
Contract services	2,121	83	300	1,904	1,000	(904)
Audit and accounting fees	417	-	-	417	-	(417)
Other	1	-	1	-	-	-
Postage and freight	9	-	-	9	-	(9)
Telephone	997	51	126	922	500	(422)
<b>Total direct costs</b>	<b>76,588</b>	<b>2,442</b>	<b>5,279</b>	<b>73,751</b>	<b>69,100</b>	<b>(4,651)</b>
<b>Indirect costs</b>	<b>8,731</b>	<b>268</b>	<b>393</b>	<b>8,606</b>	<b>7,560</b>	<b>(1,046)</b>
<b>Total expenditures</b>	<b>85,319</b>	<b>2,710</b>	<b>5,672</b>	<b>82,357</b>	<b>76,660</b>	<b>(5,697)</b>
<b>Revenue over (under) expenditures</b>	<b>\$ 48,802</b>	<b>\$ 6,052</b>	<b>\$ (5,252)</b>	<b>\$ 60,106</b>	<b>\$ 5,340</b>	<b>\$ 54,766</b>

Coastal Community Action, Inc.  
Head Start – Carteret County Day Care  
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual  
For the Program Year Ended August 31, 2007

	Agency Year Ended Sept 30, 2007	Add Sept 1, 2006 to Sept 30, 2006	Deduct Sept 1, 2007 to Sept 30, 2007	Program Year Ended Aug 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Contracted services	\$ 26,485	\$ -	\$ 2,406	\$ 24,079	\$ 22,000	\$ 2,079
Parent fees	9,897	-	1,347	8,550	5,000	3,550
Other	3,737	703	-	4,440	3,000	1,440
Total revenues	40,119	703	3,753	37,069	30,000	7,069
Expenditures:						
Direct costs:						
Salaries	14,423	104	1,163	13,364	13,000	(364)
Fringe benefits	1,711	14	144	1,581	3,250	1,669
Utilities	2,623	51	229	2,445	2,500	55
Rents	1,532	-	255	1,277	-	(1,277)
Equipment Lease Expense	278	5	34	249	300	51
Supplies	715	3	136	582	3,593	3,011
Maintenance and Repair	176	-	-	176	-	(176)
Insurance	206	94	-	300	500	200
Classroom consumables	677	-	-	677	-	(677)
Travel	88	-	1	87	-	(87)
Contract services	2,226	52	22	2,256	3,000	744
Postage and freight	-	1	-	1	200	199
Audit and accounting fees	148	-	-	148	200	52
Other	40	-	40	-	-	-
Telephone	607	14	95	526	1,000	474
Total direct costs	25,450	338	2,119	23,669	27,543	3,874
Indirect costs	2,740	20	221	2,539	2,457	(82)
Total expenditures	28,190	358	2,340	26,208	30,000	3,792
Revenue over expenditures	\$ 11,929	\$ 345	\$ 1,413	\$ 10,861	\$ -	\$ 10,861

**Coastal Community Action, Inc.**  
**Early Head Start Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended August 31, 2007**

	Agency Year Ended Sept 30, 2007	Add Sept 1, 2006 to Sept 30, 2006	Deduct Sept 1, 2007 to Sept 30, 2007	Program Year Ended Aug 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grants	\$ 1,336,248	\$ 41,845	\$ 109,998	\$ 1,268,095	\$ 1,424,150	\$ (156,055)
In kind	307,431	24,449	21,369	310,511	356,038	(45,527)
Other	71	-	-	71	-	71
Total revenues	<u>1,643,750</u>	<u>66,294</u>	<u>131,367</u>	<u>1,578,677</u>	<u>1,780,188</u>	<u>(201,511)</u>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	721,715	14,072	56,682	679,105	699,506	20,401
Fringe benefits	200,880	4,315	19,425	185,770	249,377	63,607
Travel	7,547	147	278	7,416	15,711	8,295
Training	23,222	329	661	22,890	23,592	702
Insurance	24,569	934	932	24,571	24,571	-
Maintenance and repair	7,714	156	71	7,799	3,676	(4,123)
Vehicle repair	100	-	-	100	100	-
Utilities	31,084	2,514	2,314	31,284	40,418	9,134
Equipment leases	1,597	906	313	2,190	6,899	4,709
Rents	50,870	3,993	4,940	49,923	49,924	1
Classroom consumables	1,128	1,050	425	1,753	1,753	-
Printing and publishing	-	-	-	-	2,000	2,000
Supplies	46,561	1,944	2,016	46,489	68,857	22,368
Computer Costs	1,518	-	-	1,518	1,518	-
Incidental Renovations	3,119	-	-	3,119	-	(3,119)
Vehicle Purchase	11,018	-	-	11,018	-	(11,018)
Medical/Dental Services	-	-	-	-	4,000	4,000
Mental Health Services	-	-	-	-	4,500	4,500
Contract Services	27,531	2,465	2,453	27,543	32,396	4,853
Speech Services	-	-	-	-	2,000	2,000
In kind space	182,744	20,404	20,404	182,744	244,846	62,102
In kind other	124,688	4,044	965	127,767	111,192	(16,575)
Advertising	1,888	-	289	1,599	3,000	1,401
Playground Expenses	1,024	-	-	1,024	1,586	562
Other	487	-	-	487	2,529	2,042
Food Costs	15,197	-	1,488	13,709	16,486	2,777
Educational Resources	8,087	283	-	8,370	7,001	(1,369)
Telephone	8,353	706	1,377	7,682	14,066	6,384
Parent activity	3,900	-	-	3,900	14,773	10,873
Postage	3,274	100	83	3,291	1,705	(1,586)
Total direct costs	<u>1,509,815</u>	<u>58,362</u>	<u>115,116</u>	<u>1,453,061</u>	<u>1,647,982</u>	<u>194,921</u>
Indirect costs	<u>137,126</u>	<u>2,660</u>	<u>10,770</u>	<u>129,016</u>	<u>132,206</u>	<u>3,190</u>
Total expenditures	<u>1,646,941</u>	<u>61,022</u>	<u>125,886</u>	<u>1,582,077</u>	<u>1,780,188</u>	<u>198,111</u>
Revenue over (under) expenditures	<u>\$ (3,191)</u>	<u>\$ 5,272</u>	<u>\$ 5,481</u>	<u>\$ (3,400)</u>	<u>\$ -</u>	<u>\$ (3,400)</u>

