

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.

VALDOSTA GEORGIA

FINANCIAL STATEMENTS

MARCH 31, 2011

**HUDSON & NESMITH, CPAS
201 E. PINSON STREET
P.O. BOX 589
SYLVESTER, GEORGIA 31791
(229) 776-3311**

Hudson & NeSmith, CPAs

Member
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants
Private Companies Practice Section

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

September 13, 2011

To the Senior Management and
The Board of Directors of
Coastal Plain Area Economic Opportunity Authority, Inc

Management Letter

We conducted an audit of the Coastal Plain Area Economic Opportunity Authority, Inc. for the year ending March 31, 2011 in accordance with auditing standards generally accepted in the United States of America and the Standard Applicable to Federal Awards under OMB-A133. We observed during the engagement of the audit that the staff of the Agency is performing their duties according to the standards issued by your funding sources and other accounting and programmatic regulations. Your accounting staff is very informed about related accounting issues and applies this knowledge to the functions of the accounting process in an efficient and proper means.

As regarding the programmatic function of the Agency, the programs we tested are being carried out, in our opinion, by conscientious and knowledgeable personnel. Recommendations that we have suggested to management are listed below.

1. None

We would also like to recognize the interest and diligence that your Board of Directors plays in the success of the Agency. The Board members are active participants in the operations of the Agency along with keeping everyone apprised of their desire for both the Agency and the employees to benefit from the relationship that exists. The Board of Directors communicates the necessity of maintaining and implementing a control environment that produces both efficiency and integrity in the record keeping and reporting function of the Agency. Through the board's internal monitoring process including periodic internal audits, the Board of Directors has proven its dedication to the oversight of the control environment of the Agency.

The board has communicated to the management and staff it is available to assist in promoting CPAEOA, Inc. to the community as advocates to the communities that are served and to be proud of the high standards that are applied in conducting business with the public.

We appreciate the opportunity to work with your management and staff and look forward to continuing this engagement in the future.

Sincerely,



Hudson & NeSmith, CPA's

Certified Public Accountants and Consultants

201 E. Pinson Street Post Office Box 589 Sylvester, Georgia 31791 P-(229)776-3311 F-(229)776-9455

**COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION**

**FOR THE FISCAL YEAR ENDED
MARCH 31, 2011**

**COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
 VALDOSTA, GEORGIA
 TABLE OF CONTENTS
MARCH 31, 2011**

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6-7
Notes to Financial Statements	8-16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NON-FEDERAL AWARDS	17-18
SCHEDULE OF EXPENDITURES OF STATE AWARDS	19-20
Notes to Schedule of Expenditures of Federal Awards	21
SUPPORTING SCHEDULES	22
Schedule of Program Revenue	23-24
Comparison of Actual and Budgeted Expenditures for All Programs	25-64
Schedule of Vehicles in Operation	65-66
Program Summary Reports	67-69
FEDERAL COMPLIANCE SECTION	70
Report on Compliance and Other Matters and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	71-72
Report on Compliance with Requirements that Could Have a Direct And Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	73-74
Schedule of Findings and Questioned Costs	75
Summary Schedule of Prior Audit Findings	76

Hudson & NeSmith, CPAs

Member
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants
Private Companies Practice Section

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Coastal Plain Area Economic
Opportunity Authority, Inc.
Valdosta, Georgia 31602

We have audited the accompanying statement of financial position of Coastal Plain Area Economic Authority Opportunity, Inc. (a non-profit organization) as of March 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Agency'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coastal Plain Area Economic Opportunity Authority, Inc., as of March 31, 2011, 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 September 13, 2011, on our consideration of Coastal Plain Area Economic Opportunity Authority, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control

Certified Public Accountants and Consultants

201 E. Pinson Street Post Office Box 589 Sylvester, Georgia 31791 P-(229)776-3311 F-(229)776-9455

over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Coastal Plain Area Economic Opportunity Authority, Inc. taken as a whole. Information listed in the table of contents as supporting schedules are presented for supplementary analysis purposes and is not a required part of the basic financial statements. That information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Official Code of Georgia 50-20-3*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hudson & NeSmith, CPA's

