

McGladrey & Pullen

Certified Public Accountants

Coastal Community Action, Inc.

Financial and Compliance Reports
09.30.05

Contents

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
<hr/>	
FINANCIAL STATEMENTS	
Statement of financial position	3
Statement of activities	4
Statement of cash flows	5
Notes to financial statements	7 - 12
<hr/>	
SUPPLEMENTARY INFORMATION	
Combining schedule of revenues and expenditures - programmatic basis	13 - 14
Schedule of revenues and expenditures - programmatic basis - budget and actual	
<i>Child Development Programs</i>	
Head Start Program	15
Child Care Food Program	16
Craven County Day Care	17
Pamlico County Day Care	18
Carteret County Day Care	19
Early Head Start Program	20
<i>Housing Assistance Programs</i>	
Housing Assistance Payments Program	21
Housing Assistance Payments Program – Family Self-Sufficiency	22
<i>Community Services Programs</i>	
Emergency Assistance	23
Self-Sufficiency Program	24
<i>Housing Repairs Programs</i>	
Weatherization Assistance Program for Low Income Persons	25
Heating Appliance Repair and Replacement Program	26
Urgent Repair Program	27
Housing and Home Improvements Program	28
Single Family Rehabilitation Program	29
<i>Senior Programs</i>	
Retired Senior Volunteers Program	30
Foster Grandparent Program	31
Senior Companion Program	32
<i>Other Programs</i>	
Title V	33
Family Caregiver Support	34
Early Childhood Rehabilitative	35
HUD Revolving Loan Fund	36
Self Help Housing	37
Building Services	38 - 39
Miscellaneous Other Program and Non-Program Summary	40

Contents (Continued)

Page

COMPLIANCE SECTION

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 <u>Government Auditing Standards</u>	41 - 42
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	43 - 44
Schedule of findings and questioned costs	45 - 46
Corrective action plan	47
Summary schedule of prior audit findings	48
Schedule of expenditures of federal and State awards - cash basis	49 - 52

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, 2005, 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, 2005, 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 November 16, 2005 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 143-6.1, 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
November 16, 2005

Coastal Community Action, Inc.

Statement Of Financial Position
September 30, 2005

ASSETS

Cash and cash equivalents	\$	276,858
Restricted cash (Note 6)		21,785
Accounts receivable (Note 6):		
Grants and contracts (Note 5)		297,836
Other		11,821
Prepaid expenses		19,716
Other assets		4,432
Property and equipment, net of accumulated depreciation (Notes 3 and 6)		4,217,485
Total assets	\$	4,849,933

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable (Note 7)	\$	131,596
Accrued expenses (Note 4)		307,076
Deferred revenue (Note 1)		160,718
Long-term debt:		
Mortgage payable (Note 6)		3,360,983
Capital leases payable (Note 6)		39,611
Total liabilities		3,999,984

Commitments and Contingencies (Notes 3, 5 and 6)

Net Assets, unrestricted		849,949
Total liabilities and net assets	\$	4,849,933

See Notes to Financial Statements.

Coastal Community Action, Inc.

**Statement Of Activities
Year Ended September 30, 2005**

Revenue (Notes 5 and 6):	
Federal grants	\$ 9,579,987
State grants	155,087
In-kind contributions (Note 9)	1,623,929
Interest	3,845
Program services	47,664
Contracted services	348,634
Local revenue	62,724
Contributions	33,224
Rent Income	230,551
Other	22,321
Total revenue	<u>12,107,966</u>
Expenses:	
Program services	
Head start program	7,610,563
Housing assistance program	1,744,847
Community services program	304,957
Housing repairs program	522,951
Senior Programs	723,408
Other programs, primarily aging and health related	332,505
Management and general	724,795
Total expenses	<u>11,964,026</u>
Increase in net assets	143,940
Net assets, beginning	<u>706,009</u>
Net assets, ending	<u>\$ 849,949</u>

See Notes to Financial Statements.

Coastal Community Action, Inc.

Statement Of Cash Flows
Year Ended September 30, 2005

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Cash Flows From Operating Activities	
Increase in net assets	\$ 143,940
Adjustments to reconcile increase in net assets to net cash provided by in operating activities:	
Depreciation	230,839
Loss on Disposal of Assets	2,081
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	68,077
Prepaid expenses	(2,566)
Other assets	3,050
Increase (decrease) in:	
Accounts payable and accrued expenses	(200,493)
Deferred revenue	95,684
Net cash provided by operating activities	<u>340,612</u>
Cash Flows from Investing Activities	
Restricted cash set aside for mortgage loan requirements	(21,785)
Purchase of property and equipment	<u>(1,130,650)</u>
Net cash used in investing activities	<u>(1,152,435)</u>
Cash Flows Used in Financing Activities	
Proceeds on note payable	924,850
Proceeds of long term debt	1,250,575
Payments on note payable	(1,086,642)
Payments on mortgages payable	(39,768)
Payments on capital leases	<u>(13,026)</u>
Net cash provided by financing activities	<u>1,035,989</u>
Increase in cash and cash equivalents	224,166
Cash and Cash Equivalents, unrestricted	
Beginning	<u>52,692</u>
Ending	<u>\$ 276,858</u>
Supplemental Disclosure of Cash Flow Information	
Cash payments for interest	<u>\$ 128,920</u>

See Notes to Financial Statements.

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Coastal Community Action, Inc.

Notes To Financial Statements

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, 2005, 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, 2005, there were no permanently restricted net assets.

Cash and cash equivalents: For purposes of reporting cash flows of unrestricted cash and cash equivalents, CCA considers unrestricted debt instruments purchased with an original maturity of three months or less to be 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, they 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

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

A summary of deferred revenue, by program, as of September 30, 2005, is as follows:

Housing Assistance Payments Program	\$ 80,209
Community Services Block Grant	17,422
Senior Companion Program	8,353
Urgent Repair	54,734
	<u>\$ 160,718</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.

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 Great-West Life and Annuity 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 25 percent of employee contributions with a maximum matching contribution of 1% of applicable employee compensation. The Organization contributed \$28,834 during the year ended September 30, 2005.

Coastal Community Action, Inc.

Notes To Financial Statements

Note 3. Property and Equipment

A summary of property and equipment as of September 30, 2005, is as follows:

Motor vehicles	\$ 677,418
Equipment	944,644
Furniture and fixtures	220,900
Buildings	3,068,340
Land	504,125
	<hr/>
	5,415,427
Less accumulated depreciation	1,197,942
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	\$ 4,217,485
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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, 2005, totaling \$93,490 is included in accrued expenses.

Note 5. Economic Dependence/Contingency

CCA receives approximately 81% percent of its revenue from federal and State sources for the various programs CCA administers. Balances due from federal and State sources comprise 75% of the grant and contracts receivable balance as of September 30, 2005. 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.

Coastal Community Action, Inc.

Notes To Financial Statements

Note 6. Long-Term Debt

Construction loans existing at October 1, 2004 were refinanced with mortgages payable to the U.S. Department of Agriculture, Rural Development Administration and RBC Centura during 2005.

A summary of the Company's long-term debt, and collateral pledged thereon, consisted of the following at September 30, 2005:

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 and, 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 the Newport Administration Building. \$ 885,240

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. 1,278,225

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 the Pamilco Child Development Center. 756,000

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 the Pamilco Child Development Center. 193,000

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. 248,518

Total Mortgages Payable 3,360,983

(Continued)

Coastal Community Action, Inc.