Coastal Community Action, Inc.  
 Circle of Parents Program  
 Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual  
 For the Program Year Ended June 30, 2007

	Agency Year Ended Sept 30, 2007	Add July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
In Kind Revenue	\$ 3,825	\$ -	\$ 3,825	\$ 1,800	\$ (2,025)
State Grant	13,674	1,292	14,966	15,500	534
Total Revenue	17,499	1,292	18,791	17,300	(1,491)
Expenditures:					
Direct costs:					
Salaries	7,414	786	8,200	8,000	(200)
Fringe benefits	1,572	258	1,830	2,100	270
Travel	1,278	97	1,375	1,600	225
Supplies	319	-	319	478	159
Other	50	-	50	50	-
Accounting and Audit Fees	94	-	94	-	(94)
Printing and Publications	248	2	250	350	100
In Kind other	3,825	-	3,825	1,800	(2,025)
Client Education	1,298	-	1,298	1,410	112
Total direct costs	16,098	1,143	17,241	15,788	(1,453)
Indirect costs	1,401	149	1,550	1,512	(38)
Total expenditures	17,499	1,292	18,791	17,300	(1,491)
Revenue over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**Coastal Community Action, Inc.**  
**Child Development Program – Local Cash**  
**Schedule Of Revenues And Expenditures – Programmatic Basis - Budget And Actual**  
**For the Year Ended September 30, 2007**

	Agency Year Ended September 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:			
Carteret Co. Local Cash	\$ 4,625	\$ 18,000	\$ (13,375)
Expenditures:			
Direct costs:			
Supplies	-	14,400	14,400
Training	-	3,600	3,600
Total direct costs	-	18,000	18,000
Revenue over expenditures	\$ 4,625	\$ -	\$ 4,625

**Coastal Community Action, Inc.**  
**Child Development Program – Transition Grant**  
**Schedule Of Revenues And Expenditures - Programmatic Basis- Budget And Actual**  
**For the Year Ended September 30, 2007**

	Agency Year Ended September 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>			
Transition Grant	\$ 9,536	\$ 35,200	\$ (25,664)
Transporation	1,750	-	1,750
	<u>11,286</u>	<u>35,200</u>	<u>(23,914)</u>
<b>Expenditures:</b>			
Direct costs:			
Playground surfacing	1,736	18,000	16,264
Playground supplies	-	700	700
Domed Tents	8,400	8,400	-
Classroom Instruction	-	6,100	6,100
Literacy materials	2,000	2,000	-
Total direct costs	<u>12,136</u>	<u>35,200</u>	<u>23,064</u>
Revenue under expenditures	<u>\$ (850)</u>	<u>\$ -</u>	<u>\$ (850)</u>

**Coastal Community Action, Inc.**  
**Housing Assistance Payments Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended March 31, 2007**

	Agency Year Ended Sept 30, 2007	Add April 1, 2006 to Sept 30, 2006	Deduct April 1, 2007 to Sept 30, 2007	Program Year Ended Mar 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grants	\$ 1,806,388	\$ 883,199	\$ 916,200	\$ 1,773,387	\$ 1,786,273	\$ (12,886)
Fraud recovery	5,228	1,648	2,515	4,361	2,000	2,361
Other income	202	12	202	12	-	12
<b>Total revenues</b>	<b>1,811,818</b>	<b>884,859</b>	<b>918,917</b>	<b>1,777,760</b>	<b>1,788,273</b>	<b>(10,513)</b>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	105,731	60,839	52,887	113,683	108,700	(4,983)
Fringe benefits	28,789	17,725	14,254	32,260	33,100	840
Supplies	6,017	5,665	2,470	9,212	7,200	(2,012)
Audit fees	9,881	2,872	9,851	2,902	8,000	5,098
Telephone	1,699	928	844	1,783	1,900	117
Postage	4,210	3,074	2,206	5,078	4,800	(278)
Computer costs	1,000	1,000	1,000	1,000	1,000	-
Travel	3,613	5,199	1,234	7,578	6,600	(978)
Insurance	1,373	725	710	1,388	1,500	112
Training	907	211	794	324	1,670	1,346
Rents and leases	15,017	7,508	7,508	15,017	15,000	(17)
Publ/Subscrip/Printing	262	-	-	262	500	238
Advertising	28	-	-	28	100	72
Other	816	639	403	1,052	900	(152)
Admin Fee port	1,352	656	429	1,579	2,400	821
FSS Escrow	35,573	10,487	23,113	22,947	48,000	25,053
Housing assistance payments	1,564,016	756,758	790,723	1,530,051	1,521,103	(8,948)
<b>Total direct costs</b>	<b>1,780,284</b>	<b>874,286</b>	<b>908,426</b>	<b>1,746,144</b>	<b>1,762,473</b>	<b>16,329</b>
<b>Indirect costs</b>	<b>20,088</b>	<b>11,402</b>	<b>10,101</b>	<b>21,389</b>	<b>25,800</b>	<b>4,411</b>
<b>Total expenditures</b>	<b>1,800,372</b>	<b>885,688</b>	<b>918,527</b>	<b>1,767,533</b>	<b>1,788,273</b>	<b>20,740</b>
<b>Revenue over (under) expenditures</b>	<b>\$ 11,446</b>	<b>\$ (829)</b>	<b>\$ 390</b>	<b>10,227</b>	<b>\$ -</b>	<b>\$ 10,227</b>

**Coastal Community Action, Inc.**  
**Housing Assistance Payments Program – Family Self-Sufficiency**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended March 31, 2007**

	Agency Year Ended Sept 30, 2007	Add April 1, 2006 to Sept 30, 2006	Deduct April 1, 2007 to Sept 30, 2007	Program Year Ended Mar 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grant	\$ 36,194	\$ -	\$ -	\$ 36,194	\$ 36,194	\$ -
Interest income	82	360	-	442	500	(58)
HUD FSS Escrow	1,600	34,833	-	36,433	9,000	27,433
United Way Grant	5,778	2,750	3,028	5,500	5,500	-
	<u>43,654</u>	<u>37,943</u>	<u>3,028</u>	<u>78,569</u>	<u>51,194</u>	<u>27,375</u>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	28,076	15,365	14,659	28,782	24,130	(4,652)
Fringe benefits	7,722	5,079	4,690	8,111	7,720	(391)
United Way expenses	5,695	2,738	3,002	5,431	5,500	-
Total direct costs	<u>41,493</u>	<u>23,182</u>	<u>22,351</u>	<u>42,324</u>	<u>37,350</u>	<u>(5,043)</u>
Indirect costs	<u>5,334</u>	<u>2,904</u>	<u>2,785</u>	<u>5,453</u>	<u>4,344</u>	<u>(1,109)</u>
Total expenditures	<u>46,827</u>	<u>26,086</u>	<u>25,136</u>	<u>47,777</u>	<u>41,694</u>	<u>(6,152)</u>
Revenue over (under) expenditures	<u>\$ (3,173)</u>	<u>\$ 11,857</u>	<u>\$ (22,108)</u>	<u>\$ 30,792</u>	<u>\$ 9,500</u>	<u>\$ 21,223</u>