Hudson & NeSmith, CPA's
Sylvester, Georgia
September 13, 2011

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2011

ASSETS	
Current Assets	
Cash-Treasury	\$ 857,621
Cash-Savings	400,000
Other Receivables	5,651
Due from Grantors	769,892
Inventory, at Lower of Cost (FIFO) or Market	22,744
Prepaid Expenses	8,893
Total Current Assets	<u>\$ 2,064,801</u>
Property, Plant and Equipment, at Cost	
Less Accumulated Depreciation	<u>\$ 159,220</u>
Other Assets	
Annuity	<u>\$ 154,800</u>
TOTAL ASSETS	<u><u>\$ 2,378,821</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 389,342
Advance Federal, State, and Local Revenues	198,109
Accrued Salaries	79,228
Accrued Annual Leave	53,186
Other Accrued Liabilities	143,046
TOTAL LIABILITIES	<u>\$ 862,911</u>
NET ASSETS	
Unrestricted	<u>\$ 1,515,910</u>
TOTAL NET ASSETS	<u>\$ 1,515,910</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,378,821</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR YEAR ENDED MARCH 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT				
Grants and Contracts	\$ 14,800,111	\$ -	\$ -	\$ 14,800,111
Donated Services, Materials and Facilities	1,696,380	-	-	1,696,380
Investment Return	12,051	-	-	12,051
Local Government Support	10,750	-	-	10,750
Other	114,212	-	-	114,212
Rent	-	-	-	-
Net Assets Released from Restrictions:				
Satisfied Program Restriction	-	-	-	-
Total Revenue, Gains, and Other Support	\$ 16,633,504	\$ -	\$ -	\$ 16,633,504
 EXPENSES AND LOSSES				
Program:				
Community Service	\$ 923,161	\$ -	\$ -	\$ 923,161
Energy & Weatherization	5,822,014	-	-	5,822,014
Nutrition	711,648	-	-	711,648
Volunteer	1,696,379	-	-	1,696,379
Education	6,293,441	-	-	6,293,441
Other	3,046	-	-	3,046
Support:				
Administration	1,047,330	-	-	1,047,330
Agency	55,438	-	-	55,438
Fund Raiser	-	-	-	-
Total Expenses and Losses	\$ 16,552,457	\$ -	\$ -	\$ 16,552,457
 Increase (Decrease) in Net Assets:				
Change in Net Assets	\$ 81,047	\$ -	\$ -	\$ 81,047
 Net Assets at Beginning of Year				
	\$ 1,434,863	\$ -	\$ -	\$ 1,434,863
Net Assets at End of Year	\$ 1,515,910	\$ -	\$ -	\$ 1,515,910

The accompanying notes to the financial statements
are an integral part of this statement.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
STATEMENT OF CASH FLOWS
FOR YEAR ENDED MARCH 31, 2011

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	\$ 81,047
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	16,605
(Increase) Decrease in Operating Assets:	
Accounts Receivable	313,270
Inventory	1,849
Prepaid Expenses	13,656
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	82,841
Deferred Revenue	(642,091)
Accrued Expenses	(146,746)
Net Cash Provided (Used) by Operating Activities	<u>(279,569)</u>
 Cash Flows From Investing Activities	
Acquisitions of Equipment	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>
 Net Cash Provided (Used) by Financing Activities	<u>-</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	(279,569)
 Beginning Cash and Cash Equivalents	<u>1,537,190</u>
Ending Cash and Cash Equivalents	<u>\$ 1,257,621</u>
 Reconciliation of Cash and Cash Equivalents to Statement of Financial Position:	
Cash Classified as Cash - Treasury	857,621
Cash Classified as Cash - Savings	400,000
Total Cash and Cash Equivalents	<u>\$ 1,257,621</u>

The accompanying notes to the financial statements
are an integral part of this statement.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED MARCH 31, 2011

