

McGladrey & Pullen

Certified Public Accountants

Coastal Community Action, Inc.

Financial and Compliance Reports
09.30.06

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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, 2006, 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, 2006, 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 17, 2006 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 143-6.2, 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 17, 2006

Coastal Community Action, Inc.

**Statement of Financial Position
September 30, 2006**

Assets

Cash and cash equivalents	\$ 385,836
Restricted cash (Note 6)	40,841
Accounts receivable:	
Grants and contracts (Notes 5 and 6)	576,309
Other	6,359
Prepaid expenses	20,367
Other assets	4,432
Property and equipment, net of accumulated depreciation (Notes 3 and 6)	3,985,085
Total assets	\$ 5,019,229

Liabilities and Net Assets

Liabilities:	
Accounts payable (Note 7)	\$ 190,055
Accrued expenses (Note 4)	243,254
Deferred revenue	261,168
Long-term debt:	
Mortgage payable (Note 6)	3,296,810
Capital leases payable (Note 6)	25,047
Total liabilities	4,016,334

Commitments and Contingencies (Notes 2, 3, 5 and 6)

Net Assets, unrestricted	1,002,895
Total liabilities and net assets	\$ 5,019,229

See Notes to Financial Statements.

Coastal Community Action, Inc.

**Statement of Activities
Year Ended September 30, 2006**

Revenue (Notes 5 and 6):	
Federal grants	\$ 9,474,065
State grants	192,279
In-kind contributions (Note 9)	1,670,730
Interest	9,047
Program services	92,330
Contracted services	322,691
Local revenue	63,232
Rent - usage allowance	356,793
Other	72,959
Total revenue	<u>12,254,126</u>
Expenses:	
Program services	
Head start program	7,477,833
Housing assistance program	1,770,442
Community services program	354,941
Housing repairs program	699,462
Senior Programs	648,753
Other programs, primarily aging and health related	434,012
Management and general	715,737
Total expenses	<u>12,101,180</u>
Increase in net assets	152,946
Net assets, beginning	<u>849,949</u>
Net assets, ending	<u>\$ 1,002,895</u>

See Notes to Financial Statements.

Coastal Community Action, Inc.

Statement of Cash Flows
Year Ended September 30, 2006

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Cash Flows From Operating Activities	
Increase in net assets	\$ 152,946
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	260,766
Loss on disposal of assets	5,176
Changes in assets and liabilities:	
(Increase) decrease in:	
Restricted cash set aside for mortgage loan requirements	(19,056)
Accounts receivable	(273,011)
Prepaid expenses	(651)
Increase (decrease) in:	
Accounts payable and accrued expenses	(5,363)
Deferred revenue	100,450
Net cash provided by operating activities	<u>221,257</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	(33,542)
Net cash used in investing activities	<u>(33,542)</u>
Cash Flows Used in Financing Activities	
Payments on mortgages payable	(64,173)
Payments on capital leases	(14,564)
Net cash used in financing activities	<u>(78,737)</u>
Increase in cash and cash equivalents	108,978
Cash and Cash Equivalents, unrestricted	
Beginning	276,858
Ending	<u>\$ 385,836</u>
Supplemental Disclosure of Cash Flow Information	
Cash payments for interest	<u>\$ 154,223</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, 2006, 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, 2006, 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

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

A summary of deferred revenue, by program, as of September 30, 2006, is as follows:

Housing Assistance Payments Program	\$ 104,109
More @ Four - Carteret	30,859
More @ Four - Craven	34,980
Senior Companion Program	6,297
Transition Grants CCR-Smart Start	15,625
Urgent Repair	69,298
	<u>\$ 261,168</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 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 50 percent of employee contributions with a maximum matching contribution of 2% of applicable employee compensation. The Organization contributed \$37,563 during the year ended September 30, 2006.

Coastal Community Action, Inc.

Notes To Financial Statements

Note 3. Property and Equipment

A summary of property and equipment as of September 30, 2006, is as follows:

Motor vehicles	\$ 659,337
Equipment	783,785
Furniture and fixtures	215,563
Buildings	3,068,340
Land	504,125
	<hr/>
	5,231,150
Less accumulated depreciation	1,246,065
	<hr/>
	<u>\$ 3,985,085</u>

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, 2006, totaling \$86,060 is included in accrued expenses.

Note 5. Economic Dependence/Contingency

CCA receives approximately 79% 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, 2006. 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

A summary of the Company's long-term debt, and collateral pledged thereon, consisted of the following at September 30, 2006:

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. \$ 869,816

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. 1,255,497

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 Pamlico Child Development Center. 743,072

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 Pamlico Child Development Center. 189,699

RBC Centura:

Obligation due in monthly installments of \$2,327, including interest at a rate of 7.330%, through June 2020, collateralized by the Pamlico Child Development Center. 238,726

Total mortgages payable 3,296,810

(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 \$4,682.	\$ 3,107
11.1% lease purchase contract requiring monthly payments of \$105 through July 2009. Collateralized by equipment with a carrying value of \$3,273.	3,051
9.2% lease purchase contract requiring monthly payments of \$128 through July 2009. Collateralized by equipment with a carrying value of \$4,168.	3,818
11% lease purchase contract requiring monthly payments of \$96 through July 2009. Collateralized by equipment with a carrying value of \$2,997.	2,792
12% lease purchase contract requiring monthly payments of \$1,012 through October 2007. Collateralized by equipment with a carrying value of \$22,413.	<u>12,279</u>
Total leases payable	<u>25,047</u>
Total mortgages and leases payable	<u><u>\$ 3,321,857</u></u>

Aggregate maturities required on long-term debt as of September 30, 2006 are due in future years as follows:

Year Ending September 30,	
2007	\$ 83,585
2008	76,166
2009	77,192
2010	77,696
2011	81,532
Thereafter	<u>2,925,686</u>
	<u><u>\$ 3,321,857</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, 2006 is \$40,841.

Interest expense for 2006 was \$153,039.

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 \$16,919 for estimated claims that will be paid under the self-insurance retention at September 30, 2006, as shown in the table below.

	Beginning Liability	Estimated Claims Incurred	Claim Payments	Ending Liability
Claims paid and incurred - year ended September 30, 2006	\$ 48,102	\$ 568,718	\$ 599,901	\$ 16,919

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, 2006 is not material. Rental expense included in the statement of activities for the year ended September 30, 2006 is \$397,051.

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, 2006 amounted to \$1,329,974. Other in-kind contributions of \$340,756 related to educational services were recorded for the year ended September 30, 2006.