Coastal Community Action, Inc.  
Community Services Block Grant  
Self-Sufficiency Program  
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual  
For the Program Year Ended June 30, 2007

	Agency Year Ended Sept 30, 2007	Add July 1, 2006 to Sept 30, 2006	Deduct July 1, 2007 to Sept 30, 2007	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 353,869	\$ 83,110	\$ 90,944	\$ 346,035	\$ 346,716	\$ 681
Other Contributions	341		341	-	-	-
	<u>354,210</u>	<u>83,110</u>	<u>91,285</u>	<u>346,035</u>	<u>346,716</u>	<u># 681</u>
Expenditures:						
Direct costs:						
Salaries	152,616	38,298	39,541	151,373	151,990	617
Fringe benefits	39,883	8,178	10,073	37,988	33,075	(4,913)
Telephone	1,420	285	343	1,362	1,800	438
Postage	1,866	516	453	1,929	1,500	(429)
Advertising	550	122	-	672	672	-
Insurance	1,163	292	189	1,266	1,372	106
Rent	13,123	3,163	3,155	13,131	14,436	1,305
Audit and accounting fees	2,116	-	-	2,116	1,500	(616)
Training	4,222	1,019	1,049	4,192	5,000	808
Travel	18,337	5,106	5,265	18,178	15,500	(2,678)
Supplies	5,038	2,159	927	6,270	6,000	(270)
Client payments	49,602	31,481	17,864	63,219	73,421	10,202
Recognition	10,306	-	3,604	6,702	4,000	(2,702)
Printing and Publ	769	-	-	769	778	9
Other	4,185	-	1,160	3,025	6,946	3,921
Total direct costs	<u>305,196</u>	<u>90,619</u>	<u>83,623</u>	<u>312,192</u>	<u>317,990</u>	<u>5,798</u>
Indirect costs	<u>34,233</u>	<u>7,238</u>	<u>7,626</u>	<u>33,845</u>	<u>28,726</u>	<u>(5,119)</u>
Total expenditures	<u>339,429</u>	<u>97,857</u>	<u>91,249</u>	<u>346,037</u>	<u>346,716</u>	<u>679</u>
Revenue over (under) expenditures	<u>\$ 14,781</u>	<u>\$ (14,747)</u>	<u>\$ 36</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 2</u>

**Coastal Community Action, Inc.**  
**Weatherization Assistance Program For Low Income Persons**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended June 30, 2007**

	Agency Year Ended Sept 30, 2007	Add July 1, 2006 to Sept 30, 2006	Deduct July 1, 2007 to Sept 30, 2007	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grant						
Weatherization assistance	\$ 356,495	\$ 85,877	\$ 81,721	\$ 360,651	\$ 360,651	\$ -
Training and tech asst	5,287	-	-	5,287	6,825	(1,538)
<b>Total revenues</b>	<b>361,782</b>	<b>85,877</b>	<b>81,721</b>	<b>365,938</b>	<b>367,476</b>	<b>(1,538)</b>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
<b>Weatherization assistance:</b>						
Salaries	138,858	32,685	30,458	141,085	138,310	(2,775)
Fringe benefits	35,789	8,754	8,813	35,730	47,970	12,240
Travel	20,210	5,212	5,687	19,735	25,855	6,120
Audit and accounting fees	2,500	-	-	2,500	2,500	-
Supplies	3,565	92	708	2,949	1,100	(1,849)
Other	65	-	-	65	-	(65)
Insurance	6,162	1,128	1,182	6,108	3,600	(2,508)
Postage and freight	1,510	237	634	1,113	500	(613)
Telephone	2,846	1,275	861	3,260	3,040	(220)
Vehicle repairs	3,741	37	674	3,104	4,500	1,396
Advertising	1,623	760	84	2,299	960	(1,339)
Machinery Maintenance	417	122	380	159	1,500	1,341
Labor-Subcontractor	3,657	-	-	3,657	2,000	(1,657)
Equipment purchased	6,899	-	-	6,899	8,500	1,601
Tools and small equip exp	10,862	1,565	79	12,348	4,000	(8,348)
Rents and leases	11,229	2,769	2,829	11,169	12,900	1,731
Vehicle leases	8,835	-	2,145	6,690	6,204	(486)
Dump Fees	127	35	33	129	500	371
Health and safety	18,971	3,440	4,445	17,966	17,966	-
Materials	60,221	18,458	16,515	62,164	62,150	(14)
<b>Total direct costs</b>	<b>338,087</b>	<b>76,569</b>	<b>75,527</b>	<b>339,129</b>	<b>344,055</b>	<b>4,926</b>
<b>Training and technical assistance</b>						
Consumer education	486	822	486	822	-	(822)
Training	3,884	140	1,989	2,035	1,890	(145)
	4,370	962	2,475	2,857	1,890	(967)
<b>Indirect costs</b>	<b>21,152</b>	<b>6,177</b>	<b>5,787</b>	<b>21,542</b>	<b>21,531</b>	<b>(11)</b>
<b>Total expenditures</b>	<b>363,609</b>	<b>83,708</b>	<b>83,789</b>	<b>363,528</b>	<b>367,476</b>	<b>3,948</b>
<b>Revenue over (under) expenditures</b>	<b>\$ (1,827)</b>	<b>\$ 2,169</b>	<b>\$ (2,068)</b>	<b>\$ 2,410</b>	<b>\$ -</b>	<b>\$ 2,410</b>

**Coastal Community Action, Inc.**  
**Heating Appliance Repair And Replacement Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended June 30, 2007**