	Community Services	Energy & Weatherization	Nutrition	Volunteer	Education	Other
Salaries	\$ 222,808	\$ 392,015	\$ 173,382	\$ -	\$ 3,633,643	\$ -
Payroll Taxes	24,624	129,951	24,153	-	341,244	-
Fringe	33,158	72,896	75,007	-	765,424	-
Interest Expense	-	-	-	-	-	-
Audit	-	-	500	-	-	-
Board Expense	81	-	-	-	-	-
Computer Expense	9,741	3,455	-	-	66,804	-
Construction	17,850	13	-	-	-	-
Contractual	10,769	296,577	-	-	58,532	-
Contractual Cleaning	-	-	-	-	-	-
Depreciation	2,222	2,081	-	-	743	-
Dues	324	-	-	-	817	-
Energy Assistance	117,902	3,289,337	-	-	-	-
Field Trips	-	-	-	-	4,609	-
Food Cost	12,952	22	390,107	-	7,034	-
Gas & Oil	3,796	27,894	-	-	69,352	-
Health Screenings	-	-	-	-	1,105	-
In-Kind	-	-	-	1,695,361	-	-
Insurance	3,578	23,152	-	-	41,306	-
Leased	9,810	703	-	-	-	-
Materials	-	1,516,495	-	-	-	-
Misc. Expense	1,168	12	-	-	689	3,046
Other Assistance	336,637	-	-	-	-	-
Parent Activities	-	-	-	-	9,856	-
Pest Control	714	258	-	-	3,344	-
Postage	2,140	-	1	-	176	-
Printing	3,094	71	-	-	28,553	-
Refund to Grantor	-	1,031	-	-	5,355	-
Rent	4,210	-	4,500	-	54,300	-
Repair/Maintanance	1,509	7,428	7,906	-	335,827	-
Subscription & Publications	58	-	-	-	2,069	-
Supplies - Office	8,282	8,390	-	-	27,946	-
Supplies - Program	1,093	14,448	34,866	20	409,688	-
Telephone	16,758	8,304	-	-	43,767	-
Tool & Equipment	63,285	16,186	-	-	24,994	-
Training	171	3,666	453	998	146,319	-
Travel	2,961	3,682	773	-	21,454	-
Utilities	11,466	3,947	-	-	182,489	-
Taxes	-	-	-	-	6,002	-
Total Expenses	\$ 923,161	\$ 5,822,014	\$ 711,648	\$ 1,696,379	\$ 6,293,441	\$ 3,046

The accompanying notes to the financial statements
are an integral part of this statement.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED MARCH 31, 2011

	<u>Total Programs</u>	<u>Administration</u>	<u>Agency</u>	<u>Fund Raiser</u>	<u>Total Support</u>	<u>Total Expenses</u>
Salaries	\$ 4,421,848	542,439	94	\$ -	\$ 542,533	\$ 4,964,381
Payroll Taxes	519,972	46,728	257	-	46,985	566,957
Fringe	946,485	87,552	40	-	87,592	1,034,077
Interest Expense	-	-	-	-	-	-
Audit	500	49,964	-	-	49,964	50,464
Board Expense	81	2,047	29,684	-	31,731	31,812
Computer Expense	80,000	6,279	-	-	6,279	86,279
Construction	17,863	-	-	-	-	17,863
Contractual	365,878	23,437	9,226	-	32,663	398,541
Contractual Cleaning	-	-	-	-	-	-
Depreciation	5,046	3,290	8,269	-	11,559	16,605
Dues	1,141	5,629	310	-	5,939	7,080
Energy Assistance	3,407,239	-	-	-	-	3,407,239
Field Trips	4,609	-	-	-	-	4,609
Food Cost	410,115	34	31	-	65	410,180
Gas & Oil	101,042	478	-	-	478	101,520
Health Screenings	1,105	440	101	-	541	1,646
In-Kind	1,695,361	-	-	-	-	1,695,361
Insurance	68,036	4,986	3,671	-	8,657	76,693
Leased	10,513	11,445	-	-	11,445	21,958
Materials	1,516,495	-	-	-	-	1,516,495
Misc. Expense	4,915	107,875	(2,233)	-	105,642	110,557
Other Assistance	336,637	-	-	-	-	336,637
Parent Activities	9,856	-	-	-	-	9,856
Pest Control	4,316	286	76	-	362	4,678
Postage	2,317	12,374	31	-	12,405	14,722
Printing	31,718	2,948	-	-	2,948	34,666
Refund to Grantor	6,386	-	1,600	-	1,600	7,986
Rent	63,010	61,490	-	-	61,490	124,500
Repair/Maintanance	352,670	1,351	69	-	1,420	354,090
Subscription & Publications	2,127	1,214	-	-	1,214	3,341
Supplies - Office	44,618	26,989	31	-	27,020	71,638
Supplies - Program	460,115	696	168	-	864	460,979
Telephone	68,829	14,955	-	-	14,955	83,784
Tool & Equipment	104,465	-	-	-	-	104,465
Training	151,607	1,877	69	-	1,946	153,553
Travel	28,870	9,174	6	-	9,180	38,050
Utilities	197,902	20,620	3,938	-	24,558	222,460
Taxes	6,002	733	-	-	733	6,735
Total Expenses	\$ 15,449,689	\$ 1,047,330	\$ 55,438	\$ -	\$ 1,102,768	\$ 16,552,457