Notes To Financial Statements

Note 6. 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 \$5,703.	\$ 4,876
11.1% lease purchase contract requiring monthly payments of \$105 through July 2009. Collateralized by equipment with a carrying value of \$3,962.	3,919
9.2% lease purchase contract requiring monthly payments of \$128 through July 2009. Collateralized by equipment with a carrying value of \$5,046.	4,946
11% lease purchase contract requiring monthly payments of \$96 through July 2009. Collateralized by equipment with a carrying value of \$3,628.	3,588
12% lease purchase contract requiring monthly payments of \$1,012 through October 2007. Collateralized by equipment with a carrying value of \$27,793.	<u>22,282</u>
Total Leases Payable	<u>39,611</u>
Total Mortgages and Leases Payable	3,400,594
Less current maturities	<u>78,732</u>
	<u><u>\$ 3,321,862</u></u>

Aggregate maturities required on long-term debt as of September 30, 2005 are due in future years as follows:

Year Ending September 30,	
2006	\$ 78,732
2007	83,585
2008	76,167
2009	77,192
2010	77,696
Thereafter	<u>3,007,222</u>
	<u><u>\$ 3,400,594</u></u>

Coastal Community Action, Inc.

Notes To Financial Statements

Note 6. Long-Term Debt (Continued)

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 for September 30, 2005 is \$21,785.

Interest expense for 2005 was \$114,698. Interest capitalized during 2005 was \$27,795.

Note 7. Self Insurance

CCA has a plan for partial self-insurance for health insurance. Claims falling within the retention limits are generally reported when amounts are paid or in the event of significant losses, when such amounts are probable and the amounts can be determined. CCA has included in accounts payable \$48,102 for estimated claims that will be paid under the self-insurance retention at September 30, 2005, as shown in the table below.

	Beginning Liability	Estimated Claims Incurred	Claim Payments	Ending Liability
Claims paid and incurred - year ended September 30, 2005	\$ 37,439	\$ 645,640	\$ 634,977	\$ 48,102

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, 2005 is not material. Rental expense included in the statement of activities for the year ended September 30, 2005 is \$322,925.

Note 9. In-Kind Contributions and Expense

CCA receives the use of facilities from Craven, Pamlico and Carteret counties and recognizes these as in-kind contributions at their estimated fair market value. These facilities are deemed to be conditional upon CCA continuing to provide Head Start daycare services. Total in-kind contributions for facilities for the year ended September 30, 2005 amounted to \$1,328,292. Other in-kind contributions of \$295,637 related to educational services were recorded for the year ended September 30, 2005.

SUPPLEMENTARY INFORMATION

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Coastal Community Action, Inc.
Combining Schedules Of Revenues And Expenditures - Programmatic Basis
For the Year Ended September 30, 2005
(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
Revenue:							
Grants:							
Federal	\$ 6,313,565	\$ 1,765,198	\$ 329,323	\$ 481,320	\$ 652,901	\$ 37,680	\$ 9,579,987
State	11,068	-	-	75,263	-	14	86,345
In-kind	1,577,349	-	-	-	46,580	-	1,623,929
Contributions	-	-	-	-	5,715	27,509	33,224
More at 4	68,742	-	-	-	-	-	68,742
Program services	47,664	-	-	-	-	-	47,664
Local revenue	-	-	-	-	41,714	21,010	62,724
Contracted services	321,815	-	-	-	-	26,819	348,634
Interest (Non-Program)	-	141	-	-	-	3,704	3,845
Rent income	-	-	-	-	-	230,551	230,551
Other	4,682	12,932	-	-	937	3,770	22,321
Total revenue	8,344,885	1,778,271	329,323	556,583	747,847	351,057	12,107,966
Expenditures:							
Salaries	3,326,730	145,032	132,442	163,954	169,180	39,932	3,977,270
Fringe benefits	1,134,724	48,932	46,818	56,236	43,952	11,904	1,342,566
Indirect costs	628,752	27,411	25,031	30,987	31,976	7,547	751,704
Administrative support	(160)	-	-	889	60	-	789
Dump fees	-	-	-	226	-	-	226
Labor	-	-	-	118,067	-	-	118,067
Stipends	-	-	-	-	326,997	8,800	335,797
Client payments	-	-	34,083	-	-	-	34,083
Housing assistance	-	1,496,994	-	-	-	-	1,496,994
In-kind space	1,325,095	-	-	-	3,197	-	1,328,292
Contractual services	173,983	1,000	-	-	-	9,600	184,583
Professional services	-	-	-	-	-	3,995	3,995
Food costs	260,323	-	-	-	-	-	260,323
Equipment leasing	12,640	-	-	2,700	-	-	15,340
Supplies	204,668	7,353	4,692	2,130	2,437	1,830	223,110
Small tools & equipment expense	-	-	-	28,735	-	386	29,121
Renovations	11,216	-	-	-	-	-	11,216
Utilities	184,038	-	-	-	-	18,110	202,148
Emergency expense	-	-	55,067	-	-	865	55,932
United Way expenses	-	5,463	-	-	-	-	5,463
Telephone	53,710	2,138	1,911	2,703	1,229	512	62,203
Travel	14,819	4,011	11,511	21,007	92,307	4,436	148,091
Audit and accounting fees	-	7,522	1,429	1,940	2,805	625	14,321
Advertising	199	46	105	45	-	-	395
Insurance	90,290	1,474	1,251	3,707	2,797	273	99,792
Postage	3,677	4,483	1,301	3,226	5,640	99	18,426
Recognition	-	-	-	-	7,101	-	7,101
Mental health	10,351	-	-	-	-	-	10,351
Meals and activities	-	-	-	-	5,007	-	5,007
Rents	288,983	15,421	11,883	10,886	11,901	(16,149)	322,925
Speech services	1,400	-	-	-	-	-	1,400
In-kind other	252,254	-	-	-	43,376	-	295,630

(Continued)

Coastal Community Action, Inc.
Combining Schedules Of Revenues And Expenditures - Programmatic Basis
For the Year Ended September 30, 2005
(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
Printing and publishing	\$ 12,742	\$ 80	\$ -	\$ -	\$ 5	\$ 88	\$ 12,915
Medical /Dental services	8,858	-	-	-	-	-	8,858
Rehabilitation	-	-	-	-	-	1,114	1,114
Relocation expense	-	-	-	-	-	1,588	1,588
Materials	-	-	-	98,700	-	-	98,700
Vehicle repair	44,101	-	-	4,399	-	-	48,500
Repairs and maintenance	24,358	-	-	-	-	6,293	30,651
Capital outlay	-	-	454	5,585	-	40,286	46,325
Transportation consumables	48,746	-	-	-	-	-	48,746
Consumer education	-	-	-	412	-	-	412
Parent activity	4,960	-	-	-	-	-	4,960
Training	43,933	3,421	2,047	309	1,364	255	51,329
Physicals	-	-	-	-	761	-	761
Mortgage Interest Expense	-	-	-	-	-	114,698	114,698
Other	6,869	737	1,073	1,517	1,452	2,917	14,565
Total expenditures	8,172,259	1,771,518	331,098	558,360	753,544	260,004	11,846,783
Revenue over (under) expenditures	\$ 172,626	\$ 6,753	\$ (1,775)	\$ (1,777)	\$ (5,697)	\$ 91,053	\$ 261,183

Reconciliation of revenues and expenditures
programmatic basis with GAAP basis:

Revenue over (under) expenditures - programmatic basis	\$ 172,626	\$ 6,753	\$ (1,775)	\$ (1,777)	\$ (5,697)	\$ 91,053	\$ 261,183
Capitalized expenditures included in capital outlay and other expenses	26,056	1,076	1,054	6,751	-	40,805	75,742
Capitalized Leases included in expenses	9,471	946	587	239	553	1,230	13,026
Depreciation	(101,011)	(2,253)	(531)	(2,568)	(2,393)	(122,083)	(230,839)
Loss on Disp of FA's	(1,572)	(509)	-	-	-	-	(2,081)
Indirect costs	628,752	27,411	25,031	30,987	31,976	7,547	751,704
Revenue over program expenses - GAAP basis	734,322	33,424	24,366	33,632	24,439	18,552	868,735
Indirect costs reported as separate item, Management and general	(606,244)	(26,430)	(24,135)	(29,878)	(30,831)	(7,277)	(724,795)
Increase (decrease) in net assets - GAAP basis	\$ 128,078	\$ 6,994	\$ 231	\$ 3,754	\$ (6,392)	\$ 11,275	\$ 143,940