	Agency Year Ended Sept 30, 2007	Add July 1, 2006 to Sept. 30, 2006	Deduct July 1, 2007 to Sept. 30, 2007	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 127,821	\$ 2,452	\$ 14,637	\$ 115,636	\$ 115,655	\$ 19
Expenditures:						
Direct costs:						
Salaries	11,366	1,677	1,334	11,709	11,500	(209)
Fringe benefits	2,118	534	250	2,402	4,025	1,623
Supplies	1,160	382	-	1,542	1,571	29
Tools and supplies	(160)	160	-	-	-	-
Postage and freight	1	-	-	1	-	(1)
Subcontractor labor	2,306	1,000	3,306	-	30,000	30,000
Contractor Labor	31,174	-	-	31,174	-	(31,174)
Materials	72,627	3,253	9,495	66,385	66,385	-
Insurance	(225)	225	-	-	-	-
Other	(25)	25	-	-	-	-
Total direct costs	120,342	7,256	14,385	113,213	113,481	268
Indirect costs	2,159	317	253	2,223	2,174	(49)
Total expenditures	122,501	7,573	14,638	115,436	115,655	219
Revenue over (under) expenditures	\$ 5,320	\$ (5,121)	\$ (1)	\$ 200	\$ -	\$ 200

Coastal Community Action, Inc.  
Urgent Repair Program  
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual  
For the Program Period May 1, 2006 Through March 31, 2007

	Agency Year End Sept 30, 2007	Add May 1, 2006 to Sept 30, 2006	Deduct April 1, 2007 to Sept 30, 2007	Program Period Ended March 31, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
State grant	\$ 114,648	\$ 718	\$ 1,680	\$ 113,686	\$ 110,000	\$ 3,686
Expenditures:						
Direct costs:						
Salaries	12,073	439	-	12,512	14,750	2,238
Fringe benefits	2,817	11	-	2,828	5,162	2,334
Labor	42,548	-	-	42,548	30,400	(12,148)
Materials	55,148	-	1,680	53,468	56,400	2,932
Advertising	-	52	-	52	-	(52)
Administration	93	1	-	94	500	406
Total direct costs	112,679	503	1,680	111,502	107,212	(4,290)
Indirect costs	2,290	83	-	2,373	2,788	415
Total expenditures	114,969	586	1,680	113,875	110,000	(3,875)
Revenue over (under) expenditures	\$ (321)	\$ 132	\$ -	\$ (189)	\$ -	\$ (189)

**Coastal Community Action, Inc.**  
**Housing and Home Improvements Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended June 30, 2007**

	Agency Year Ended Sept 30, 2007	July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>					
Federal pass through funds	\$ 6,324	\$ -	\$ 6,324	\$ 6,324	\$ -
Local funds	528	250	778	778	-
Total revenues	<u>6,852</u>	<u>250</u>	<u>7,102</u>	<u>7,102</u>	<u>-</u>
<b>Expenditures:</b>					
<b>Direct costs:</b>					
Salaries	267	-	267	-	(267)
Fringe benefits	51	-	51	-	(51)
Admin cost	99	-	99	-	(99)
Labor-subcontractor	2,300	-	2,300	-	(2,300)
Materials	4,328	-	4,328	7,102	2,774
Total direct costs	<u>7,045</u>	<u>-</u>	<u>7,045</u>	<u>7,102</u>	<u>57</u>
Indirect costs	<u>51</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>(51)</u>
Total expenditures	<u>7,096</u>	<u>-</u>	<u>7,096</u>	<u>7,102</u>	<u>6</u>
Revenue over (under) expenditures	<u>\$ (244)</u>	<u>\$ 250</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>

**Coastal Community Action, Inc.**  
**Single Family Rehabilitation Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis- Budget And Actual**  
**For the Year Ended September 30, 2007**

	Agency Year Ended Sept 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:			
Federal pass through funds	\$ 476,504	\$ 697,045	\$ (220,541)
Expenditures:			
Salaries	24,976	32,000	7,024
Fringe benefits	9,026	9,600	574
Travel	3,534	-	(3,534)
Soft costs	7,522	104,556	97,034
Hard costs	411,526	522,785	111,259
Supplies	565	-	(565)
Rent and Leases	4,546	-	(4,546)
Admin costs	824	22,056	21,232
Postage	324	-	(324)
Telephone	663	-	(663)
Advertising	65	-	(65)
Accounting and Audit	786	-	(786)
Insurance and Bonding	328	-	(328)
Total direct costs	<u>464,685</u>	<u>690,997</u>	<u>226,312</u>
Indirect costs	<u>4,745</u>	<u>6,048</u>	<u>1,303</u>
Total expenditures	<u>469,430</u>	<u>697,045</u>	<u>227,615</u>
Revenue over (under) expenditures	<u>\$ 7,074</u>	<u>\$ -</u>	<u>\$ 7,074</u>

**Coastal Community Action, Inc.  
Retired Senior Volunteers Program  
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual  
For the Program Year Ended June 30, 2007**

	Agency Year Ended Sept 30, 2007	Add July 1, 2006 to Sept 30, 2006	Deduct July 1, 2007 to Sept 30, 2007	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grant	\$ 48,459	\$ 9,100	11,200	46,359	46,359	\$ -
In-kind	15,316	2,823	4,038	14,101	8,128	5,973
Contributions	1,085	-	-	1,085	-	1,085
Local cash	13,347	2,991	4,375	11,963	11,963	-
	<u>78,207</u>	<u>14,914</u>	<u>19,613</u>	<u>73,508</u>	<u>66,450</u>	<u>7,058</u>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	31,061	6,644	7,526	30,179	29,507	(672)
Fringe benefits	8,169	1,661	2,227	7,603	10,359	2,756
Recognition	2,852	-	-	2,852	2,949	97
In-kind space	165	-	90	75	-	(75)
In-kind other	15,151	2,823	3,948	14,026	8,128	(5,898)
Training	420	17	-	437	557	120
Travel	4,718	508	1,014	4,212	3,353	(859)
Supplies	992	145	666	471	565	94
Audit and accounting fees	388	-	-	388	400	12
Insurance	1,204	273	336	1,141	1,456	315
Postage	324	129	82	371	341	(30)
Rent	2,631	655	655	2,631	2,641	10
Telephone	275	51	69	257	341	84
Other	202	75	96	181	275	94
Total direct costs	<u>68,552</u>	<u>12,981</u>	<u>16,709</u>	<u>64,824</u>	<u>60,872</u>	<u>(3,952)</u>
Indirect costs	<u>5,901</u>	<u>1,256</u>	<u>1,430</u>	<u>5,727</u>	<u>5,578</u>	<u>(149)</u>
Total expenditures	<u>74,453</u>	<u>14,237</u>	<u>18,139</u>	<u>70,551</u>	<u>66,450</u>	<u>(4,101)</u>
Revenue over (under) expenditures	<u>\$ 3,754</u>	<u>\$ 677</u>	<u>\$ 1,474</u>	<u>\$ 2,957</u>	<u>\$ -</u>	<u>\$ 2,957</u>