The accompanying notes to the financial statements
are an integral part of this statement.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

The Coastal Plain Area Economic Opportunity Authority, Inc. (the “Agency”), was incorporated on April 8, 1966 as a private, non-profit corporation to serve the poor and elderly of the ten counties of the Coastal Plain Area of Georgia. The basic purpose of the agency is to help low-income people achieve self-sufficiency, both economically and as contributing members of their community. To achieve this purpose the agency operates various federal, state and locally funded programs. A description of the programs operated by the agency is provided in the Program Summary Report on pages 67 through 69 of these financial statements.

The Agency is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Public Support, Grants, and Revenue

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. The majority of the promises to give are received from a broad base of contributors as a result of the annual campaign. No allowance for uncollectable promises is provided on management’s evaluation of being immaterial to the Agency.

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

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

The agency received the major portion of its operating funds from cost reimbursement grants. These funds are deemed to be earned and reported as revenues when the agency has incurred expenses in accordance with specific requirements of the grants. Amounts received but not yet earned are reported as advances-grantor. Refer to Note 10, for a schedule of advances-grantor as of March 31, 2011.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958, the Agency is required to report information regarding its financial position and activities according to three classes of net assets based upon the existence or absence of donor imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Agency and changes thereof are classified and reported as follows:

Unrestricted net assets – net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified as unrestricted and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that must be maintained permanently by the Agency. Generally, donors of these assets permit the Agency to use all or part of the income earned on any related investment for general or specific purposes. The Agency had no permanently restricted net assets as of March 31, 2011.

Contributions and Pledges Receivable

Contributions and pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest (ranging from 5% to 6%) applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue. The Agency did not have any contributions or pledges receivable at March 31, 2011.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Agency considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are carried at the quoted market value of the securities. Realized and unrealized gains and losses are included in the statement of activities as increases or decreases in the unrestricted class of net assets, unless donor or relevant laws place temporary or permanent restrictions on these gains or losses. For purposes of determining the gain or loss on a sale, the cost of securities sold is based on the average cost of each security held at the date of sale.

Donated Services, Materials and Facilities

The Agency receives various goods and services without charge from local sources. The estimated fair market value of these goods and services are recorded as revenue and expenses in the period in which the goods or services are used by the agency.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

Estimates

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

Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of the Agency to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire the property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted assets to unrestricted net assets at that time.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency.

Expenses are allocated to program and supporting services on the following bases:

- (a) Management and general expenses are allocated on the basis of periodic time and expense studies.
- (b) Legal expenses are allocated equally between the two areas.
- (c) Personnel expenses are allocated on the basis of direct salaries.
- (d) Building and occupancy costs are allocated on the basis of square footage.
- (e) Depreciation is allocated on the basis of usage of the furniture and equipment.