Coastal Community Action, Inc.
Head Start Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Year Ended August 31, 2005

	Agency Year Ended Sept 30, 2005	Add Sept 1, 2004 to Sept 30, 2004	Deduct Sept 1, 2005 to Sept 30, 2005	Program Year Ended Aug 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 4,404,210	\$ 300,434	\$ 434,018	\$ 4,270,626	\$ 4,271,929	\$ (1,303)
In-kind	1,206,823	93,762	161,677	1,138,908	1,082,483	56,425
More at 4	68,742	6,408	6,678	68,472	57,000	11,472
Jones Cty PC	11,068	-	-	11,068	-	11,068
Other	1,371	12	24	1,359	-	1,359
Total revenues	5,692,214	400,616	602,397	5,490,433	5,411,412	79,021
Expenditures:						
Head Start Full-Year/Part Day:						
Direct costs:						
Salaries	2,181,821	187,120	204,020	2,164,921	2,185,124	20,203
Fringe benefits	757,557	90,674	65,389	782,842	780,729	(2,113)
Travel	13,054	3,680	656	16,078	14,002	(2,076)
Supplies	99,924	9,999	11,729	98,194	92,262	(5,932)
Renovation	1,338	-	-	1,338	1,350	12
Utilities	137,947	10,354	17,253	131,048	129,006	(2,042)
Telephone	42,088	3,377	3,331	42,134	40,500	(1,634)
Insurance	71,568	6,363	(2,305)	80,236	75,100	(5,136)
Rents	214,032	18,141	16,931	215,242	214,998	(244)
Postage	2,117	356	341	2,132	1,900	(232)
Medical/Dental services	8,858	-	-	8,858	8,000	(858)
Speech services	1,071	937	-	2,008	2,300	292
Mental health	8,451	1,395	-	9,846	9,950	104
Parent activity	4,960	93	-	5,053	5,090	37
In kind space	1,059,315	72,427	161,677	970,065	970,065	-
Training	37,123	3,926	11,899	29,150	44,793	15,643
In kind other	147,508	21,335	-	168,843	99,418	(69,425)
Maintenance and repairs	18,735	812	886	18,661	18,200	(461)
Vehicle repair	36,370	1,428	734	37,064	36,000	(1,064)
Equipment leasing	9,370	5,650	5,892	9,128	8,899	(229)
Printing and publishing	11,259	359	253	11,365	10,500	(865)
Contract services	138,879	11,318	6,188	144,009	143,960	(49)
Food costs	80,436	28,557	29,761	79,232	58,050	(21,182)
Advertising	188	-	8	180	200	20
Other	5,593	-	10	5,583	9,500	3,917
Transportation consumables	40,971	2,812	3,353	40,430	39,000	(1,430)
Total direct costs	5,130,533	481,113	538,006	5,073,640	4,998,896	(74,744)
Indirect costs	412,364	35,366	38,560	409,170	412,516	3,346
Total expenditures	5,542,897	516,479	576,566	5,482,810	5,411,412	(71,398)
Revenue over (under) expenditures	\$ 149,317	\$ (115,863)	\$ 25,831	\$ 7,623	\$ -	\$ 7,623

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, 2005

	Agency Year Ended Sept 30, 2005	Add Sept 1, 2004 to Sept 30, 2004	Deduct Sept 1, 2005 to Sept 30, 2005	Program Year Ended Aug 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 443,258	\$ 29,242	\$ 22,542	\$ 449,958	\$ 425,000	\$ 24,958
Meal income	4	-	-	4	-	4
	<u>443,262</u>	<u>29,242</u>	<u>22,542</u>	<u>449,962</u>	<u>425,000</u>	<u>24,962</u>
Expenditures:						
Direct costs:						
Salaries	133,318	13,595	9,246	137,667	130,000	(7,667)
Fringe benefits	47,115	4,384	2,884	48,615	46,000	(2,615)
Travel	94	-	29	65	-	(65)
Training	51	-	-	51	-	(51)
Food costs	257,870	29,814	28,783	258,901	234,680	(24,221)
Supplies	58,617	7,437	8,744	57,310	50,000	(7,310)
Nonsubsidized Nutr Servs	(79,983)	(28,557)	(29,761)	(78,779)	(60,250)	18,529
Other	113	-	-	113	-	(113)
Total direct costs	<u>417,195</u>	<u>26,673</u>	<u>19,925</u>	<u>423,943</u>	<u>400,430</u>	<u>(23,513)</u>
Indirect costs	<u>25,197</u>	<u>2,569</u>	<u>1,747</u>	<u>26,019</u>	<u>24,570</u>	<u>(1,449)</u>
Total expenditures	<u>442,392</u>	<u>29,242</u>	<u>21,672</u>	<u>449,962</u>	<u>425,000</u>	<u>(24,962)</u>
Revenue over (under) expenditures	<u>\$ 870</u>	<u>\$ -</u>	<u>\$ 870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2005

	Agency Year Ended Sept 30, 2005	Add Sept.1, 2004 to Sept 30, 2004	Deduct Sept. 1, 2005 to Sept 30, 2005	Program Year Ended Aug 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Contracted services	\$ 252,792	\$ 13,594	\$ 17,798	\$ 248,588	\$ 275,000	\$ (26,412)
Parent fees	33,599	1,518	2,438	32,679	33,000	(321)
Other	471	-	-	471	-	471
Total revenues	286,862	15,112	20,236	281,738	308,000	(26,262)
Expenditures:						
Direct costs:						
Salaries	166,987	13,329	15,749	164,567	160,000	(4,567)
Fringe benefits	42,755	2,491	3,469	41,777	39,000	(2,777)
Travel	593	11	32	572	300	(272)
Supplies	4,049	432	474	4,007	6,000	1,993
Telephone	2,759	253	210	2,802	4,000	1,198
Postage and freight	118	25	18	125	-	(125)
Maintenance and repairs	928	75	47	956	2,000	1,044
Insurance	5,092	445	5	5,532	7,000	1,468
Vehicle repair	1,145	48	54	1,139	1,000	(139)
Utilities	8,628	637	1,123	8,142	15,000	6,858
Printing and publishing	182	26	-	208	800	592
Rents/leases	6,010	522	405	6,127	12,000	5,873
Equipment rentals	564	368	395	537	-	(537)
Transportation consumables	1,480	121	140	1,461	3,000	1,539
Speech services	103	-	-	103	-	(103)
Mental Health Services	85	-	-	85	-	(85)
Contract services	8,059	699	382	8,376	17,000	8,624
Training	3	-	3	-	-	-
Admin cost	(160)	-	-	(160)	-	160
Incidental renovations	78	-	-	78	-	(78)
Field trips	676	-	-	676	-	(676)
Advertising	11	-	-	11	-	(11)
Other	-	-	-	-	1,000	1,000
Total direct costs	250,145	19,482	22,506	247,121	268,100	20,979
Indirect costs	31,561	2,519	2,977	31,103	30,240	(863)
Total expenditures	281,706	22,001	25,483	278,224	298,340	20,116
Revenue over (under) expenditures	\$ 5,156	\$ (6,889)	\$ (5,247)	\$ 3,514	\$ 9,660	\$ (6,146)