**Coastal Community Action, Inc.**  
**Foster Grandparent Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended June 30, 2007**

	Agency Year Ended Sept 30, 2007	Add July 1, 2006 to Sept 30, 2006	Deduct July 1, 2007 to Sept 30, 2007	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grants	\$ 314,896	\$ 52,500	\$ 60,400	\$ 306,996	\$ 306,996	\$ -
Local cash	5,891	1,306	1,750	5,447	5,447	-
In-kind	57,860	5,339	16,719	46,480	22,886	23,594
Other	6,000	-	-	6,000	6,000	-
<b>Total revenues</b>	<b>384,647</b>	<b>59,145</b>	<b>78,869</b>	<b>364,923</b>	<b>341,329</b>	<b>23,594</b>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	45,806	6,619	11,297	41,128	48,100	6,972
Fringe benefits	11,058	1,301	2,965	9,394	12,594	3,200
Travel	43,104	10,828	9,314	44,618	40,233	(4,385)
In-kind space	37	-	-	37	-	(37)
In-kind other	57,822	5,339	16,719	46,442	22,886	(23,556)
Audit and accounting fees	1,823	-	-	1,823	1,500	(323)
Supplies	6,146	588	518	6,216	1,572	(4,644)
Postage	1,672	619	352	1,939	2,369	430
Telephone	680	126	173	633	900	267
Printing and publication	295	-	-	295	200	(95)
Insurance	1,043	243	269	1,017	2,218	1,201
Meals & activities	6,672	277	1,470	5,479	3,500	(1,979)
Stipends	181,832	32,332	34,145	180,019	179,855	(164)
Recognition	1,598	-	-	1,598	650	(948)
Training	1,020	127	160	987	1,067	80
Rent	6,519	1,637	1,627	6,529	7,200	671
Transportation	6,000	-	-	6,000	6,000	-
Physicals	906	117	12	1,011	794	(217)
Other	512	178	15	675	600	(75)
<b>Total direct costs</b>	<b>374,545</b>	<b>60,331</b>	<b>79,036</b>	<b>355,840</b>	<b>332,238</b>	<b>(23,602)</b>
<b>Indirect costs</b>	<b>8,703</b>	<b>1,251</b>	<b>2,146</b>	<b>7,808</b>	<b>9,091</b>	<b>1,283</b>
<b>Total expenditures</b>	<b>383,248</b>	<b>61,582</b>	<b>81,182</b>	<b>363,648</b>	<b>341,329</b>	<b>(22,319)</b>
<b>Revenue over (under) expenditures</b>	<b>\$ 1,399</b>	<b>\$ (2,437)</b>	<b>\$ (2,313)</b>	<b>\$ 1,275</b>	<b>\$ -</b>	<b>\$ 1,275</b>

**Coastal Community Action, Inc.**  
**Senior Companion Program**  
**Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual**  
**For the Program Year Ended June 30, 2007**

	Agency Year Ended Sept 30, 2007	Add July 1, 2007 to Sept 30, 2007	Deduct July 1, 2007 to Sept 30, 2007	Program Year Ended June 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
<b>Revenues:</b>						
Federal grants						
Senior companion	\$ 182,121	\$ 50,203	\$ 47,151	\$ 185,173	\$ 185,173	\$ -
HCCBG	43,807	9,928	12,124	41,611	41,611	-
Local cash	23,376	4,401	4,167	23,610	22,402	1,208
FCSP	15,450	5,906	2,556	18,800	18,800	-
In-kind	59,723	6,497	8,680	57,540	23,464	34,076
Other	15	-	-	15	-	15
Total revenues	<u>324,492</u>	<u>76,935</u>	<u>74,678</u>	<u>326,749</u>	<u>291,450</u>	<u>35,299</u>
<b>Expenditures:</b>						
<b>Direct costs:</b>						
Salaries	27,845	6,029	6,232	27,642	27,778	136
Fringe benefits	7,540	1,527	1,974	7,093	10,203	3,110
Travel	44,166	9,175	9,883	43,458	44,901	1,443
Stipends	164,608	42,851	38,441	169,018	167,424	(1,594)
Supplies	1,377	1,064	535	1,906	2,195	289
Rent	2,621	655	655	2,621	2,628	7
Postage	2,325	647	726	2,246	2,700	454
Telephone	284	52	76	260	240	(20)
Meals and activities	8	-	8	-	-	-
Other	206	50	34	222	100	(122)
Audit and accounting fees	1,525	-	-	1,525	600	(925)
Training	375	17	-	392	1,200	808
In-kind other	59,693	6,476	8,680	57,489	22,864	(34,625)
In-kind space	30	21	-	51	600	549
Recognition	1,455	-	-	1,455	1,455	-
Physicals	383	-	255	128	342	214
Insurance	843	172	311	704	971	267
Total direct costs	<u>315,284</u>	<u>68,736</u>	<u>67,810</u>	<u>316,210</u>	<u>286,201</u>	<u>(30,009)</u>
Indirect costs	<u>5,290</u>	<u>1,140</u>	<u>1,184</u>	<u>5,246</u>	<u>5,249</u>	<u>3</u>
Total expenditures	<u>320,574</u>	<u>69,876</u>	<u>68,994</u>	<u>321,456</u>	<u>291,450</u>	<u>(30,006)</u>
Revenue over expenditures	<u>\$ 3,918</u>	<u>\$ 7,059</u>	<u>\$ 5,684</u>	<u>\$ 5,293</u>	<u>\$ -</u>	<u>\$ 5,293</u>

Coastal Community Action, Inc.  
 Early Childhood Rehabilitative  
 Schedule of Revenues And Expenditures - Programmatic Basis  
 For the Year Ended September 30, 2007