Inventories

Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

Promise to Give

In the event the Agency receives any unconditional promises to give, they are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property, Plant, and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs,

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

The cost of the property, plant and equipment purchased with grant funds is charged directly to operations in the year of purchase in accordance with grant requirements. The equipment is subsequently marked and inventoried according to federal and/or state regulations. Property, plant and equipment purchased with agency funds is recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset.

Income Tax Status

Coastal Plain Area Economic Opportunity Authority, Inc. is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Agency qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets from restrictions.

NOTE 2 – INVESTMENTS & OTHER ASSETS

Investments at March 31, 2011, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Unrestricted Annuity	\$ 154,800	\$ 257,969	\$ 182,758

Investment return consists of the following for the year ended March 31, 2011:

	<u>Unrestricted</u>
Interest	\$12,052
Realized and Unrealized Gains	-0-

NOTE 3 – PROMISES TO GIVE

There were no promises to give recorded as of March 31, 2011.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

NOTE 4 – FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

At March 31, 2011, the cost and accumulated depreciation of assets in Property, Plant and Equipment were as follows:

<u>Description</u>	<u>Total</u>	<u>Lomax Center</u>	<u>Food Service</u>	<u>IRP</u>	<u>Central Office</u>	<u>Personal Day Care</u>
Buildings & Improvements	\$ 435,102	\$ 199,149	\$ 53,683	\$ -	\$ -	\$ 182,270
Equipment & Furnishings	341,439	6,973	111,707	-	222,759	-
Vehicles	267,187	6,227	155,589	33,779	71,592	-
	<u>1,043,728</u>	<u>212,349</u>	<u>320,979</u>	<u>33,779</u>	<u>294,351</u>	<u>182,270</u>
Accumulated Depreciation	884,508	122,440	301,586	33,779	274,422	152,281
	<u>\$ 159,220</u>	<u>\$ 89,909</u>	<u>\$ 19,393</u>	<u>\$ -</u>	<u>\$ 19,929</u>	<u>\$ 29,989</u>

All other property and equipment used by the agency, under the agency's control and purchased with grant funds, is as follows:

Valdosta Daycare	\$ 6,689
CSBG	39,577
CACFP	60,183
Weatherization	59,510
Head Start	2,191,454
IRP	37,678
Pre-K – Office of School Readiness	4,235
DOE - ARRA	181,568
	<u>\$ 2,580,894</u>

The Agency capitalizes all equipment in accordance with federal requirements. Current capitalization guidelines are \$500 for Weatherization (with the exception of ARRA-funded Weatherization which is \$5,000), \$1,000 for CSBG, and \$5,000 for Head Start. All other program equipment is capitalized with a cost of \$1,000 or more.

NOTE 5 – CERTIFICATE OF DEPOSIT

Certificates of deposit totaling \$400,000 are included in cash in the accompanying financial statements. The certificates bear interest in a range of 1.60% to 1.80% and mature in one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

NOTE 6 – CASH FLOW INFORMATION

Interest paid for 2010-11 was as follows:

Interest	\$ 0
----------	------

NOTE 7 – FINANCIAL INSTRUMENTS

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash deposits at local banks. The Agency maintains deposits in four local financial institutions.

At March 31, 2011, the Agency's deposits with financial institutions had a carrying amount of \$1,257,446 and a bank balance of \$1,399,267. Of the bank balance, \$400,000 was covered by Federal Depository Insurance for each certificate of deposit maintained at three separate banks. The Agency's checking accounts were also covered by Federal Depository Insurance for \$250,000. The difference of \$749,267 was collateralized by Regions Bank with shares of a pool of mortgage-backed securities that were pledged as collateral totaling \$749,267.