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, 2005

	Agency Year Ended Sept 30, 2005	Add Sept 1, 2004 to Sept 30, 2004	Deduct Sept 1, 2005 to Sept 30, 2005	Program Year Ended Aug 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Contracted services	\$ 54,674	\$ 4,209	\$ 3,511	\$ 55,372	\$ 55,000	\$ 372
Parent fees	5,081	972	-	6,053	5,000	1,053
Total revenues	<u>59,755</u>	<u>5,181</u>	<u>3,511</u>	<u>61,425</u>	<u>60,000</u>	<u>1,425</u>
Expenditures:						
Direct costs:						
Salaries	28,704	1,749	2,456	27,997	30,600	2,603
Fringe benefits	6,892	303	487	6,708	5,900	(808)
Utilities	1,402	82	166	1,318	2,300	982
Rents	5,256	438	659	5,035	8,000	2,965
Equipment rentals	50	43	40	53	-	(53)
Supplies	437	34	84	387	4,400	4,013
Vehicle repairs	552	41	-	593	600	7
Maintenance and repair	345	-	161	184	100	(84)
Insurance	103	-	-	103	-	(103)
Transportation consumables	749	59	61	747	-	(747)
Mental Health Services	16	-	-	16	-	(16)
Contract services	1,020	88	46	1,062	-	(1,062)
Field Trips	144	-	-	144	-	(144)
Other	-	-	-	-	2,000	2,000
Postage and freight	5	-	-	5	-	(5)
Telephone	292	170	16	446	1,200	754
Total direct costs	<u>45,967</u>	<u>3,007</u>	<u>4,176</u>	<u>44,798</u>	<u>55,100</u>	<u>10,302</u>
Indirect costs	<u>5,425</u>	<u>330</u>	<u>464</u>	<u>5,291</u>	<u>-</u>	<u>(5,291)</u>
Total expenditures	<u>51,392</u>	<u>3,337</u>	<u>4,640</u>	<u>50,089</u>	<u>55,100</u>	<u>5,011</u>
Revenue over (under) expenditures	<u>\$ 8,363</u>	<u>\$ 1,844</u>	<u>\$ (1,129)</u>	<u>\$ 11,336</u>	<u>\$ 4,900</u>	<u>\$ 6,436</u>

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, 2005

	Agency Year Ended Sept 30, 2005	Add Sept 1, 2004 to Sept 30, 2004	Deduct Sept 1, 2005 to Sept 30, 2005	Program Year Ended Aug 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Contracted services	\$ 14,349	\$ -	\$ 724	\$ 13,625	\$ 18,000	\$ (4,375)
Parent fees	8,980	95	628	8,447	4,000	4,447
Other	2,581	-	-	2,581	3,000	(419)
Total revenues	25,910	95	1,352	24,653	25,000	(347)
Expenditures:						
Direct costs:						
Salaries	17,414	1,248	2,981	15,681	13,000	(2,681)
Fringe benefits	2,565	262	598	2,229	1,540	(689)
Utilities	3,100	551	78	3,573	600	(2,973)
Rents	8,191	1,640	-	9,831	3,550	(6,281)
Equipment rentals	203	45	9	239	-	(239)
Supplies	1,414	280	29	1,665	125	(1,540)
Vehicle repairs	574	2	-	576	100	(476)
Maintenance and repair	206	70	3	273	200	(73)
Insurance	1,367	118	96	1,389	-	(1,389)
Transportation consumables	46	13	14	45	-	(45)
Travel	135	5	1	139	100	(39)
Mental Health Services	88	-	-	88	-	(88)
Contract services	770	-	22	748	600	(148)
Postage and freight	38	5	-	43	-	(43)
Other	395	-	-	395	1,000	605
Telephone	637	-	-	637	100	(537)
Total direct costs	37,143	4,239	3,831	37,551	20,915	(16,636)
Indirect costs	3,291	236	563	2,964	2,457	(507)
Total expenditures	40,434	4,475	4,394	40,515	23,372	(17,143)
Revenue over (under) expenditures	\$ (14,524)	\$ (4,380)	\$ (3,042)	\$ (15,862)	\$ 1,628	\$ (17,490)

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, 2005

	Agency Year Ended Sept 30, 2005	Add Sept 1, 2004 to Sept 30, 2004	Deduct Sept 1, 2005 to Sept 30, 2005	Program Year Ended Aug 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 1,466,097	\$ 88,169	\$ 115,297	\$ 1,438,969	\$ 1,438,969	\$ -
In kind	370,526	30,025	40,808	359,743	359,743	-
Other	259	-	-	259	-	259
Total revenues	1,836,882	118,194	156,105	1,798,971	1,798,712	259
Expenditures:						
Direct costs:						
Salaries	798,486	62,555	65,269	795,772	758,438	(37,334)
Fringe benefits	277,840	21,608	20,493	278,955	257,044	(21,911)
Travel	123	2,152	758	1,517	5,500	3,983
Training	6,756	26	2,699	4,083	28,307	24,224
Insurance	12,160	1,106	(404)	13,670	14,074	404
Maintenance and repair	4,144	288	426	4,006	6,000	1,994
Vehicle repair	5,460	135	121	5,474	5,015	(459)
Utilities	32,961	2,741	4,009	31,693	31,400	(293)
Equipment leases	2,453	1,092	1,229	2,316	4,000	1,684
Rents	55,494	4,219	876	58,837	58,400	(437)
Transportation consumables	5,500	1,565	499	6,566	7,888	1,322
Printing and publishing	1,301	59	15	1,345	1,500	155
Supplies	40,227	1,643	6,866	35,004	54,109	19,105
Speech Services	226	-	-	226	-	(226)
Mental Health Services	1,711	-	-	1,711	1,800	89
Contract services	25,255	1,815	1,307	25,763	27,800	2,037
Renovations	9,800	-	-	9,800	19,820	10,020
In kind space	265,780	25,118	40,808	250,090	250,090	-
In kind other	104,746	4,907	-	109,653	109,653	-
Other	768	-	-	768	1,215	447
Food costs	2,000	-	-	2,000	3,000	1,000
Telephone	7,934	657	611	7,980	8,500	520
Parent activity	-	16	-	16	500	484
Postage	1,399	53	380	1,072	1,314	242
Total direct costs	1,662,524	131,755	145,962	1,648,317	1,655,367	7,050
Indirect costs	150,914	11,823	12,336	150,401	143,345	(7,056)
Total expenditures	1,813,438	143,578	158,298	1,798,718	1,798,712	(6)
Revenue over (under) expenditures	\$ 23,444	\$ (25,384)	\$ (2,193)	\$ 253	\$ -	\$ 253

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, 2005

	Agency Year Ended Sept 30, 2005	Add April 1, 2004 to Sept 30, 2004	Deduct April 1, 2005 to Sept 30, 2005	Program Year Ended Mar 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 1,718,620	\$ 888,441	\$ 807,228	\$ 1,799,833	\$ 1,806,674	\$ (6,841)
Other income	8,307	3,135	3,306	8,136	7,250	886
Total revenues	1,726,927	891,576	810,534	1,807,969	1,813,924	(5,955)
Expenditures:						
Direct costs:						
Salaries	119,667	55,469	56,711	118,425	120,000	1,575
Fringe benefits	39,963	22,365	18,513	43,815	43,556	(259)
Supplies	7,353	2,993	2,573	7,773	7,900	127
Audit fees	7,522	-	-	7,522	8,370	848
Telephone	2,138	1,467	1,034	2,571	2,573	2
Postage	4,483	3,046	1,702	5,827	5,830	3
Computer costs	1,000	1,000	1,000	1,000	1,000	-
Travel	4,011	2,415	1,331	5,095	5,100	5
Insurance	1,474	357	654	1,177	1,200	23
Training	3,421	-	60	3,361	3,455	94
Rents and leases	15,421	8,310	7,550	16,181	16,620	439
Publ/Subscrip/Printing	80	-	10	70	200	130
Advertising	46	-	-	46	100	54
Other	737	2,456	388	2,805	2,900	95
FSS Escrow	20,732	11,254	9,914	22,072	29,165	7,093
Housing assistance payments	1,476,262	769,960	727,011	1,519,211	1,543,355	24,144
Total direct costs	1,704,310	881,092	828,451	1,756,951	1,791,324	34,373
Indirect costs	22,617	10,484	10,622	22,479	22,600	121
Total expenditures	1,726,927	891,576	839,073	1,779,430	1,813,924	34,494
Revenue over (under) expenditures	\$ -	\$ -	\$ (28,539)	\$ 28,539	\$ -	\$ 28,539