	Agency Year Ended Sept 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:			
EDS	\$ 28,218	\$ 24,000	\$ 4,218
State of NC DHH	10,455	13,000	(2,545)
Total revenues	<u>38,673</u>	<u>37,000</u>	<u>1,673</u>
Expenditures:			
Direct costs:			
Salaries	24,017	14,000	(10,017)
Fringe benefits	6,762	2,200	(4,562)
Audit and accounting fees	209	200	(9)
Travel	1,607	1,500	(107)
Supplies	66	100	34
Insurance	236	200	(36)
Postage	15	-	(15)
Telephone	261	400	139
Rents and leases	2,621	2,400	(221)
Training	125	-	(125)
Total direct costs	<u>35,919</u>	<u>21,000</u>	<u>(14,919)</u>
Indirect costs	<u>4,563</u>	<u>2,457</u>	<u>(2,106)</u>
Total expenditures	<u>40,482</u>	<u>23,457</u>	<u>(17,025)</u>
Revenue over (under) expenditures	<u>\$ (1,809)</u>	<u>\$ 13,543</u>	<u>\$ (15,352)</u>

Coastal Community Action, Inc.  
 HUD Revolving Loan Fund  
 Schedule of Revenues And Expenditures - Programmatic Basis - Budget And Actual  
 For the Program Period February 1, 2003 Through September 30, 2007

	Agency Year Ended Sept 30, 2007	Add Feb 1, 2003 to Sept 30, 2006	Program Period Ended Sept 30, 2007	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
HUD Revolving Loan Fund	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Expenditures:					
Revolving Loan Expense	(932)	4,614	3,682	5,000	1,318
Revenue over (under) expenditures	\$ 932	\$ 386	\$ 1,318	\$ -	\$ (1,318)

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**Coastal Community Action, Inc.**  
**Building Services**  
**Schedule Of Revenues And Expenditures - Programmatic Basis**  
**For the Year Ended September 30, 2007**

	<u>Newport Admin Bldg</u>		<u>Beaufort Child Devel Center</u>	
	Agency		Agency	
	Year Ended Sept 30, 2007	Approved Budget	Year Ended Sept 30, 2007	Approved Budget
<b>Revenues:</b>				
Rent Income	\$ 124,209	\$ 124,200	\$ 116,420	\$ 111,275
Lease Income	6,435	-	-	-
Interest Income	4,630	500	-	-
Total revenues	<u>135,274</u>	<u>124,700</u>	<u>116,420</u>	<u>111,275</u>
<b>Expenditures:</b>				
<b>Facility Expenses:</b>				
Salaries and Wages	19,540	18,000	-	-
Fringe Benefits	1,850	5,000	-	-
Travel	-	100	-	-
Supplies	390	200	-	-
Audit and accounting fees	424	500	305	400
Other	(713)	-	-	-
Postage and freight	22	-	-	-
Mortgage interest expense	38,617	39,500	49,167	55,800
Utilities	14,428	15,300	-	-
Maintenance and repairs	6,085	8,000	-	-
Contract services	8,600	-	-	-
Janitorial services	8,000	8,800	-	-
Total direct costs	<u>97,243</u>	<u>95,400</u>	<u>49,472</u>	<u>56,200</u>
Indirect Cost	3,713	-	-	-
Total expenditures	<u>100,956</u>	<u>95,400</u>	<u>49,472</u>	<u>56,200</u>
Revenue over expenditures	<u>\$ 34,318</u>	<u>\$ 29,300</u>	<u>\$ 66,948</u>	<u>\$ 55,075</u>

<u>Pamlico Child Devel Center</u>		<u>Total Building Services</u>		Variance, Favorable (Unfavorable)
<u>Agency</u> <u>Year Ended</u> <u>Sept 30, 2007</u>	<u>Approved</u> <u>Budget</u>	<u>Agency</u> <u>Year Ended</u> <u>Sept 30, 2007</u>	<u>Approved</u> <u>Budget</u>	
\$ 109,574	\$ 112,790	\$ 350,203	\$ 348,265	\$ 1,938
-	-	6,435	-	6,435
-	-	4,630	500	4,130
<u>109,574</u>	<u>112,790</u>	<u>361,268</u>	<u>348,765</u>	<u>12,503</u>
-	-	19,540	18,000	(1,540)
-	-	1,850	5,000	3,150
-	-	-	100	100
-	-	390	200	(190)
401	400	1,130	1,300	170
-	500	(713)	500	1,213
-	-	22	-	(22)
57,720	58,900	145,504	154,200	8,696
-	-	14,428	15,300	872
-	-	6,085	8,000	1,915
-	-	8,600	-	(8,600)
-	-	8,000	8,800	800
<u>58,121</u>	<u>59,800</u>	<u>204,836</u>	<u>211,400</u>	<u>6,564</u>
-	-	3,713	-	(3,713)
<u>58,121</u>	<u>59,800</u>	<u>208,549</u>	<u>211,400</u>	<u>2,851</u>
<u>\$ 51,453</u>	<u>\$ 52,990</u>	<u>\$ 152,719</u>	<u>\$ 137,365</u>	<u>\$ 15,354</u>

Coastal Community Action, Inc.  
 Miscellaneous Other Program And Non-Program Summary  
 Schedule Of Revenues And Expenditures- Programmatic Basis  
 For the Year Ended September 30, 2007

	Agency Year Ended Sept 30, 2007
<hr/>	
Revenues:	
Interest	\$ 7,383
Lease income	2,100
Other	19,410
Medical	85
Contributions	<u>16,819</u>
	<u>45,797</u>
Expenditures:	
Direct costs:	
Salaries	612
Fringe benefits	117
Recognition	859
Professional fees	162
Maintenance and repairs	1,175
Cobra expense	14,782
Other	<u>507</u>
Total direct costs	<u>18,214</u>
Indirect costs	<u>116</u>
Total expenditures	<u>18,330</u>
Revenue over expenditures	<u>\$ 27,467</u>

## **COMPLIANCE SECTION**

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# McGladrey & Pullen

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**

To the Board of Directors  
Coastal Community Action, Inc.  
Newport, North Carolina

We have audited the financial statements of Coastal Community Action, Inc., as of and for the year ended September 30, 2007, and have issued our report thereon dated March 11, 2008. 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 Coastal Community Action, Inc.'s internal control over financial reporting as a basis for determining 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 Coastal Community Action, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coastal Community Action, Inc.'s internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 a combination of control deficiencies, that adversely affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Question Costs as item 07-1 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily identify all significant deficiencies that are considered to be material weaknesses. However, we consider item 07-1 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coastal Community Action, Inc.'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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 07-1.