SUPPLEMENTARY INFORMATION

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Coastal Community Action, Inc.
Combining Schedule of Revenues and Expenditures - Programmatic Basis
For the Year Ended September 30, 2006
(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
Revenues:							
Grants:							
Federal	\$ 6,116,550	\$ 1,805,244	\$ 370,474	\$ 629,642	\$ 552,155	\$ -	\$ 9,474,065
State	27,492	-	-	90,436	-	-	117,928
In-kind	1,615,689	-	-	-	55,041	-	1,670,730
More at 4	74,351	-	-	-	-	-	74,351
Program services	61,012	-	-	-	-	31,318	92,330
Local revenue	-	-	-	2,044	44,411	16,777	63,232
Contracted services	322,691	-	-	-	-	-	322,691
Interest (Non-Program)	-	319	-	-	-	8,728	9,047
Rent - usage allowance	-	-	-	-	-	356,793	356,793
Other	2,356	7,290	-	-	6,250	57,063	72,959
Total revenue	8,220,141	1,812,853	370,474	722,122	657,857	470,679	12,254,126
Expenditures:							
Salaries	3,245,298	146,687	131,379	166,791	96,454	33,681	3,820,290
Fringe benefits	967,718	42,957	37,648	52,147	29,929	9,575	1,139,974
Indirect costs	613,362	27,724	24,831	31,523	18,230	6,366	722,036
Administrative support	(1,201)	-	-	1,229	-	-	28
Dump fees	-	-	-	185	-	-	185
Labor	-	-	-	75,568	-	-	75,568
Stipends	-	-	-	-	335,088	10,257	345,345
Client payments	-	-	114,167	-	-	-	114,167
Housing assistance	-	1,523,597	-	-	-	-	1,523,597
In-kind space	1,329,082	-	-	-	892	-	1,329,974
Contractual services	161,994	1,000	-	1,146	-	9,669	173,809
Professional services	-	-	-	-	-	45	45
Food costs	265,342	-	-	-	-	-	265,342
Equipment leasing	10,376	-	-	3,600	-	-	13,976
Supplies	208,746	9,469	12,266	3,177	5,503	3,188	242,349
Small tools & equipment	-	-	-	27,101	-	-	27,101
Utilities	204,243	-	-	-	-	13,687	217,930
Emergency expense	-	-	-	-	-	406	406
United Way expenses	-	5,086	-	-	-	-	5,086
Telephone	53,457	1,768	1,387	4,060	1,228	620	62,520
Travel	17,371	6,259	20,840	22,680	87,422	9,590	164,162
Audit and accounting fees	4,430	8,902	1,658	2,613	3,318	1,040	21,961
Advertising	8,823	87	1,039	2,002	-	-	11,951
Insurance	86,671	1,440	1,220	6,132	2,707	248	98,418
Postage	4,265	5,557	2,160	3,554	5,682	498	21,716
Recognition	-	-	-	-	4,244	50	4,294
Mental health	7,877	-	-	-	-	-	7,877
Meals and activities	-	-	-	-	5,357	-	5,357
Rents	341,026	15,045	13,132	13,430	11,792	2,626	397,051
In-kind other	286,605	-	-	-	54,151	-	340,756

(Continued)

Coastal Community Action, Inc.
Combining Schedules of Revenues and Expenditures - Programmatic Basis
For the Year Ended September 30, 2006
(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	\$ 2,166	\$ -	\$ 3,093	\$ -	\$ -	\$ -	\$ 5,259
Medical /Dental services	4,124	-	-	-	-	-	4,124
Soft Costs	-	-	-	3,631	-	-	3,631
Hard Costs	-	-	-	119,642	-	-	119,642
Materials	-	-	-	178,301	-	-	178,301
Vehicle repair	31,569	-	-	4,091	-	-	35,660
Repairs and maintenance	44,929	-	-	828	-	6,359	52,116
Capital outlay	-	-	7,098	1,829	-	-	8,927
Transportation consumables	38,766	-	-	-	-	-	38,766
Consumer education	-	-	-	822	-	-	822
Parent activity	12,725	-	-	-	-	-	12,725
Training	32,427	1,396	5,630	2,653	1,206	-	43,312
Physicals	-	-	-	-	907	54	961
Mortgage interest expense	-	-	-	-	-	153,039	153,039
Other	24,866	1,240	8,719	586	1,096	42,579	79,086
Total expenditures	8,007,057	1,798,214	386,267	729,321	665,206	303,577	11,889,642
Revenue over (under) expenditures	\$ 213,084	\$ 14,639	\$ (15,793)	\$ (7,199)	\$ (7,349)	\$ 167,102	\$ 364,484

Reconciliation of revenues and expenditures
programmatic basis with GAAP basis:

Revenue over (under) expenditures - programmatic basis	\$ 213,084	\$ 14,639	\$ (15,793)	\$ (7,199)	\$ (7,349)	\$ 167,102	\$ 364,484
Capitalized expenditures included in capital outlay and other expenses	10,270	-	6,716	1,847	-	14,709	33,542
Capitalized leases included in expenses	8,862	1,500	600	500	600	2,501	14,563
Depreciation	(99,995)	(1,452)	(821)	(4,011)	(2,377)	(152,110)	(260,766)
Loss on disposal of assets	(3,275)	-	-	-	-	(1,901)	(5,176)
Indirect costs	613,362	27,724	24,831	31,523	18,230	6,366	722,036
Revenue over program expenses - GAAP basis	742,308	42,411	15,533	22,660	9,104	36,667	868,683
Indirect costs reported as separate item, management and general	(608,011)	(27,481)	(24,614)	(31,249)	(18,071)	(6,311)	(715,737)
Increase (decrease) in net assets - GAAP basis	\$ 134,297	\$ 14,930	\$ (9,081)	\$ (8,589)	\$ (8,967)	\$ 30,356	\$ 152,946

Coastal Community Action, Inc.
Head Start Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Year Ended August 31, 2006

	Agency Year Ended Sept 30, 2006	Add Sept 1, 2005 to Sept 30, 2005	Deduct Sept 1, 2006 to Sept 30, 2006	Program Year Ended Aug 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 4,301,911	\$ 434,018	\$ 478,177	\$ 4,257,752	\$ 4,249,555	\$ 8,197
In-kind	1,310,347	161,677	92,288	1,379,736	1,061,889	317,847
More at 4	74,351	6,678	12,860	68,169	110,000	(41,831)
Jones Cty PC	11,828	-	-	11,828	10,000	1,828
Other	2,144	24	-	2,168	2,000	168
Total revenues	5,700,581	602,397	583,325	5,719,653	5,433,444	286,209
Expenditures:						
Head Start Full-Year/Part Day:						
Direct costs:						
Salaries	2,216,065	204,020	224,583	2,195,502	2,290,500	94,998
Fringe benefits	660,343	65,389	18,250	707,482	796,968	89,486
Travel	12,905	656	2,234	11,327	14,400	3,073
Supplies	100,086	11,729	21,391	90,424	86,348	(4,076)
Utilities	157,828	17,253	11,172	163,909	120,815	(43,094)
Telephone	42,114	3,331	3,214	42,231	24,501	(17,730)
Insurance	68,627	(2,305)	5,101	61,221	79,715	18,494
Rents	272,958	16,931	20,807	269,082	221,352	(47,730)
Postage	3,157	341	625	2,873	2,150	(723)
Medical/Dental services	4,124	-	60	4,064	1,750	(2,314)
Speech services	-	-	-	-	3,000	3,000
Mental health	6,645	-	-	6,645	9,000	2,355
Parent activity	11,611	-	69	11,542	20,629	9,087
In kind space	1,103,110	161,677	80,839	1,183,948	970,065	(213,883)
Training	21,609	11,899	3,199	30,309	41,200	10,891
In kind other	207,237	-	11,449	195,788	91,824	(103,964)
Maintenance and repairs	35,021	886	4,169	31,738	10,250	(21,488)
Vehicle repair	30,417	734	5,466	25,685	25,400	(285)
Equipment leasing	7,219	5,892	3,570	9,541	14,000	4,459
Printing and publishing	1,460	253	59	1,654	2,000	346
Contract services	124,826	6,188	10,011	121,003	102,034	(18,969)
Food costs	41,641	29,761	-	71,402	26,700	(44,702)
Advertising	7,303	8	503	6,808	6,948	140
Audit and accounting fees	344	-	-	344	-	(344)
Other	15,344	10	330	15,024	2,816	(12,208)
Transportation consumables	37,611	3,353	1,584	39,380	36,175	(3,205)
Total direct costs	5,189,605	538,006	428,685	5,298,926	5,000,540	(298,386)
Indirect costs	418,836	38,560	42,446	414,950	432,904	17,954
Total expenditures	5,608,441	576,566	471,131	5,713,876	5,433,444	(280,432)
Revenue over (under) expenditures	\$ 92,140	\$ 25,831	\$ 112,194	\$ 5,777	\$ -	\$ 5,777