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, 2005

	Agency Year Ended Sept 30, 2005	Add April 1, 2004 to Sept 30, 2004	Deduct April 1, 2005 to Sept 30, 2005	Program Year Ended Mar 31, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 46,578	\$ -	\$ 11,097	\$ 35,481	\$ 35,481	\$ -
Interest income	141	-	141	-	-	-
United Way Grant	4,625	1,750	3,102	3,273	3,273	-
	<u>51,344</u>	<u>1,750</u>	<u>14,340</u>	<u>38,754</u>	<u>38,754</u>	<u>-</u>
Expenditures:						
Direct costs:						
Salaries	25,365	11,321	14,221	22,465	22,995	530
Fringe benefits	8,969	4,162	5,022	8,109	8,140	31
United Way expenses	5,463	890	3,080	3,273	3,273	-
Total direct costs	<u>39,797</u>	<u>16,373</u>	<u>22,323</u>	<u>33,847</u>	<u>34,408</u>	<u>561</u>
Indirect costs	<u>4,794</u>	<u>2,140</u>	<u>2,688</u>	<u>4,246</u>	<u>4,346</u>	<u>100</u>
Total expenditures	<u>44,591</u>	<u>18,513</u>	<u>25,011</u>	<u>38,093</u>	<u>38,754</u>	<u>661</u>
Revenue over (under) expenditures	<u>\$ 6,753</u>	<u>\$ (16,763)</u>	<u>\$ (10,671)</u>	<u>\$ 661</u>	<u>\$ -</u>	<u>\$ 661</u>

Coastal Community Action, Inc.
Community Services Block Grant
Emergency Assistance
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Year Ended June 30, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
Federal grant	\$ 132,773	\$ 40,359	\$ 173,132	\$ 173,132	\$ -
Expenditures:					
Direct costs:					
Salaries	46,515	16,680	63,195	63,398	203
Fringe benefits	16,405	7,700	24,105	23,885	(220)
Travel	2,321	896	3,217	3,217	-
Supplies	463	78	541	541	-
Other	422	25	447	447	-
Insurance	579	-	579	579	-
Postage and freight	77	59	136	136	-
Telephone	471	178	649	649	-
Equipment purchases	975	-	975	975	-
Rent and leases	120	-	120	120	-
Training	587	480	1,067	1,067	-
Emergency expense	55,067	11,215	66,282	66,282	-
Total direct costs	124,002	37,311	161,313	161,296	(17)
Indirect costs	8,791	3,007	11,798	11,836	38
Total expenditures	132,793	40,318	173,111	173,132	21
Revenue over (under) expenditures	\$ (20)	\$ 41	\$ 21	\$ -	\$ 21

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, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Deduct July 1, 2005 to Sept 30, 2005	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 196,550	\$ 48,057	\$ 64,067	\$ 180,540	\$ 180,540	\$ -
Expenditures:						
Direct costs:						
Salaries	85,927	16,341	29,811	72,457	72,591	134
Fringe benefits	30,413	8,676	10,761	28,328	28,191	(137)
Telephone	1,440	449	580	1,309	1,309	-
Postage	1,224	488	163	1,549	1,549	-
Advertising	105	-	-	105	105	-
Insurance	672	250	208	714	714	-
Rent	11,763	3,249	2,948	12,064	12,064	-
Audit and accounting fees	1,429	-	-	1,429	1,429	-
Training	1,460	655	695	1,420	1,420	-
Travel	9,190	2,403	4,186	7,407	7,407	-
Supplies	4,229	953	882	4,300	4,300	-
Client payments	34,083	3,573	6,904	30,752	30,752	-
Equipment purchases	(521)	4,719	-	4,198	4,198	-
Other	651	770	92	1,329	1,329	-
Total direct costs	182,065	42,526	57,230	167,361	167,358	(3)
Indirect costs	16,240	2,551	5,634	13,157	13,182	25
Total expenditures	198,305	45,077	62,864	180,518	180,540	22
Revenue over (under) expenditures	\$ (1,755)	\$ 2,980	\$ 1,203	\$ 22	\$ -	\$ 22

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, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Deduct July 1, 2005 to Sept 30, 2005	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant						
Weatherization assistance	\$ 357,882	\$ 90,102	\$ 69,156	\$ 378,828	\$ 379,487	\$ (659)
Training and tech asst	4,824	3,678	972	7,530	7,530	-
Total revenues	362,706	93,780	70,128	386,358	387,017	(659)
Expenditures:						
Direct costs:						
Weatherization assistance:						
Salaries	142,356	35,518	28,832	149,042	148,769	(273)
Fringe benefits	48,627	13,523	9,792	52,358	52,358	-
Travel	21,007	5,179	4,149	22,037	22,035	(2)
Audit and accounting fees	1,940	-	-	1,940	2,000	60
Supplies	2,007	353	264	2,096	2,096	-
Insurance	3,707	569	(329)	4,605	5,182	577
Postage and freight	3,236	1,528	307	4,457	4,457	-
Telephone	2,703	781	598	2,886	2,886	-
Vehicle repairs	4,399	70	1,983	2,486	2,486	-
Advertising	45	-	45	-	-	-
Uniforms	1,510	104	455	1,159	1,159	-
Labor-Subcontractor	800	-	135	665	665	-
Tools and small equip exp	14,560	2,459	1,474	15,545	15,545	-
Equipment purchased	5,585	2,525	1,235	6,875	6,875	-
Rents and leases	7,733	2,540	2,669	7,604	7,604	-
Vehicle leases	2,700	900	-	3,600	3,600	-
Dump Fees	226	75	60	241	241	-
Health and safety	13,876	2,545	1,426	14,995	15,000	5
Materials	58,610	16,342	11,538	63,414	63,414	-
Total direct costs	335,627	85,011	64,633	356,005	356,372	367
Training and technical assistance						
Consumer education	412	390	-	802	802	-
Training	169	3,306	830	2,645	2,645	-
Total	581	3,696	830	3,447	3,447	-
Indirect costs	26,905	6,713	5,449	28,169	27,198	(971)
Total expenditures	363,113	95,420	70,912	387,621	387,017	(604)
Revenue over (under) expenditures	\$ (407)	\$ (1,640)	\$ (784)	\$ (1,263)	\$ -	\$ (1,263)

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, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept. 30, 2004	Deduct July 1, 2005 to Sept. 30, 2005	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 116,015	\$ 1,303	\$ 2,537	\$ 114,781	\$ 114,781	\$ -
Expenditures:						
Direct costs:						
Salaries	10,784	474	2,243	9,015	9,015	-
Fringe benefits	3,768	288	403	3,653	3,650	(3)
Advertising	-	345	-	345	345	-
Rents and leases	3,153	-	-	3,153	3,152	(1)
Office and misc supplies	116	-	116	-	-	-
Tools and supplies	299	95	-	394	394	-
Postage and freight	(10)	11	1	-	-	-
Subcontractor labor	631	-	631	-	-	-
Contractor Labor	95,911	-	-	95,911	95,911	-
Materials	50	-	50	-	-	-
Administration	610	-	-	610	610	-
Total direct costs	115,312	1,213	3,444	113,081	113,077	(4)
Indirect costs	2,038	90	424	1,704	1,704	-
Total expenditures	117,350	1,303	3,868	114,785	114,781	(4)
Revenue over (under) expenditures	\$ (1,335)	\$ -	\$ (1,331)	\$ (4)	\$ -	\$ (4)

Coastal Community Action, Inc.
Urgent Repair Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Period May 1, 2003 Through September 30, 2005