Coastal Community Action's response to the findings identified in our audit is described in the accompanying schedule of Findings and Questioned Costs. We did not audit Coastal Community Action, Inc.'s response and accordingly, we express no opinion on it.

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

*McGladrey & Pullen, LLP*

Morehead City, North Carolina  
March 11, 2008

# McGladrey & Pullen

Certified Public Accountants

## **Independent Auditor's Report On Compliance With Requirements Applicable To Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133**

To the Board of Directors  
Coastal Community Action, Inc.  
Newport, North Carolina

### Compliance

We have audited the compliance of Coastal Community Action, 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 September 30, 2007. Coastal Community Action, 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 Coastal Community Action, Inc.'s management. Our responsibility is to express an opinion on the Organization'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 Coastal Community Action, Inc.'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 on the Coastal Community Action, Inc.'s compliance with those requirements.

As described in item 07-2 in the accompanying schedule of findings and questioned costs, Coastal Community Action, Inc. did not comply with requirements regarding Allowable Costs/Cost Principles, Cash Management, Period of Availability of Funds, and Reporting that are applicable to its Head Start Program. Compliance with such requirements is necessary, in our opinion, for Coastal Community Action, Inc. to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Coastal Community Action, 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 September 30, 2007.

### Internal Control Over Compliance

The management of Coastal Community Action, 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 our audit, we considered Coastal Community Action, 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 our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing and opinion on effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Coastal Community Action, Inc.'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose of the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of finding and questioned costs as item 07-2 to be a significant deficiency.

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 any entity's internal control. We consider the significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-2 to be a material weakness.

Coastal Community Actions, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Coastal Community Actions, Inc.'s responses, and accordingly, we express no opinion on them.

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

*McGladrey & Pullen, LLP*

Morehead City, North Carolina  
March 11, 2008

**Coastal Community Action, Inc.  
 Schedule Of Findings And Questioned Costs  
 For the Year Ended September 30, 2007**

**Section 1. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified?  X  Yes   No

Significant deficiency(ies) identified that are not considered to be material weaknesses?   Yes  X  None Reported

Noncompliance material to financial statements noted?  X  Yes   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  X  Yes   No

Significant deficiency(ies) identified that are not considered to be material weaknesses?   Yes  X  None Reported

Type of auditor's report issued on compliance for major federal programs: Unqualified for all major programs except for Head Start which was qualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  X  Yes   No

Identification of major federal programs:

CFDA #	Program Name
93.600	Administration for Children, Youth, and Families – Head Start
10.558	Child Care Food Program
14.239	Single Family Rehabilitation Program

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

Auditee qualified as low-risk auditee?   Yes  X  No

**Coastal Community Action, Inc.  
Schedule Of Findings And Questioned Costs (Continued)  
For the Year Ended September 30, 2007**

**Section 2. Financial Statement Findings**

**Internal Control Significant Deficiency (Material Weakness) and Material Noncompliance**

Finding 07-1: Matching Principle, Program Year Funding

Criteria: Expense should be recorded in the period in which the liability is actually incurred, and grant expense reimbursement drawdown requests receivable should only reflect requests for funding drawdowns to reimburse for program expenses appropriately associated with a "program fiscal year".

Condition and context: Management overrode purchase order controls, which resulted in an improper cutoff of accounts payable transactions. Management retroactively encumbered unused program funding for the Head Start program year ended August 31, 2007 by back dating purchase orders so that expenses from a later period were posted to Head Start program year ended August 31, 2007. Encumbering expense (called "obligating" by Head Start) for payment from a particular Head Start "program year" funding occurs when an order is placed for goods and services on or before "program year end", but no legal liability to pay has been actually incurred. An expense is incurred (i.e. the entity is legally responsible to pay) when the goods or services have been received. A detailed examination of Head Start program year ended August 31, 2007 commitments and expenses revealed that Coastal Community Action, Inc. requested and drew down program funding for costs that were not obligated or incurred until after Coastal Community Action, Inc.'s fiscal year end of September 30, 2007.

Effect: Expenses were not recorded in the correct fiscal year when the liability was incurred and accounts receivable for grant expense reimbursements were not recorded in the correct fiscal year associated with the program expenses. Journal entries were required to remove inappropriate grant expenses payable and the related grant reimbursement receivable that was recorded to draw the funding down from the Department of Health and Human Services related to the Head Start Program.

Cause: Management did not apply Head Start grant requirements correctly.

Recommendation: Expenses should only be recorded in the period in which the associated liability is actually incurred. Requests for reimbursement of grant expenses should be only based on valid grant "program year" expenses. Management should review year to date revenues and expenses by program on a regular basis in order to keep track of the status of each program's available funds throughout the year.

Views of responsible officials:

The Executive Committee of the Coastal Community Action, Inc. Board of Directors has directed CCA Management to take all reasonable and appropriate actions to ensure that the fiscal and operating requirements of each program are met. Policies and procedures have been amended to confirm that expenses are recorded to the correct fiscal year in which the liability is incurred, and that the resulting accounts receivable for grant expense reimbursements are also recorded in the correct fiscal year associated with the program expenses.

**Coastal Community Action, Inc.  
Schedule Of Findings And Questioned Costs (Continued)  
For the Year Ended September 30, 2007**

**Section 2. Financial Statement Findings (Continued)**

Views of responsible

Officials(Continued): The Executive Committee has reviewed, in detail, and approved the Corrective Action Plan proposed by CCA Management and the changes made to Section V – Purchasing Procedures General, of the CCA Financial Policies and Procedures by unanimous vote on this 28<sup>th</sup> of February, 2008. It is the Committee's belief that the actions and policies approved are sufficient to ensure that the Condition and Effect referenced above will not be repeated.

**Section 3. Federal Award Findings and Questioned Costs**

US Department of Health and Human Services  
Direct program: Administration for Children, Youth, and Families  
Head Start  
Early Head Start  
CFDA #93.600 04CH0027/28

**Material Weakness**

**Material Noncompliance**

Finding 07-2

Compliance category: Allowable Costs/Cost Principles; Cash Management; Period of Availability of Funds; Reporting

Criteria: See Finding 07-01 in Section 2.

Condition and context: See Finding 07-01 in Section 2.