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, 2006

	Agency Year Ended Sept 30, 2006	Add Sept 1, 2005 to Sept 30, 2005	Deduct Sept 1, 2006 to Sept 30, 2006	Program Year Ended Aug 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 458,452	\$ 22,542	\$ 16,923	\$ 464,071	\$ 491,000	\$ (26,929)
Meal income	80	-	-	80	-	80
	<u>458,532</u>	<u>22,542</u>	<u>16,923</u>	<u>464,151</u>	<u>491,000</u>	<u>(26,849)</u>
Expenditures:						
Direct costs:						
Salaries	126,937	9,246	10,798	125,385	129,800	4,415
Fringe benefits	41,406	2,884	3,323	40,967	43,000	2,033
Travel	59	29	35	53	-	(53)
Food costs	264,499	28,783	18,017	275,265	282,000	6,735
Supplies	67,996	8,744	5,135	71,605	73,000	1,395
Nonsubsidized Nutr Servs	(45,801)	(29,761)	-	(75,562)	(64,333)	11,229
Audit and accounting fees	2,216	-	-	2,216	-	(2,216)
Other	808	-	-	808	3,000	2,192
Total direct costs	<u>458,120</u>	<u>19,925</u>	<u>37,308</u>	<u>440,737</u>	<u>466,467</u>	<u>25,730</u>
Indirect costs	<u>23,992</u>	<u>1,747</u>	<u>2,041</u>	<u>23,698</u>	<u>24,533</u>	<u>835</u>
Total expenditures	<u>482,112</u>	<u>21,672</u>	<u>39,349</u>	<u>464,435</u>	<u>491,000</u>	<u>26,565</u>
Revenue over (under) expenditures	\$ (23,580)	\$ 870	\$ (22,426)	\$ (284)	\$ -	\$ (284)

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, 2006

	Agency Year Ended Sept 30, 2006	Add Sept. 1, 2005 to Sept 30, 2005	Deduct Sept. 1, 2006 to Sept 30, 2006	Program Year Ended Aug 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Contracted services	\$ 171,683	\$ 17,798	\$ 8,259	\$ 181,222	\$ 222,000	\$ (40,778)
Parent fees	42,416	2,438	1,257	43,597	23,000	20,597
Total revenues	<u>214,099</u>	<u>20,236</u>	<u>9,516</u>	<u>224,819</u>	<u>245,000</u>	<u>(20,181)</u>
Expenditures:						
Direct costs:						
Salaries	79,799	15,749	9,409	86,139	91,000	4,861
Fringe benefits	11,205	3,469	673	14,001	16,100	2,099
Travel	222	32	-	254	1,000	746
Supplies	3,196	474	515	3,155	4,750	1,595
Telephone	2,263	210	196	2,277	2,950	673
Postage and freight	167	18	38	147	200	53
Maintenance and repairs	1,595	47	76	1,566	1,050	(516)
Insurance	4,922	5	392	4,535	4,600	65
Vehicle repair	1,009	54	-	1,063	-	(1,063)
Utilities	7,758	1,123	685	8,196	9,600	1,404
Printing and publishing	305	-	-	305	300	(5)
Rents/leases	4,999	405	402	5,002	5,400	398
Equipment rentals	536	395	249	682	1,050	368
Transportation consumables	1,074	140	-	1,214	-	(1,214)
Contract services	8,130	382	636	7,876	9,200	1,324
Training	101	3	83	21	-	(21)
Admin cost	(1,201)	-	(1,201)	-	-	-
Advertising	595	-	-	595	1,000	405
Audit and accounting fees	1,411	-	-	1,411	-	(1,411)
Food Costs	50	-	-	50	-	(50)
Other	106	-	-	106	1,500	1,394
Total direct costs	<u>128,242</u>	<u>22,506</u>	<u>12,153</u>	<u>138,595</u>	<u>149,700</u>	<u>11,105</u>
Indirect costs	<u>15,081</u>	<u>2,977</u>	<u>1,778</u>	<u>16,280</u>	<u>26,649</u>	<u>10,369</u>
Total expenditures	<u>143,323</u>	<u>25,483</u>	<u>13,931</u>	<u>154,875</u>	<u>176,349</u>	<u>21,474</u>
Revenue over (under) expenditures	<u>\$ 70,776</u>	<u>\$ (5,247)</u>	<u>\$ (4,415)</u>	<u>\$ 69,944</u>	<u>\$ 68,651</u>	<u>\$ 1,293</u>

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, 2006

	Agency Year Ended Sept 30, 2006	Add Sept 1, 2005 to Sept 30, 2005	Deduct Sept 1, 2006 to Sept 30, 2006	Program Year Ended Aug 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Contracted services	\$ 108,878	\$ 3,511	\$ 6,901	\$ 105,488	\$ 75,000	\$ 30,488
Parent fees	7,937	-	1,862	6,075	7,000	(925)
Total revenues	<u>116,815</u>	<u>3,511</u>	<u>8,763</u>	<u>111,563</u>	<u>82,000</u>	<u>29,563</u>
Expenditures:						
Direct costs:						
Salaries	38,736	2,456	1,421	39,771	40,000	229
Fringe benefits	6,362	487	12	6,837	7,500	663
Utilities	2,470	166	133	2,503	2,000	(503)
Rents	7,873	659	642	7,890	8,000	110
Equipment rentals	46	40	46	40	100	60
Supplies	8,142	84	8	8,218	5,700	(2,518)
Vehicle repairs	307	-	16	291	-	(291)
Maintenance and repair	189	161	30	320	500	180
Transportation consumables	668	61	-	729	-	(729)
Contract services	915	46	83	878	1,000	122
Audit and accounting fees	257	-	-	257	-	(257)
Training	158	-	-	158	-	(158)
Other	2,210	-	-	2,210	2,500	290
Postage and freight	90	-	-	90	100	10
Telephone	328	16	51	293	500	207
Total direct costs	<u>68,751</u>	<u>4,176</u>	<u>2,442</u>	<u>70,485</u>	<u>67,900</u>	<u>(2,585)</u>
Indirect costs	<u>7,321</u>	<u>464</u>	<u>268</u>	<u>7,517</u>	<u>7,560</u>	<u>43</u>
Total expenditures	<u>76,072</u>	<u>4,640</u>	<u>2,710</u>	<u>78,002</u>	<u>75,460</u>	<u>(2,542)</u>
Revenue over (under) expenditures	<u>\$ 40,743</u>	<u>\$ (1,129)</u>	<u>\$ 6,053</u>	<u>\$ 33,561</u>	<u>\$ 6,540</u>	<u>\$ 27,021</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, 2006