	Agency Year End Sept 30, 2005	Add May 1, 2004 to Sept 30, 2004	Deduct July 1, 2005 to Sept 30, 2005	Program Period Ended Sept 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
State grant	\$ 75,263	\$ 3	\$ 266	\$ 75,000	\$ 75,000	\$ -
Expenditures:						
Direct costs:						
Salaries	10,311	-	174	10,137	10,134	(3)
Fringe benefits	3,666	-	1,801	1,865	1,847	(18)
Labor	20,725	-	-	20,725	22,344	1,619
Materials	38,476	-	-	38,476	38,476	-
Other	-	3	-	3	3	-
Administration	279	-	-	279	280	1
Total direct costs	73,457	3	1,975	71,485	73,084	1,599
Indirect costs	1,949	-	33	1,916	1,916	-
Total expenditures	75,406	3	2,008	73,401	75,000	1,599
Revenue over (under) expenditures	\$ (143)	\$ -	\$ (1,742)	\$ 1,599	\$ -	\$ (1,599)

Coastal Community Action, Inc.
Housing and Home Improvements Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Year Ended September 30, 2005

	Agency Year Ended Sept 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:			
Federal pass through funds	\$ 2,599	\$ 18,400	\$ (15,801)
Matching funds	-	2,044	(2,044)
Total Revenues	<u>2,599</u>	<u>20,444</u>	<u>(17,845)</u>
Expenditures:			
Direct costs:			
Salaries	503	6,786	6,283
Fringe benefits	175	2,375	2,200
Materials	1,564	10,000	8,436
Total direct costs	<u>2,242</u>	<u>19,161</u>	<u>16,919</u>
Indirect costs	<u>95</u>	<u>1,283</u>	<u>1,188</u>
Total expenditures	<u>2,337</u>	<u>20,444</u>	<u>18,107</u>
Revenue over (under) expenditures	<u>\$ 262</u>	<u>\$ -</u>	<u>\$ 262</u>

Coastal Community Action, Inc.
Single Family Rehabilitation Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Year Ended December 31, 2004

	Agency Year Ended Sept 30, 2005	Add Feb 1, 2004 to Sept 30, 2004	Program Year Ended Dec 31, 2004	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
Federal pass through funds	\$ -	\$ 363,669	\$ 363,669	\$ 566,300	\$ (202,631)
Other income	-	1,300	1,300	-	1,300
Total Revenue	-	364,969	364,969	566,300	(201,331)
Expenditures:					
Salaries	-	43,956	43,956	64,200	20,244
Fringe benefits	-	13,649	13,649	22,100	8,451
Travel	-	582	582	700	118
Soft costs	-	5,678	5,678	9,325	3,647
Hard costs	-	305,089	305,089	446,251	141,162
Prof services	-	4,260	4,260	6,000	1,740
Supplies	7	-	7	-	(7)
Training	140	-	140	-	(140)
Admin costs	-	3,008	3,008	5,154	2,146
Postage	-	30	30	50	20
Telephone	-	104	104	250	146
Advertising	-	301	301	450	149
Other	7	148	155	126	(29)
Total direct costs	154	376,805	376,959	554,606	177,647
Indirect costs	-	7,890	7,890	11,694	3,804
Total expenditures	154	384,695	384,849	566,300	181,451
Revenue over (under) expenditures	\$ (154)	\$ (19,726)	\$ (19,880)	\$ -	\$ 19,880

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, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Deduct July 1, 2005 to Sept 30, 2005	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 46,364	\$ 12,400	\$ 13,400	\$ 45,364	\$ 45,364	\$ -
In-kind	10,700	3,780	-	14,480	5,995	8,485
Local cash	9,847	3,362	2,897	10,312	10,312	-
	<u>66,911</u>	<u>19,542</u>	<u>16,297</u>	<u>70,156</u>	<u>61,671</u>	<u>8,485</u>
Expenditures:						
Direct costs:						
Salaries	24,701	6,363	7,154	23,910	24,127	217
Fringe benefits	8,736	2,054	2,521	8,269	8,343	74
Recognition	5,248	-	-	5,248	5,249	1
In-kind space	1,110	530	-	1,640	-	(1,640)
In-kind other	9,590	3,250	-	12,840	5,995	(6,845)
Training	645	275	-	920	920	-
Travel	7,144	982	2,984	5,142	5,143	1
Supplies	460	520	188	792	793	1
Audit and accounting fees	480	-	-	480	480	-
Insurance	1,080	276	265	1,091	1,092	1
Postage	1,489	160	55	1,594	1,595	1
Rent	2,649	726	659	2,716	2,716	-
Telephone	300	93	49	344	344	-
Other	349	50	75	324	324	-
Total direct costs	<u>63,981</u>	<u>15,279</u>	<u>13,950</u>	<u>65,310</u>	<u>57,121</u>	<u>(8,189)</u>
Indirect costs	<u>4,668</u>	<u>1,203</u>	<u>1,352</u>	<u>4,519</u>	<u>4,550</u>	<u>31</u>
Total expenditures	<u>68,649</u>	<u>16,482</u>	<u>15,302</u>	<u>69,829</u>	<u>61,671</u>	<u>(8,158)</u>
Revenue over (under) expenditures	<u>\$ (1,738)</u>	<u>\$ 3,060</u>	<u>\$ 995</u>	<u>\$ 327</u>	<u>\$ -</u>	<u>\$ 327</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, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Deduct July 1, 2005 to Sept 30, 2005	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 309,641	\$ 62,600	\$ 69,700	\$ 302,541	\$ 304,469	\$ (1,928)
Local cash	9,065	1,513	1,306	9,272	9,272	-
In-kind	24,809	9,172	3,925	30,056	54,722	(24,666)
Contributions	5,715	320	-	6,035	6,000	35
Total revenues	349,230	73,605	74,931	347,904	374,463	(26,559)
Expenditures:						
Direct costs:						
Salaries	53,289	13,038	11,993	54,334	54,610	276
Fringe benefits	16,417	3,639	3,759	16,297	16,435	138
Travel	41,012	7,708	10,960	37,760	37,832	72
In-kind space	703	-	103	600	-	(600)
In-kind other	24,105	9,172	3,821	29,456	51,992	22,536
Audit and accounting fees	1,025	-	-	1,025	1,025	-
Supplies	1,089	400	367	1,122	1,114	(8)
Postage	2,207	439	455	2,191	2,191	-
Telephone	642	230	129	743	743	-
Printing and publication	-	-	-	-	2,730	2,730
Insurance	1,029	243	242	1,030	1,030	-
Meals & activities	5,007	797	631	5,173	5,173	-
Stipends	182,296	33,584	37,979	177,901	179,829	1,928
Recognition	644	-	-	644	644	-
Training	673	275	243	705	705	-
Rent	6,603	1,800	1,646	6,757	6,757	-
Physicals	537	71	212	396	291	(105)
Other	998	203	156	1,045	1,045	-
Total direct costs	338,276	71,599	72,696	337,179	364,146	26,967
Indirect costs	10,072	2,464	2,267	10,269	10,317	48
Total expenditures	348,348	74,063	74,963	347,448	374,463	27,015
Revenue over (under) expenditures	\$ 882	\$ (458)	\$ (32)	\$ 456	\$ -	\$ 456