Questioned cost: \$215,983 – The amount reported as obligated and not a valid expense as of the program year 08/31/2007.

Effect: See Finding 07-01 in Section 2.

Cause: See Finding 07-01 in Section 2.

Recommendation: See Finding 07-01 in Section 2.

Views of responsible

officials: See Finding 07-01 in Section 2.

**Coastal Community Action, Inc.  
Corrective Action Plan  
For the Year Ended September 30, 2007**

Management will take all reasonable and appropriate action to ensure that the fiscal and operating requirements of each program are met. Policies and procedures have been amended to confirm that expenses are recorded to the correct fiscal year in which the liability is incurred, and that the resulting accounts receivable for grant expense reimbursements are also recorded in the correct fiscal year associated with the program expenses.

Coastal Community Action, Inc. has amended Section V - Purchasing Procedures General, of its Financial Policies and Procedures to prohibit the use of paper purchase orders, and all copies of the formerly used paper form have been destroyed. eRequester is now the only accepted means of securing approval for all procurement activities in CCA. The eRequester program is a real time web based program that does not enable the user to generate a requisition with a date other than the date of actual entry.

The authorization to procure goods or services that is provided by an approved purchase order will be valid for a period of no longer than 15 business days. The goods or services authorized by the approved purchase order must be physically ordered from the vendor in that timeframe. Failure to do so will result in cancellation of the purchase order and rescinding of the authorization provided by the approved purchase order. If the goods or services are still needed, the requisitioner will have to go through the requisition approval process again.

No purchase requisition from current year funding should be entered into eRequester after a date 10 business days prior to the end of the requisitioning program's fiscal year. CCA has established, in its fiscal policies and procedures, a cut off for new requisitions of 10 business days before the end of the requisitioning program's fiscal year. Requisitions submitted within that 10 day period without the advance approval of the Program Director and the Executive Director will be rejected. Approval by the PD and the ED will be granted only if there is a reasonable expectation that the transaction can be completed before the program fiscal year end.

Any approved purchase orders that have not been physically ordered from the vendor by the end of the program's fiscal year will be cancelled. If program management wishes to procure the goods or services using the subsequent program year funding, a new requisition will have to be entered into eRequester and pass through the approval process again.

**Coastal Community Action, Inc.  
Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2007**

No findings reported in prior year.

Coastal Community Action, Inc.  
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis  
 For the Year Ended September 30, 2007

Page 1 of 3

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Receipts	Disbursements
<b>FEDERAL GRANTS</b>				
<b>US Department of Health and Human Services</b>				
Passed through NC Department of Health and Human Services, NC Division of Aging Eastern Carolina Council: HCCBG				
Family Caregiver Support	93.052	NC-15	\$ 18,800	\$ 18,800
Direct program:				
Administration for Children, Youth and Families - Head Start				
Early Head Start	93.600	04CH0027/28	4,387,645	4,069,688 **
Total	93.600	04CH0027/28	1,374,247	1,328,966 **
			<u>5,761,892</u>	<u>5,398,654</u>
Passed through NC Department of Health and Human Services Office of Economic Opportunity				
Community Services Block Grant	93.569	OEO00304	350,608	339,427
Heating Appliance Repair and Replacement Program	93.568		127,821	122,502
			<u>478,429</u>	<u>461,929</u>
Passed through NC Department of Health and Human Services Passed through Carteret County				
Home & Community Care Block Grant	93.667		6,574	7,095
<b>Total US Department of Health and Human Services</b>			<u>6,265,695</u>	<u>5,886,478</u>
<b>US Department of Housing and Urban Development</b>				
Direct program:				
Lower Income Housing Assistance Program (A-2910-E)				
	14.856	NC141VO	1,775,288	1,847,199
Passed through NC Housing Finance Agency				
Single Family Rehabilitation Program	14.239		501,005	469,432 **
<b>Total US Department of Housing and Urban Development</b>			<u>2,276,293</u>	<u>2,316,631</u>

(Continued)

Coastal Community Action, Inc.  
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis (Continued)  
 For the Year Ended September 30, 2007

Page 2 of 3

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Receipts	Disbursements
<b>US Department of Energy</b>				
Passed through NC Department of Health and Human Services				
Office of Economic Opportunity				
Weatherization Assistance for Low Income Persons				
	81.042	207 & 307	\$ 350,393	\$ 363,899
<b>US Department of Agriculture</b>				
Passed through NC Department of Public Instruction				
Child Care Food Program				
	10.558		<u>323,752</u>	<u>425,103</u> **
<b>Corporation for National and Community Service</b>				
Direct Programs:				
Foster Grandparent /Senior Companion Program Cluster				
	94.011/94.016	02SFSNC001/ 02SCSNC006	475,490	685,025
Retired Senior Volunteer Program				
	94.002	02SRSNC025	<u>47,075</u>	<u>74,456</u>
<b>Total Corporation for National and Community Service</b>			<u>522,565</u>	<u>759,481</u>
Subtotal - federal awards			<u>9,738,698</u>	<u>9,751,592</u>

(Continued)

Coastal Community Action, Inc.  
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis  
 For the Year Ended September 30, 2007

Page 3 of 3

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Receipts	Disbursements
<b>STATE GRANTS</b>				
<b>NC Department of Public Instruction</b>				
Passed through Craven County Board of Education More at Four Program			\$ 152,515	\$ 152,515 *
Passed through Carteret County Board of Education More at Four Program			110,518	110,518 *
Passed through Craven County Smart Start More at Four Program			22,068	22,068 *
<b>Total NC Department of Public Instruction</b>			<u>285,101</u>	<u>285,101</u>
<b>NC Department of Health and Human Services</b>				
Passed through Craven County Partnership for Children Smart Start			24,563	26,195
<b>NC Housing Trust Fund</b>				
Urgent Repair Program			114,489	114,969
Subtotal - State awards			<u>424,153</u>	<u>426,265</u>
<b>Total receipts</b>			<u>\$ 10,162,851</u>	
<b>Total disbursements</b>				<u>\$ 10,177,857</u>

\* - Program having compliance requirements that could have a direct and material effect on the organization's financial statements.

\*\* - Major programs per Office of Management and Budget Circular A-133.

**Note:**

Expenditures are reported on the cash basis of accounting in accordance with the directives of North Carolina General Statute 143C-6-23. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and with North Carolina General Statute 143C-6-23.