	Agency Year Ended Sept 30, 2006	Add Sept 1, 2005 to Sept 30, 2005	Deduct Sept 1, 2006 to Sept 30, 2006	Program Year Ended Aug 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Contracted services	\$ 42,130	\$ 1,448	\$ 703	\$ 42,875	\$ 25,000	\$ 17,875
Parent fees	10,579	628	-	11,207	5,000	6,207
Other	200	-	-	200	3,000	(2,800)
Total revenues	52,909	2,076	703	54,282	33,000	21,282
Expenditures:						
Direct costs:						
Salaries	15,859	5,315	104	21,070	13,000	(8,070)
Fringe benefits	5,129	1,112	14	6,227	3,250	(2,977)
Utilities	232	155	51	336	200	(136)
Equipment rentals	306	18	5	319	-	(319)
Supplies	126	59	3	182	100	(82)
Vehicle repairs	43	-	-	43	-	(43)
Maintenance and repair	176	7	-	183	200	17
Insurance	1,139	96	94	1,141	200	(941)
Transportation consumables	59	28	-	87	-	(87)
Travel	40	2	-	42	-	(42)
Training	60	-	-	60	-	(60)
Contract services	453	43	52	444	600	156
Postage and freight	1	-	1	-	-	-
Audit and accounting fees	202	-	-	202	200	(2)
Other	11	-	-	11	-	(11)
Telephone	168	-	14	154	100	(54)
Total direct costs	24,004	6,835	338	30,501	17,850	(12,651)
Indirect costs	2,998	1,004	20	3,982	2,457	(1,525)
Total expenditures	27,002	7,839	358	34,483	20,307	(14,176)
Revenue over (under) expenditures	\$ 25,907	\$ (5,763)	\$ 345	\$ 19,799	\$ 12,693	\$ 7,106

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, 2006

	Agency Year Ended Sept 30, 2006	Add Sept 1, 2005 to Sept 30, 2005	Deduct Sept 1, 2006 to Sept 30, 2006	Program Year Ended Aug 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 1,356,187	\$ 115,297	\$ 41,845	\$ 1,429,639	\$ 1,438,198	\$ (8,559)
In kind	303,812	40,808	24,448	320,172	359,550	(39,378)
Other	12	-	-	12	-	12
Total revenues	<u>1,660,011</u>	<u>156,105</u>	<u>66,293</u>	<u>1,749,823</u>	<u>1,797,748</u>	<u>(47,925)</u>
Expenditures:						
Direct costs:						
Salaries	760,033	65,269	14,072	811,230	766,627	(44,603)
Fringe benefits	240,745	20,493	4,315	256,923	313,786	56,863
Travel	3,363	758	147	3,974	3,925	(49)
Training	7,984	2,699	329	10,354	35,208	24,854
Insurance	11,983	(404)	934	10,645	14,671	4,026
Maintenance and repair	7,948	426	156	8,218	-	(8,218)
Vehicle repair	(207)	121	-	(86)	-	86
Utilities	35,955	4,009	2,514	37,450	27,567	(9,883)
Equipment leases	2,269	1,229	906	2,592	7,000	4,408
Rents	55,196	876	3,993	52,079	47,474	(4,605)
Transportation consumables	(646)	499	-	(147)	-	147
Printing and publishing	216	15	-	231	700	469
Supplies	28,900	6,866	3,277	32,489	22,572	(9,917)
Speech Services	-	-	-	-	775	775
Mental Health Services	1,230	-	-	1,230	1,500	270
Contract services	27,670	1,307	2,465	26,512	22,500	(4,012)
In kind space	224,442	40,808	20,404	244,846	244,846	-
In kind other	79,370	-	4,044	75,326	114,704	39,378
Advertising	925	-	-	925	-	(925)
Other	6,387	-	-	6,387	1,197	(5,190)
Food costs	4,953	-	-	4,953	20,042	15,089
Telephone	8,584	611	706	8,489	4,547	(3,942)
Parent activity	1,114	-	-	1,114	2,630	1,516
Postage	850	380	100	1,130	585	(545)
Total direct costs	<u>1,509,264</u>	<u>145,962</u>	<u>58,362</u>	<u>1,596,864</u>	<u>1,652,856</u>	<u>55,992</u>
Indirect costs	<u>143,646</u>	<u>12,336</u>	<u>2,660</u>	<u>153,322</u>	<u>144,892</u>	<u>(8,430)</u>
Total expenditures	<u>1,652,910</u>	<u>158,298</u>	<u>61,022</u>	<u>1,750,186</u>	<u>1,797,748</u>	<u>47,562</u>
Revenue over (under) expenditures	<u>\$ 7,101</u>	<u>\$ (2,193)</u>	<u>\$ 5,271</u>	<u>\$ (363)</u>	<u>\$ -</u>	<u>\$ (363)</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, 2006

	Agency Year Ended Sept 30, 2006	Deduct July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
In Kind Revenue	\$ 1,530	\$ -	\$ 1,530	\$ 1,800	\$ (270)
State Grant	15,664	1,292	14,372	15,000	(628)
Total Revenue	17,194	1,292	15,902	16,800	(898)
Expenditures:					
Direct costs:					
Salaries	7,869	786	7,083	7,415	332
Fringe benefits	2,528	259	2,269	2,224	(45)
Travel	782	97	685	950	265
Supplies	300	-	300	300	-
Printing and Publications	185	2	183	195	12
In Kind Space	1,530	-	1,530	1,800	270
Training	360	-	360	360	-
Conferences	2,155	-	2,155	2,155	-
Total direct costs	15,709	1,144	14,565	15,399	834
Indirect costs	1,488	149	1,339	1,401	62
Total expenditures	17,197	1,293	15,904	16,800	896
Revenue over (under) expenditures	\$ (3)	\$ (1)	(2)	\$ -	\$ (2)