Coastal Community Action, Inc.
Senior Companion Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Year Ended June 30, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Deduct July 1, 2005 to Sept 30, 2005	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants						
Senior companion	\$ 178,976	\$ 50,200	\$ 46,847	\$ 182,329	\$ 182,329	\$ -
HCCBG	42,150	2,091	12,649	31,592	31,592	-
Local cash	22,802	4,073	5,869	21,006	21,006	-
In-kind	11,071	3,876	3,357	11,590	34,973	(23,383)
Other	937	11	498	450	450	-
Total revenues	255,936	60,251	69,220	246,967	270,350	(23,383)
Expenditures:						
Direct costs:						
Salaries	24,252	5,906	6,374	23,784	23,975	191
Fringe benefits	8,577	1,907	2,245	8,239	8,313	74
Travel	43,149	8,569	9,674	42,044	42,044	-
Stipends	144,701	36,015	33,753	146,963	146,963	-
Supplies	888	335	349	874	875	1
Rent	2,649	726	659	2,716	2,716	-
Printing and publications	5	-	5	-	3,000	3,000
Postage	1,944	556	672	1,828	1,827	(1)
Telephone	287	89	52	324	324	-
Other	50	10	20	40	40	-
Audit and accounting fees	1,300	-	-	1,300	1,300	-
Training	(26)	545	174	345	345	-
In-kind other	9,681	3,627	3,223	10,085	31,973	21,888
In-kind space	1,384	250	129	1,505		(1,505)
Recognition	1,209	-	-	1,209	1,210	1
Physicals	224	-	15	209	209	-
Insurance	688	187	166	709	709	-
Total direct costs	240,962	58,722	57,510	242,174	265,823	23,649
Indirect costs	4,584	1,116	1,205	4,495	4,527	32
Total expenditures	245,546	59,838	58,715	246,669	270,350	23,681
Revenue over (under) expenditures	\$ 10,390	\$ 413	\$ 10,505	\$ 298	\$ -	\$ 298

Coastal Community Action, Inc.
 Title V
 Schedule Of Revenues And Expenditures
 For the Program Year Ended June 30, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
Title V	\$ 75,770	\$ 10,487	\$ 86,257	\$ 97,461	\$ (11,204)
Expenditures:					
Facility Expenses:					
Salaries	66,938	7,584	74,522	82,311	7,789
Fringe benefits	10,222	1,110	11,332	8,683	(2,649)
Travel	1,002	360	1,362	980	(382)
Admin cost	60	-	60	-	(60)
Other	55	-	55	-	(55)
Training	72	-	72	203	131
Total direct costs	78,349	9,054	87,403	92,177	4,774
Indirect costs	12,652	1,433	14,085	5,284	(8,801)
Total expenditures	91,001	10,487	101,488	97,461	(4,027)
Revenue over (under) expenditures	\$ (15,231)	\$ -	\$ (15,231)	\$ -	\$ (15,231)

Coastal Community Action, Inc.
Family Caregiver Support
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Period Ended June 30, 2005

	Agency Year Ended Sept 30, 2005	Add July 1, 2004 to Sept 30, 2004	Deduct July 1, 2005 to Sept 30, 2005	Program Year Ended June 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Family Caregiver Support	\$ 21,010	\$ 6,370	\$ 4,825	\$ 22,555	\$ 22,556	\$ (1)
Expenditures:						
Direct costs:						
Salaries	8,561	5,118	-	13,679	13,680	1
Fringe benefits	1,144	601	-	1,745	1,668	(77)
Stipends	8,800	-	4,825	3,975	3,975	-
Travel	447	-	-	447	-	(447)
Training	200	-	-	200	-	(200)
Other	20	4	4	20	648	628
Total Direct Costs	19,172	5,723	4,829	20,066	19,971	(95)
Indirect costs	1,618	967	-	2,585	2,585	-
Total expenditures	20,790	6,690	4,829	22,651	22,556	(95)
Revenue over (under) expenditures	\$ 220	\$ (320)	\$ (4)	\$ (96)	\$ -	\$ (96)

Coastal Community Action, Inc.
Early Childhood Rehabilitative
Schedule Of Revenues And Expenditures
For the Year Ended September 30, 2005

	Agency Year Ended Sept 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:			
Contracted Services	\$ 26,819	\$ 40,000	\$ (13,181)
Expenditures:			
Direct costs:			
Salaries	31,203	30,000	(1,203)
Fringe benefits	10,701	9,600	(1,101)
Audit and accounting fees	46	-	(46)
Travel	3,333	3,000	(333)
Supplies	613	600	(13)
Insurance	273	300	27
Postage	30	-	(30)
Printing and publishing	88	-	(88)
Telephone	500	500	-
Rents and leases	2,649	2,650	1
Other	55	1,000	945
Total direct costs	<u>49,491</u>	<u>47,650</u>	<u>(1,841)</u>
Indirect costs	<u>5,897</u>	<u>5,670</u>	<u>(227)</u>
Total expenditures	<u>55,388</u>	<u>53,320</u>	<u>(2,068)</u>
Revenue over (under) expenditures	<u>\$ (28,569)</u>	<u>\$ (13,320)</u>	<u>\$ (11,113)</u>

Coastal Community Action, Inc.
HUD Revolving Loan Fund
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Year Ended September 30, 2005

	Agency Year Ended Sept 30, 2005	Add Feb 1, 2003 to Sept 30, 2004	Program Year Ended Sept 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
HUD Revolving Loan Fund	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Expenditures:					
Revolving Loan Expense	204	4,410	4,614	5,000	386
Revenue over (under) expenditures	\$ (204)	\$ 590	\$ 386	\$ -	\$ (386)

Coastal Community Action, Inc.
 Self Help Housing
 Schedule Of Revenues And Expenditures-Programmatic Basis - Budget And Actual
 For Year Ended September 30, 2005

	Agency Year Ended Sept 30, 2005	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:			
Other Income	\$ 15	\$ -	\$ 15
Expenditures:			
Direct costs:			
Salaries	-	130	130
Fringe benefits	-	64	64
Supplies	49	139	90
Travel	656	449	(207)
Training	-	269	269
Postage	-	590	590
Telephone	-	559	559
Repairs and maintenance	14	-	(14)
Advertising	-	777	777
Total direct costs	<u>719</u>	<u>2,977</u>	<u>2,258</u>
Revenue over (under) expenditures	<u>\$ (704)</u>	<u>\$ (2,977)</u>	<u>\$ (2,243)</u>

Coastal Community Action, Inc.
Building Services
Schedule Of Revenues And Expenditures
For the Year Ended September 30, 2005

	<u>Newport Admin Bldg</u>		<u>Beaufort Child Devel Center</u>	
	Agency		Agency	
	Year Ended Sept 30, 2005	Approved Budget	Year Ended Sept 30, 2005	Approved Budget
Revenues:				
Rent Income	\$ 127,896	\$ 127,900	\$ 102,655	\$ 111,987
Interest Income	156	-	-	-
Total revenues	<u>128,052</u>	<u>127,900</u>	<u>102,655</u>	<u>111,987</u>
Expenditures:				
Facility Expenses:				
Supplies	1,168	-	-	-
Audit and accounting fees	288	300	291	300
Other	-	-	-	-
Reloc Exps	-	-	-	-
Postage and freight	21	-	-	-
Telephone	12	-	-	-
Mortgage interest expense	40,787	40,800	58,636	58,700
Rent	-	-	-	-
Utilities	18,110	19,000	-	-
Maintenance and repairs	3,714	5,000	2,565	5,000
Janitorial services	9,600	9,600	-	-
Total expenditures	<u>73,700</u>	<u>74,700</u>	<u>61,492</u>	<u>64,000</u>
Revenue over (under) expenditures	<u>\$ 54,352</u>	<u>\$ 53,200</u>	<u>\$ 41,163</u>	<u>\$ 47,987</u>

<u>Pamlico Child Devel Center</u>		<u>Total Building Services</u>		Variance, Favorable (Unfavorable)
<u>Agency Year Ended Sept 30, 2005</u>	<u>Approved Budget</u>	<u>Agency Year Ended Sept 30, 2005</u>	<u>Approved Budget</u>	
\$ -	\$ 18,798	\$ 230,551	\$ 258,685	\$ (28,134)
-	-	156	-	156
-	18,798	230,707	258,685	(27,978)
-	-	1,168	-	(1,168)
-	-	579	600	21
288	500	288	500	212
1,588	2,000	1,588	2,000	412
-	-	21	-	(21)
-	-	12	-	(12)
15,275	15,300	114,698	114,800	102
(18,798)	-	(18,798)	-	18,798
-	-	18,110	19,000	890
-	-	6,279	10,000	3,721
-	-	9,600	9,600	-
(1,647)	17,800	133,545	156,500	22,955
\$ 1,647	\$ 998	\$ 97,162	\$ 102,185	\$ (5,023)