In summary, as of March 31, 2011, the Agency's cash and cash equivalents consist of the following:

Deposits with financial institutions	\$ 1,257,446
Petty cash	<u>175</u>
Total cash and cash equivalents	<u><u>\$ 1,257,621</u></u>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents – Fair value approximates carrying value due to cash being held in deposit in checking accounts and certificates of deposit as well as cash on hand. For financial statement purposes, as of March 31, 2011, the fair values of cash and cash equivalents were \$1,399,442. This amount is the bank balance of \$1,399,267 and \$175 in petty cash at March 31, 2011. The carrying value at March 31, 2011 was \$1,257,621 which excludes checks outstanding of \$141,821.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

NOTE 8 – DUE FROM GRANTORS

Due from grantors consists of the following restricted receivables:

HHS - Head Start	\$	391,259
DHS-CSBG		62,870
Bright from the Start-CACFP		85,234
GEFA-DOE ARRA		143,544
GEFA-WX GPC		18,000
GEFA-WX DOE		45,291
GEFA-WX HHS		23,694
		<u>769,892</u>
	\$	<u>769,892</u>

NOTE 9 – PROPERTY AND EQUIPMENT

A summary of property and equipment as of March 31, 2011 is as follows:

Buildings and Leasehold Improvements	\$	435,102
Furniture and Equipment		341,439
Vehicles		267,187
Total		<u>1,043,728</u>
Less: Accumulated Depreciation and Amortization		<u>(884,508)</u>
	\$	<u>159,220</u>

NOTE 10 - GRANTOR ADVANCES

Grantor advances are restricted funds provided by the grantor in advance of incurring expenses in their programs which must be repaid if allowable expenses are not incurred before the program year ends, by the agency. Grant advances received and outstanding at March 31, 2011, are as follows:

CSBG - Other Income	\$	282
LIHEAP - Regular		189,057
Pre-K		8,682
Other		88
		<u>198,109</u>
	\$	<u>198,109</u>

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

NOTE 11 - CONTINGENCIES

Use of federal, state, and local grant and contract funds are subject to review and audit by the grantor agencies. Such audit could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. The management believes that the agency will not incur significant losses on possible grant and contract disallowances.

The Agency is a defendant in various legal claims. Although the outcome of these claims is not presently determinable, in the opinion of the Agency's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Agency.

NOTE 12 - COMMITMENTS

Operating Leases

The Agency has several non-cancelable operating leases, primarily for various forms of equipment and office space that expire at various dates through August 2013. Those leases generally contain renewal options for periods ranging from three to five years and require the Agency to pay all executory costs such as taxes, maintenance, and insurance. Rental expenses for those leases consisted of \$147,676 for the year ended March 31, 2011.

The following is a schedule by years of future minimum rental payments for facilities under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of March 31, 2011.

<u>Year Ending</u> <u>March 31</u>	<u>Minimum</u> <u>Rental Payment</u>
2011	\$ 147,676
2012	141,516
2013	120,000
2014	22,301
	<u>\$ 431,493</u>

Employment Agreement

The agency has an employment agreement with its Executive Director, which extends through December 2012. The aggregate commitment under this agreement was approximately \$154,000 at March 31, 2011.

NOTE 13 – ACCRUED SALARIES

The Agency accrued all unpaid salaries at the balance sheet date as a liability and an expense. As of March 31, 2011, the amount of accrued salaries was \$79,228.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

NOTE 14 – DONATED SERVICES

The value of donated services included as contributions in the financial statements and the corresponding expenses for the years ended March 31, 2011, are as follows:

Staff Development	\$	312
Personnel		34,083
Medical Fees		5,362
Space		1,655,839
Dental		78
Training		686
Supplies		20
Total	<u>\$</u>	<u>1,696,380</u>

NOTE 15 – TAX DEFERRED ANNUITY PLAN

The Agency has established a tax deferred annuity retirement plan under Internal Revenue Code Section 403(b). The name of the plan is the Retirement Plan for Employees of the Coastal Plain Area Economic Opportunity Authority, Inc. The plan is designed to benefit all eligible employees. To be eligible for participation the employee must have been employed for at least six months and attained age twenty-one. The employer will match the employee's contribution up to 8% maximum of the employee's effective earnings. In addition, an employee may make voluntary contributions of up to 10% of their effective earnings. The total employer contributions for the year were \$131,847.