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, 2006

	Agency Year Ended Sept 30, 2006	Add April 1, 2005 to Sept 30, 2005	Deduct April 1, 2006 to Sept 30, 2006	Program Year Ended Mar 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 1,756,528	\$ 832,500	\$ 883,199	\$ 1,705,829	\$ 1,779,472	\$ (73,643)
Other income	2,214	3,306	1,660	3,860	2,480	1,380
Total revenues	<u>1,758,742</u>	<u>835,806</u>	<u>884,859</u>	<u>1,709,689</u>	<u>1,781,952</u>	<u>(72,263)</u>
Expenditures:						
Direct costs:						
Salaries	122,409	56,711	60,839	118,281	111,200	(7,081)
Fringe benefits	35,002	18,513	17,725	35,790	33,240	(2,550)
Supplies	9,469	2,573	5,665	6,377	5,400	(977)
Audit fees	8,902	-	2,872	6,030	30	(6,000)
Telephone	1,768	1,034	928	1,874	2,600	726
Postage	5,557	1,702	3,075	4,184	6,000	1,816
Computer costs	1,000	1,000	1,000	1,000	1,000	-
Travel	6,259	1,331	5,199	2,391	6,000	3,609
Insurance	1,440	654	726	1,368	1,650	282
Training	1,396	60	211	1,245	12,348	11,103
Rents and leases	15,045	7,550	7,508	15,087	15,100	13
Publ/Subscrip/Printing	-	10	-	10	500	490
Advertising	87	-	-	87	100	13
Other	1,240	388	639	989	740	(249)
FSS Escrow	34,870	9,914	10,487	34,297	26,400	(7,897)
Housing assistance payments	1,488,727	727,011	757,414	1,458,324	1,538,544	80,220
Total direct costs	<u>1,733,171</u>	<u>828,451</u>	<u>874,288</u>	<u>1,687,334</u>	<u>1,760,852</u>	<u>73,518</u>
Indirect costs	<u>23,135</u>	<u>10,622</u>	<u>11,402</u>	<u>22,355</u>	<u>21,100</u>	<u>(1,255)</u>
Total expenditures	<u>1,756,306</u>	<u>839,073</u>	<u>885,690</u>	<u>1,709,689</u>	<u>1,781,952</u>	<u>72,263</u>
Revenue over (under) expenditures	<u>\$ 2,436</u>	<u>\$ (3,267)</u>	<u>\$ (831)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2006

	Agency Year Ended Sept 30, 2006	Deduct April 1, 2006 to Sept 30, 2006	Program Year Ended Mar 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
Federal grant	\$ 48,716	\$ 13,311	\$ 35,405	\$ 35,836	\$ (431)
Interest income	319	319	-	-	-
United Way Grant	5,076	2,750	2,326	5,000	(2,674)
	<u>54,111</u>	<u>16,380</u>	<u>37,731</u>	<u>40,836</u>	<u>(3,105)</u>
Expenditures:					
Direct costs:					
Salaries	24,278	15,365	8,913	23,607	14,694
Fringe benefits	7,955	5,079	2,876	7,767	4,891
United Way expenses	5,086	2,738	2,348	5,000	2,652
Total direct costs	<u>37,319</u>	<u>23,182</u>	<u>14,137</u>	<u>36,374</u>	<u>22,237</u>
Indirect costs	<u>4,589</u>	<u>2,904</u>	<u>1,685</u>	<u>4,462</u>	<u>2,777</u>
Total expenditures	<u>41,908</u>	<u>26,086</u>	<u>15,822</u>	<u>40,836</u>	<u>25,014</u>
Revenue over (under) expenditures	<u>\$ 12,203</u>	<u>\$ (9,706)</u>	<u>\$ 21,909</u>	<u>\$ -</u>	<u>\$ 21,909</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, 2006

	Agency Year Ended Sept 30, 2006	Add July 1, 2005 to Sept 30, 2005	Deduct July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 370,474	\$ 64,067	\$ 83,110	\$ 351,431	\$ 351,513	\$ (82)
Expenditures:						
Direct costs:						
Salaries	131,379	29,811	38,298	122,892	135,195	12,303
Fringe benefits	37,648	10,761	8,178	40,231	33,858	(6,373)
Telephone	1,387	580	285	1,682	2,400	718
Postage	2,160	163	516	1,807	1,200	(607)
Advertising	1,039	-	122	917	916	(1)
Insurance	1,220	208	292	1,136	1,136	-
Rent	13,132	2,948	3,163	12,917	14,996	2,079
Audit and accounting fees	1,658	-	-	1,658	1,658	-
Training	5,630	695	1,019	5,306	5,000	(306)
Travel	20,840	4,186	5,106	19,920	16,000	(3,920)
Supplies	12,266	882	2,159	10,989	4,903	(6,086)
Client payments	114,167	6,904	31,481	89,590	96,000	6,410
Equipment purchases	7,098	-	-	7,098	6,240	(858)
Printing and Publ	3,093	-	-	3,093	-	(3,093)
Other	8,719	92	-	8,811	6,459	(2,352)
Total direct costs	361,436	57,230	90,619	328,047	325,961	(2,086)
Indirect costs	24,831	5,634	7,238	23,227	25,552	2,325
Total expenditures	386,267	62,864	97,857	351,274	351,513	239
Revenue over (under) expenditures	\$ (15,793)	\$ 1,203	\$ (14,747)	\$ 157	\$ -	\$ 157

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, 2006

	Agency Year Ended Sept 30, 2006	Add July 1, 2005 to Sept 30, 2005	Deduct July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant						
Weatherization assistance	\$ 378,895	\$ 69,156	\$ 85,877	\$ 362,174	\$ 362,174	\$ -
Training and tech asst	6,313	972	-	7,285	7,285	-
Total revenues	385,208	70,128	85,877	369,459	369,459	-
Expenditures:						
Direct costs:						
Weatherization assistance:						
Salaries	142,935	28,832	32,685	139,082	138,050	(1,032)
Fringe benefits	44,437	9,792	8,754	45,475	42,929	(2,546)
Travel	21,429	4,149	5,212	20,366	20,472	106
Audit and accounting fees	2,000	-	-	2,000	2,000	-
Supplies	2,195	264	92	2,367	1,000	(1,367)
Insurance	5,734	(329)	1,128	4,277	3,400	(877)
Postage and freight	3,488	307	237	3,558	4,600	1,042
Telephone	3,409	598	1,275	2,732	3,000	268
Vehicle repairs	4,091	1,983	37	6,037	4,000	(2,037)
Advertising	1,643	45	760	928	400	(528)
Contract Services	573	-	-	573	-	(573)
Uniforms	548	455	-	1,003	1,060	57
Labor-Subcontractor	3,790	135	-	3,925	2,500	(1,425)
Tools and small equip exp	4,483	1,474	1,565	4,392	5,350	958
Equipment purchased	1,829	1,235	-	3,064	4,260	1,196
Repairs and Maintenance	828	-	122	706	-	(706)
Rents and leases	8,654	2,669	2,769	8,554	11,760	3,206
Vehicle leases	3,600	-	-	3,600	3,600	-
Dump Fees	185	60	35	210	500	290
Health and safety	22,458	1,426	3,440	20,444	20,450	6
Materials	76,680	11,538	18,458	69,760	69,274	(486)
Total direct costs	354,989	64,633	76,569	343,053	338,605	(4,448)
Training and technical assistance						
Consumer education	822	-	822	-	-	-
Training	2,653	830	140	3,343	6,085	2,742
Total	3,475	830	962	3,343	6,085	2,742
Indirect costs	27,014	5,449	6,177	26,286	24,769	(1,517)
Total expenditures	385,478	70,912	83,708	372,682	369,459	(3,223)
Revenue over (under) expenditures	\$ (270)	\$ (784)	\$ 2,169	\$ (3,223)	\$ -	\$ (3,223)