Coastal Community Action, Inc.
Miscellaneous Other Program And Non-Program Summary
Schedule Of Revenues And Expenditures
For the Year Ended September 30, 2005

	Agency Year Ended Sept 30, 2005
<hr/>	
Revenues:	
Federal	\$ 37,680
State	14
Interest	3,548
Other	3,755
Contributions	<u>27,509</u>
	<u>72,506</u>
Expenditures:	
Direct costs:	
Salaries	168
Fringe benefits	59
Equipment purchases	2,790
Earnest money	1,000
Tools and supplies	386
Postage	48
Rehabilitation	1,114
Emergency expense	865
Professional fees	3,995
New building expense	36,496
Other	<u>2,405</u>
Total direct costs	<u>49,326</u>
Indirect costs	<u>32</u>
Total expenditures	<u>49,358</u>
Revenue over (under) expenditures	<u><u>\$ 23,148</u></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, 2005, and have issued our report thereon dated November 16, 2005. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted a certain matter that we reported to management of Coastal Community Action, Inc. in a separate letter dated November 16, 2005.

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
November 16, 2005

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, 2005. 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.

In our opinion, 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, 2005.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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
November 16, 2005

**Coastal Community Action, Inc.
 Schedule Of Findings And Questioned Costs
 For the Year Ended September 30, 2005**

Section 1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (as) identified? _____ Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Reportable condition(s) 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

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

Identification of major federal programs:

CFDA #	Program Name
93.600	Administration for Children, Youth, and Families – Head Start
94.011/94.016	Foster Grandparent/Senior Companion Program Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$ 317,498

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, 2005**

Section 2. Financial Statement Findings

None reported.

Section 3. Federal Award Findings and Questioned Costs

None reported.

**Coastal Community Action, Inc.
Corrective Action Plan
For the Year Ended September 30, 2005**

No findings reported.

**Coastal Community Action, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2005**

Finding 04-1:

Name of contact person: Edith Travers

Corrective action taken: Blank check stock maintained in numerical sequence is stored as follows: Open box of checks is stored in the locked fire proof file cabinet. The key is kept by the CFO, and checks are removed and logged as needed. Unopened boxes of checks are stored in a locked metal cabinet in the server room, which is kept locked at all times. The key to the server room door is kept by a limited few key management persons.

Management has authorized three persons to operate the check signing machine. The operator password to the check signing machine was changed and only the three persons authorized to sign the checks have the operator password so that the check signer is not the same employee who processes or posts the checks in the general ledger system.

Monthly review and comparison of the check log to the Board Payment Listing Report (check run), along with the review and approval of the bank reconciliation assure that all checks are accounted for. This operation is carried out by the Assistant Controller.

Finding 04-2:

Name of contact person: Edith Travers

Corrective action taken: All mail addressed to the administrative staff is opened by the receptionist. Checks are logged in by the receptionist and forwarded to the administrative assistant. The check log entries are reconciled to the bank deposits and to the cash receipts entries in the GMS sub ledger by the Assistant Controller. Bank deposits are made by the administrative assistant, or in her absence, the receptionist; both individuals are independent of the cash receipts recording function.

Finding 04-3:

Name of contact person: Edith Travers

Corrective action taken: A review of the trial balance, including the balance sheet, is conducted monthly by the CFO. The addition, late in the current fiscal year, of an Assistant Controller position provides the capacity for more in-depth analytical review of balance sheet activity. Additional GMS training is budgeted to support increased use of the program's capabilities and facilities. Significant accounting issues regarding the Agency's major construction projects, long-term debt service and cash balances required to meet those commitments are reported and discussed with CCA management and the CCA Board of Directors as they arise and are recognized.

Finding 04-4:

See response for Finding 04-3.

Coastal Community Action, Inc.
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis
 For the Year Ended September 30, 2005

Page 1 of 3

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Receipts	Disbursements
<u>FEDERAL GRANTS</u>				
US Department of Health and Human Services				
Direct program:				
Administration for Children, Youth and				
Families - Head Start	93.600	04CH0027	\$ 4,414,937	\$ 4,369,491
Early Head Start	93.600	90YB0010	1,460,571	1,452,096
Total			5,875,508	5,821,587
Passed through NC Department of Health and Human Services				
Office of Economic Opportunity				
Community Services Block Grant	93.569	OEO00304	311,901	335,941
Heating Appliance Repair and Replacement Program	93.568		124,592	117,119
			436,493	453,060
Division of Social Services				
Passed through Craven County				
Home and Community Care Block Grant	93.667		-	1,526
Total US Department of Health and Human Services			6,312,001	6,276,173
US Department of Housing and Urban Development				
Direct program:				
Lower Income Housing Assistance Program (A-2910-E)	14.856	NC141VO	1,747,468	1,774,328
Passed through NC Housing Finance Agency				
Single Family Rehabilitation Program	14.239		-	29,088
Total US Department of Housing and Urban Development			1,747,468	1,803,416
US Department of Energy				
Passed through NC Department of Health and Human Services				
Office of Economic Opportunity				
Weatherization Assistance for Low Income Persons	81.042	207 & 307	369,731	363,035

Coastal Community Action, Inc.
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis (Continued)
 For the Year Ended September 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Receipts	Disbursements
US Department of Agriculture				
Direct Program:				
Rural Housing Service				
Section 523 Self-Help Housing Technical	10.420		\$ -	\$ 670
Passed through NC Department of Public Instruction				
Child Care Food Program	10.558		449,958	445,203
Direct Program:				
Rural Development Administration				
Community Facilities Loans and Grant	10.766		1,035,023	990,470
Total US Department of Agriculture			1,484,981	1,436,343
US Department of Labor				
Senior Community Service Employment Pogram				
Passed through Craven County				
Title V	17.235		51,036	57,610
Passed through Pamlico County				
Title V	17.235		6,377	9,251
Passed through Jones County				
Title V	17.235		9,407	11,678
Total US Department of Labor			66,820	78,539
Homeland Security				
Passed through NC Department of Crime Control and Public Safety				
Hazard Mitigation Grant Program	83.548		1,508	11,973
Corporation for National and Community Service				
Foster Grandparent /Senior Companion		02SFSNC001/		
Program Cluster	94.011/94.016	02SCSNC006	508,231	556,604
Retired Senior Volunteer Program	94.002	02SRSNC025	43,467	57,180
Total Corporation for National and Community Service			551,698	613,784
Subtotal - federal awards			\$ 10,534,207	\$ 10,583,263

Coastal Community Action, Inc.
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis (Continued)
 For the Year Ended September 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Receipts	Disbursements
STATE GRANTS				
NC Department of Public Instruction				
Passed through Carteret County Board of Education More at Four Program			\$ 62,064	\$ 67,998
NC Department of Health and Human Services				
Passed through Jones County Partnership for Children Smart Start			11,068	4,484
NC Housing Trust Fund				
Urgent Repair Program			58,026	72,667
Subtotal - State awards			131,158	145,149
Total receipts			<u>\$ 10,665,365</u>	
Total disbursements				<u>\$ 10,728,412</u>

Coastal Community Action, Inc.
Schedule Of Expenditures Of Federal And State Awards - Cash Basis (Continued)
For the Year Ended September 30, 2005

Note:

Expenditures are reported on the cash basis of accounting in accordance with the directives of North Carolina General Statute 143-6.1. 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 143-6.1.