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, 2006

	Agency Year Ended Sept 30, 2006	Add July 1, 2005 to Sept. 30, 2005	Deduct July 1, 2006 to Sept. 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 88,564	\$ 2,537	\$ 2,452	\$ 88,649	\$ 88,649	\$ -
Expenditures:						
Direct costs:						
Salaries	7,327	2,243	1,677	7,893	8,000	107
Fringe benefits	2,674	403	534	2,543	2,524	(19)
Rents and leases	2,124	-	-	2,124	2,124	-
Office and misc supplies	849	116	382	583	583	-
Tools and supplies	160	-	160	-	-	-
Postage and freight	(1)	1	-	-	2	2
Subcontractor labor	369	631	1,000	-	-	-
Contractor Labor	22,884	-	-	22,884	23,000	116
Materials	54,106	50	3,253	50,903	50,904	1
Insurance	225	-	225	-	-	-
Misc. Expense	25	-	25	-	-	-
Total direct costs	90,742	3,444	7,256	86,930	87,137	207
Indirect costs	1,385	424	317	1,492	1,512	20
Total expenditures	92,127	3,868	7,573	88,422	88,649	227
Revenue over (under) expenditures	\$ (3,563)	\$ (1,331)	\$ (5,121)	\$ 227	\$ -	\$ 227

Coastal Community Action, Inc.
Urgent Repair Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Period May 1, 2005 Through September 30, 2006

	Agency Year End Sept 30, 2006	Add May 1, 2005 to Sept 30, 2005	Deduct April 1, 2006 to Sept 30, 2006	Program Period Ending October 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
State grant	\$ 90,436	\$ 266	\$ 718	\$ 89,984	\$ 110,000	\$ (20,016)
Expenditures:						
Direct costs:						
Salaries	6,774	174	439	6,509	14,750	8,241
Fringe benefits	1,844	1,801	11	3,634	5,162	1,528
Labor	41,008	-	-	41,008	30,400	(10,608)
Materials	38,931	-	-	38,931	56,400	17,469
Advertising	52	-	52	-	-	-
Other	7	-	-	7	-	(7)
Administration	381	-	1	380	500	120
Total direct costs	88,997	1,975	503	90,469	107,212	16,743
Indirect costs	1,280	33	83	1,230	2,788	1,558
Total expenditures	90,277	2,008	586	91,699	110,000	18,301
Revenue over (under) expenditures	\$ 159	\$ (1,742)	\$ 132	\$ (1,715)	\$ -	\$ (1,715)

Coastal Community Action, Inc.
Housing and Home Improvements Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Year Ended June 30, 2006

	Agency Year Ended Sept 30, 2006	July 1, 2005 to Sept 30, 2005	July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal pass through funds	\$ 16,051	\$ 2,599	\$ 250	\$ 18,400	\$ 18,400	\$ -
Local funds	2,044	-	-	2,044	2,044	-
Total Revenues	<u>18,095</u>	<u>2,599</u>	<u>250</u>	<u>20,444</u>	<u>20,444</u>	<u>-</u>
Expenditures:						
Direct costs:						
Salaries	1,242	503	-	1,745	6,786	5,041
Fringe benefits	408	175	-	583	2,375	1,792
Accounting and Audit	12	-	-	12	-	(12)
Labor-Subcontractor	7,517	-	-	7,517	-	(7,517)
Materials	8,584	1,564	-	10,148	10,000	(148)
Total direct costs	<u>17,763</u>	<u>2,242</u>	<u>-</u>	<u>20,005</u>	<u>19,161</u>	<u>(844)</u>
Indirect costs	<u>235</u>	<u>95</u>	<u>-</u>	<u>330</u>	<u>1,283</u>	<u>953</u>
Total expenditures	<u>17,998</u>	<u>2,337</u>	<u>-</u>	<u>20,335</u>	<u>20,444</u>	<u>109</u>
Revenue over (under) expenditures	<u>\$ 97</u>	<u>\$ 262</u>	<u>\$ 250</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 109</u>

Coastal Community Action, Inc.
Single Family Rehabilitation Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Period February 1, 2004 Through September 30, 2006

	Agency Year Ended Sept 30, 2006	Add Feb 1, 2004 to Sept 30, 2005	Program Period Feb 1, 2004 to Oct 31, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
Federal pass through funds	\$ 139,819	\$ 363,669	\$ 503,488	\$ 566,300	\$ (62,812)
Other income	-	1,300	1,300	-	1,300
Total Revenue	139,819	364,969	504,788	566,300	(61,512)
Expenditures:					
Salaries	8,513	43,956	52,469	64,200	11,731
Fringe benefits	2,784	13,649	16,433	22,100	5,667
Travel	1,251	582	1,833	700	(1,133)
Soft costs	3,631	5,678	9,309	9,325	16
Hard costs	119,642	305,089	424,731	446,251	21,520
Prof services	-	4,260	4,260	6,000	1,740
Supplies	133	7	140	-	(140)
Training	-	140	140	-	(140)
Rent and Leases	2,652	-	2,652	-	(2,652)
Admin costs	848	3,008	3,856	5,154	1,298
Postage	67	30	97	50	(47)
Telephone	651	104	755	250	(505)
Advertising	307	301	608	450	(158)
Contract Services	573	-	573	-	(573)
Accounting and Audit	601	-	601	-	(601)
Insurance and Bonding	173	-	173	-	(173)
Other	6	155	161	126	(35)
Total direct costs	141,832	376,959	518,791	554,606	35,815
Indirect costs	1,609	7,890	9,499	11,694	2,195
Total expenditures	143,441	384,849	528,290	566,300	38,010
Revenue over (under) expenditures	\$ (3,622)	\$ (19,880)	\$ (23,502)	\$ -	\$ (23,502)

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, 2006

	Agency Year Ended Sept 30, 2006	Add July 1, 2005 to Sept 30, 2005	Deduct July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grant	\$ 45,540	\$ 13,400	\$ 9,100	\$ 49,840	\$ 49,840	\$ -
In-kind	11,879	-	2,823	9,056	8,302	754
Local cash	12,078	2,897	2,991	11,984	11,984	-
	<u>69,497</u>	<u>16,297</u>	<u>14,914</u>	<u>70,880</u>	<u>70,126</u>	<u>754</u>
Expenditures:						
Direct costs:						
Salaries	29,823	7,154	6,644	30,333	29,314	(1,019)
Fringe benefits	9,282	2,521	1,661	10,142	10,072	(70)
Recognition	1,437	-	-	1,437	1,437	-
In-kind space	60	-	-	60	-	(60)
In-kind other	11,819	-	2,823	8,996	8,302	(694)
Training	392	-	17	375	375	-
Travel	6,272	2,984	508	8,748	8,748	-
Supplies	1,130	188	145	1,173	1,173	-
Audit and accounting fees	344	-	-	344	344	-
Insurance	1,063	265	273	1,055	1,055	-
Postage	481	55	129	407	407	-
Rent	2,636	659	655	2,640	2,640	-
Telephone	276	49	51	274	273	(1)
Other	255	75	75	255	255	-
Total direct costs	<u>65,270</u>	<u>13,950</u>	<u>12,981</u>	<u>66,239</u>	<u>64,395</u>	<u>(1,844)</u>
Indirect costs	<u>5,637</u>	<u>1,352</u>	<u>1,256</u>	<u>5,733</u>	<u>5,731</u>	<u>(2)</u>
Total expenditures	<u>70,907</u>	<u>15,302</u>	<u>14,237</u>	<u>71,972</u>	<u>70,126</u>	<u>(1,846)</u>
Revenue over (under) expenditures	<u>\$ (1,410)</u>	<u>\$ 995</u>	<u>\$ 677</u>	<u>\$ (1,092)</u>	<u>\$ -</u>	<u>\$ (1,092)</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, 2006

	Agency Year Ended Sept 30, 2006	Add July 1, 2005 to Sept 30, 2005	Deduct July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants	\$ 289,796	\$ 69,700	\$ 52,500	\$ 306,996	\$ 306,996	\$ -
Local cash	5,627	1,306	1,306	5,627	5,627	-
In-kind	28,755	3,925	5,339	27,341	55,628	(28,287)
Other	6,000	-	-	6,000	6,000	-
Total revenues	330,178	74,931	59,145	345,964	374,251	(28,287)
Expenditures:						
Direct costs:						
Salaries	40,043	11,993	6,619	45,417	43,824	(1,593)
Fringe benefits	12,358	3,759	1,302	14,815	14,397	(418)
Travel	46,915	10,960	10,827	47,048	49,230	2,182
In-kind space	376	103	-	479	-	(479)
In-kind other	28,380	3,821	5,339	26,862	52,898	26,036
Audit and accounting fees	1,744	-	-	1,744	1,745	1
Supplies	1,879	367	588	1,658	1,658	-
Postage	2,409	455	619	2,245	2,245	-
Telephone	678	129	126	681	681	-
Printing and publication	-	-	-	-	2,730	2,730
Insurance	974	242	243	973	973	-
Meals & activities	5,274	631	277	5,628	5,628	-
Stipends	174,208	37,979	32,332	179,855	179,855	-
Recognition	1,088	-	-	1,088	1,088	-
Training	797	243	127	913	914	1
Rent	6,531	1,646	1,637	6,540	6,540	-
Physicals	837	212	117	932	932	-
Other	652	156	178	630	630	-
Total direct costs	325,143	72,696	60,331	337,508	365,968	28,460
Indirect costs	7,568	2,267	1,251	8,584	8,283	(301)
Total expenditures	332,711	74,963	61,582	346,092	374,251	28,159
Revenue over (under) expenditures	\$ (2,533)	\$ (32)	\$ (2,437)	\$ (128)	\$ -	\$ (128)

Coastal Community Action, Inc.
Senior Companion Program
Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
For the Program Year Ended June 30, 2006

	Agency Year Ended Sept 30, 2006	Add July 1, 2005 to Sept 30, 2005	Deduct July 1, 2006 to Sept 30, 2006	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:						
Federal grants						
Senior companion	\$ 185,685	\$ 46,847	\$ 50,203	\$ 182,329	\$ 182,329	\$ -
HCCBG	31,134	12,649	9,928	33,855	33,855	-
Local cash	20,800	5,869	4,401	22,268	22,268	-
FCSP	5,906	-	5,906	-	-	-
In-kind	14,407	3,357	6,497	11,267	38,790	(27,523)
Other	250	498	-	748	-	748
Total revenues	<u>258,182</u>	<u>69,220</u>	<u>76,935</u>	<u>250,467</u>	<u>277,242</u>	<u>(26,775)</u>
Expenditures:						
Direct costs:						
Salaries	26,588	6,374	6,029	26,933	25,730	(1,203)
Fringe benefits	8,289	2,245	1,527	9,007	8,631	(376)
Travel	34,235	9,674	9,175	34,734	35,831	1,097
Stipends	160,880	33,753	42,851	151,782	151,783	1
Supplies	2,494	349	1,064	1,779	1,778	(1)
Rent	2,625	659	655	2,629	2,630	1
Printing and publications	-	5	-	5	-	(5)
Postage	2,792	672	647	2,817	2,817	-
Telephone	274	52	52	274	274	-
Meals and Activities	83	-	-	83	-	(83)
Other	189	20	50	159	243	84
Audit and accounting fees	1,230	-	-	1,230	1,230	-
Training	17	174	17	174	174	-
In-kind other	13,952	3,223	6,476	10,699	38,790	28,091
In-kind space	456	129	21	564	-	(564)
Recognition	1,719	-	-	1,719	1,719	-
Physicals	70	15	-	85	85	-
Insurance	670	166	172	664	664	-
Total direct costs	<u>256,563</u>	<u>57,510</u>	<u>68,736</u>	<u>245,337</u>	<u>272,379</u>	<u>27,042</u>
Indirect costs	<u>5,025</u>	<u>1,205</u>	<u>1,140</u>	<u>5,090</u>	<u>4,863</u>	<u>(227)</u>
Total expenditures	<u>261,588</u>	<u>58,715</u>	<u>69,876</u>	<u>250,427</u>	<u>277,242</u>	<u>26,815</u>
Revenue over (under) expenditures	<u>\$ (3,406)</u>	<u>\$ 10,505</u>	<u>\$ 7,059</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ 40</u>

Coastal Community Action, Inc.
 Family Caregiver Support
 Schedule Of Revenues And Expenditures - Programmatic Basis - Budget And Actual
 For the Program Period Ended June 30, 2006

	Agency Year Ended Sept 30, 2006	Add July 1, 2005 to Sept 30, 2005	Program Year Ended June 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
Family Caregiver Support	\$ 16,777	\$ 4,825	\$ 21,602	\$ 21,602	\$ -
Expenditures:					
Direct costs:					
Stipends	10,257	4,825	15,082	15,453	371
Travel	6,386	-	6,386	6,000	(386)
Recognition	50	-	50	-	(50)
Physicals	54	-	54	-	(54)
Other	34	4	38	149	111
Total expenditures	16,781	4,829	21,610	21,602	(8)
Revenue over (under) expenditures	\$ (4)	\$ (4)	\$ (8)	\$ -	\$ (8)

**Coastal Community Action, Inc.
 Early Childhood Rehabilitative
 Schedule of Revenues And Expenditures
 For the Year Ended September 30, 2006**

	Agency Year Ended Sept 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:			
Contracted Services	\$ 31,318	\$ 22,000	\$ 9,318
Expenditures:			
Direct costs:			
Salaries	20,456	12,000	(8,456)
Fringe benefits	6,441	2,200	(4,241)
Audit and accounting fees	277	200	(77)
Travel	3,132	1,500	(1,632)
Supplies	468	100	(368)
Insurance	248	200	(48)
Postage	55	-	(55)
Telephone	620	400	(220)
Rents and leases	2,626	2,400	(226)
Total direct costs	<u>34,323</u>	<u>19,000</u>	<u>(15,323)</u>
Indirect costs	<u>3,866</u>	<u>2,268</u>	<u>(1,598)</u>
Total expenditures	<u>38,189</u>	<u>21,268</u>	<u>(16,921)</u>
Revenue over (under) expenditures	<u>\$ (6,871)</u>	<u>\$ 732</u>	<u>\$ (7,603)</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, 2006

	Agency Year Ended Sept 30, 2006	Add Feb 1, 2003 to Sept 30, 2005	Program Period Feb 1, 2003 to Sept 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)
Revenues:					
HUD Revolving Loan Fund	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Expenditures:					
Revolving Loan Expense	266	4,614	4,880	5,000	120
Revenue over (under) expenditures	\$ (266)	\$ 386	\$ 120	\$ -	\$ 120

Coastal Community Action, Inc.
Building Services
Schedule Of Revenues And Expenditures
For the Year Ended September 30, 2006

	Newport Admin Bldg		Beaufort Child Devel Center	
	Agency	Approved	Agency	Approved
	Year Ended	Budget	Year Ended	Budget
	Sept 30, 2006		Sept 30, 2006	
Revenues:				
Rent - usage allowance	\$ 124,442	\$ 124,200	\$ 120,053	\$ 111,275
Interest Income	416	300	-	-
Total revenues	<u>124,858</u>	<u>124,500</u>	<u>120,053</u>	<u>111,275</u>
Expenditures:				
Facility Expenses:				
Salaries and Wages	13,041	18,000	-	-
Fringe Benefits	3,075	5,000	-	-
Travel	72	100	-	-
Supplies	(64)	200	-	-
Audit and accounting fees	369	500	308	400
Other	648	-	-	-
Postage and freight	223	-	-	-
Mortgage interest expense	27,820	39,500	55,355	55,800
Utilities	13,687	15,300	-	-
Maintenance and repairs	6,359	8,000	-	-
Janitorial services	9,619	8,800	-	-
Total direct costs	<u>74,849</u>	<u>95,400</u>	<u>55,663</u>	<u>56,200</u>
Indirect Cost	2,465	3,402	-	-
Total expenditures	<u>77,314</u>	<u>98,802</u>	<u>55,663</u>	<u>56,200</u>
Revenue over (under) expenditures	<u>\$ 47,544</u>	<u>\$ 25,698</u>	<u>\$ 64,390</u>	<u>\$ 55,075</u>

Pamlico Child Devel Center			Total Building Services		
Agency Year Ended Sept 30, 2006	Approved Budget	Agency Year Ended Sept 30, 2006	Approved Budget	Variance, Favorable (Unfavorable)	
\$ 112,298	\$ 112,790	\$ 356,793	\$ 348,265	\$ 8,528	
-	-	416	300	116	
112,298	112,790	357,209	348,565	8,644	
-	-	13,041	18,000	4,959	
-	-	3,075	5,000	1,925	
-	-	72	100	28	
2,784	-	2,720	200	(2,520)	
86	400	763	1,300	537	
293	500	941	500	(441)	
220	-	443	-	(443)	
69,864	58,900	153,039	154,200	1,161	
-	-	13,687	15,300	1,613	
-	-	6,359	8,000	1,641	
-	-	9,619	8,800	(819)	
73,247	59,800	203,759	211,400	7,641	
-	-	2,465	3,402	937	
73,247	59,800	206,224	214,802	8,578	
\$ 39,051	\$ 52,990	\$ 150,985	\$ 133,763	\$ 17,222	

Coastal Community Action, Inc.
 Miscellaneous Other Program And Non-Program Summary
 Schedule Of Revenues And Expenditures
 For the Year Ended September 30, 2006

	Agency Year Ended Sept 30, 2006
<hr/>	
Revenues:	
Interest	\$ 8,312
Other	57,063
	<u>65,375</u>
 Expenditures:	
Direct costs:	
Salaries	184
Fringe benefits	59
Emergency expense	406
Professional fees	45
Contract services	50
Other	41,338
Total direct costs	<u>42,082</u>
Indirect costs	<u>35</u>
Total expenditures	<u>42,117</u>
Revenue over expenditures	<u>\$ 23,258</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, 2006, and have issued our report thereon dated November 17, 2006. 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 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 noted certain matters that we reported to management of Coastal Community Action, Inc. in a separate letter dated November 17, 2006.

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 17, 2006

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, 2006. 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, 2006.

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 17, 2006

**Coastal Community Action, Inc.
 Schedule Of Findings And Questioned Costs
 For the Year Ended September 30, 2006**

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	<u> X </u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	_____ Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	<u> X </u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	<u> X </u> 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	<u> X </u> No
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Identification of major federal programs:

CFDA #	Program Name
93.600	Administration for Children, Youth, and Families – Head Start
93.569	Community Services Block Grant
14.856	Lower Income Housing Assistance Program
81.042	Weatherization Assistance for Low Income Persons

Dollar threshold used to distinguish between Type A and Type B Programs	\$ 300,000
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Auditee qualified as low-risk auditee?	_____ Yes	<u> X </u> No
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**Coastal Community Action, Inc.
Schedule Of Findings And Questioned Costs (Continued)
For the Year Ended September 30, 2006**

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, 2006**

No findings reported.

**Coastal Community Action, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2006**

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, 2006

Page 1 of 3

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Receipts	Disbursements
FEDERAL GRANTS				
US Department of Health and Human Services				
Direct program:				
Administration for Children, Youth and				
Families - Head Start	93.600	04CH0027	\$ 4,055,469	\$ 4,325,080
Early Head Start	93.600	90YB0010	1,318,940	1,365,556
Total			<u>5,374,409</u>	<u>5,690,636</u>
Passed through NC Department of Health and Human Services				
Office of Economic Opportunity				
Community Services Block Grant	93.569	OEO00304	387,896	387,191
Heating Appliance Repair and Replacement Program	93.568		88,564	92,358
			<u>476,460</u>	<u>479,549</u>
Total US Department of Health and Human Services			<u>5,850,869</u>	<u>6,170,185</u>
US Department of Housing and Urban Development				
Direct program:				
Lower Income Housing Assistance Program (A-2910-E)	14.856	NC141VO	<u>1,756,072</u>	<u>1,789,093</u>
Passed through NC Housing Finance Agency				
Single Family Rehabilitation Program	14.239		<u>115,318</u>	<u>143,441</u>
Total US Department of Housing and Urban Development			<u>1,871,390</u>	<u>1,932,534</u>
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	<u>385,208</u>	<u>389,919</u>

(Continued)

Coastal Community Action, Inc.
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis (Continued)
 For the Year Ended September 30, 2006

Page 2 of 3

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		\$ -	\$ 49
Passed through NC Department of Public Instruction				
Child Care Food Program	10.558		464,071	516,551
Total US Department of Agriculture			464,071	516,600
US Department of Labor				
Senior Community Service Employment Pogram				
Passed through Craven County				
Title V	17.235		1,679	-
Total US Department of Labor			1,679	-
Corporation for National and Community Service				
Direct Programs:				
Foster Grandparent Companion /Senior Companion Program Cluster	94.011/94.016	02SFSNC001/ 02SCSNC006	517,845	613,196
Retired Senior Volunteer Program	94.002	02SRSNC025	45,447	71,994
Total Corporation for National and Community Service			563,292	685,190
Subtotal - federal awards			9,136,509	9,694,428

(Continued)

Coastal Community Action, Inc.
 Schedule Of Expenditures Of Federal And State Awards - Cash Basis (Continued)
 For the Year Ended September 30, 2006

Page 3 of 3

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			\$ 139	\$ 64,419
NC Department of Health and Human Services				
Passed through Craven County Partnership for Children Smart Start			26,239	24,830
Passed through Carteret County HCCBG			18,400	18,809
Total NC Department of Health and Human Services			44,639	43,639
NC Housing Trust Fund				
Urgent Repair Program			75,872	93,016
Subtotal - State awards			120,650	201,074
Total receipts			<u>\$ 9,257,159</u>	
Total disbursements				<u>\$ 9,895,502</u>

Note:

Expenditures are reported on the cash basis of accounting in accordance with the directives of North Carolina General Statute 143-6.2. 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 143-6.2.