NOTE 16 – ANNUAL LEAVE

All permanent employees are entitled to annual leave, which is a combination of vacation, personal and holiday leave. A total of 6 to 20 days annual leave (depending on length of employment) and 6 to 15 days of sick leave may be earned by each employee annually. An employee can accumulate up to a maximum of 12.5 days annual leave and 40 days sick leave. However, employees are not paid for the accumulated sick leave upon retirement or other termination. The Agency's accrued unpaid annual leave at March 31, 2011, was \$53,186. The Agency records sick leave when taken because amounts cannot be reasonably estimated.

NOTE 17 – SUBSEQUENT EVENTS

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through September 13, 2011, the date the financial statements were available to be issued.

**COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND NONFEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2011**

FEDERAL GRANTOR / PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture</u>			
<u>Department of Human Services</u>			
The Emergency Food Assistance Program FY 11-12	10.568	42700-040-0000006708	\$ 2,936
The Emergency Food Assistance Program FY 11	10.568	42700-040-0000004562	9,060
American Recovery & Reinvestment Act			
The Emergency Food Assistance Program	10.568	42700-040-0000004598	<u>7,441</u>
Total Department of Human Services			<u>19,437</u>
<u>Bright from the Start</u>			
CACFP-Head Start FY 11-12	10.558	0.04021	416,496
CACFP-Head Start FY 10-11	10.558	0.04021	267,609
Summer Food Service Program FY 11	10.559	0.08370	8,106
Total Bright from the Start			<u>692,211</u>
Total U.S. Department of Agriculture			<u>\$ 711,648</u>
<u>U.S. Department of Health & Human Services</u>			
<u>Direct Programs</u>			
Low Income Energy Assistance FY 11-12	93.568	42700-040-0000006819	2,670,751
Low Income Energy Assistance FY 10-11	93.568	42700-040-0000003741	822,084
Comm. Services Block Grant FY 11-12	93.569	42700-040-0000006803	292,479
Comm. Services Block Grant FY 10-11	93.569	42700-040-0000003648	314,211
Head Start 10-11	93.600	04-CH05 39-44	6,603,259
Head Start 10-11 Inkind	93.600	04-CH05 39-44	1,650,815
American Recovery & Reinvestment Act			
Head Start 09-10	93.708	04-SEO-539-01	182,266
Head Start 09-10 Inkind	93.708	04-SEO-539-01	45,565
Comm. Services Block Grant FY 10-11	93.710	42700-040-0000003495	<u>405,577</u>
Total U.S. Department of Health & Human Resources			<u>\$ 12,987,007</u>

The accompanying notes to the financial statements
are an integral part of this statement.

**COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND NONFEDERAL AWARDS (Continued)
FOR THE YEAR ENDED MARCH 31, 2011**

FEDERAL GRANTOR / PASS- THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Energy</u>			
Pass through state			
WX-DOE FY 09-11	81.042	DE-FG44-98R410843	\$ 169,079
WX-DOE	81.042	DOER-WX-DOE-10/11-08	77,989
WX-HHS	81.042	DOER-WX-HHS-2010/11-08	99,824
<u>American Recovery & Reinvestment Act</u>			
WX-DOE FY 09-12	81.042	EE00109	<u>2,082,063</u>
Total U.S. Department of Energy			<u><u>\$ 2,428,955</u></u>
<u>Federal Emergency Management Agency</u>			
<u>Direct Programs</u>			
Emergency Food & Shelter National Board Program - Cook FY 11-12	97.024	184800-001	\$ 9,995
Emergency Food & Shelter National Board Program - Ben Hill FY 11-12	97.024	178800-001	16,867
Emergency Food & Shelter National Board Program – Brooks FY 11-12	97.024	180000-001	7,717
Emergency Food & Shelter National Board Program - Irwin FY 11-12	97.024	193400-002	8,960
Emergency Food & Shelter National Board Program – Lanier FY 11-12	97.024	195400-001	5,281
Emergency Food & Shelter National Board Program – Turner FY 11-12	97.024	206800-001	9,302
Emergency Food & Shelter National Board Program – Berrien FY 11-12	97.024	179000-002	<u>15,443</u>
Total Federal Emergency Management Agency			<u><u>\$ 73,565</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 16,201,175</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

**COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED MARCH 31, 2011**

STATE PROGRAM NAME	CONTRACT NUMBER	STATE AWARDS AMOUNT	AMOUNTS RECEIVED	AMOUNTS EXPENDED	DUE TO/DUE FROM GRANTOR
U.S. Department of Energy					
Pass-through state					
WX-DOE FY 09-11	DE-FG44-98R410843	\$ 285,237	\$ 136,365	\$ 169,079	\$ 32,714
WX-DOE FY 11	DOER-WX-DOE-10/11-08	79,804	65,412	77,989	12,577
WX-DOE FY 09-12 - ARRA Funded	EE00109	4,286,875	1,938,519	2,082,063	143,544
WX-HHS	DOER-WX-HHS-2010/11-08	141,881	76,130	99,824	23,694
Total pass-through DOE-Federal		\$ 4,793,797	\$ 2,216,426	\$ 2,428,955	\$ 212,529
Department of Human Services					
Pass-through state					
Comm. Services Block Grant FY 11-12	42700-040-0000006803	\$ 621,770	\$ 229,609	\$ 292,479	\$ 62,870
Comm. Services Block Grant FY 10-11	42700-040-0000003648	668,114	314,211	314,211	-
Comm. Services Block Grant FY 10-11 - ARRA Funded	42700-040-0000003495	1,038,947	405,577	405,577	-
Low Income Home Energy Assistance FY 11-12	42700-040-0000006816	2,859,808	2,670,751	2,670,751	-
Low Income Home Energy Assistance FY 10-11	42700-040-0000003741	3,351,158	822,084	822,084	-
The Emergency Food Assistance Program FY 11-12	42700-040-0000006708	9,527	2,936	2,936	-
The Emergency Food Assistance Program FY 11	42700-040-0000004562	9,286	9,060	9,060	-
The Emergency Food Assistance Program FY 10-11 - ARRA Funded	42700-040-0000004598	7,441	7,441	7,441	-
Total pass-through DHR-Federal		\$ 8,566,051	\$ 4,461,669	\$ 4,524,539	\$ 62,870
Bright from the Start					
Pass-through state					
CACFP-Head Start FY 10-11	0.04021	\$ 693,722	\$ 267,609	\$ 267,609	\$ -
CACFP-Head Start FY 11-12	0.04021	798,148	331,262	416,496	85,234
Summer Food Service Program	0.08370	8,106	8,106	8,106	-
Total pass-through BFTS-Federal		\$ 1,499,976	\$ 606,977	\$ 692,211	\$ 85,234

The accompanying notes to the financial statements
are an integral part of this statement.

**COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED MARCH 31, 2011**

<u>STATE PROGRAM NAME</u>	<u>CONTRACT NUMBER</u>	<u>STATE AWARDS AMOUNT</u>	<u>AMOUNTS RECEIVED</u>	<u>AMOUNTS EXPENDED</u>	<u>DUE TO/ DUE FROM GRANTOR</u>
<u>Other</u>					
SCANA FY 11-12	42700-040-0000005074	\$ 3,046	\$ 3,046	\$ 3,046	\$ -
LIHEAP-PSC FY 10-11	427-93-09090701-99	7,350	7,350	7,350	-
	GEFA-DOER-AGLC-				
WX-AGL FY 11-12	WX-10/11-08	25,000	25,000	25,000	-
	GEFA-DOER-GPC-				
WX-Georgia Power Cooperation FY 10-11	WX-2010-08	200,000	165,084	165,084	-
	GEFA-DOER-GPC-				
WX-Georgia Power Cooperation FY 11-12	WX-2010-08	206,500	6,290	24,290	18,000
Pre-K 10-11		51,353	27,937	27,937	-
Pre-K 11-12		64,775	43,138	43,138	-
Total Other		\$ 558,024	\$ 277,845	\$ 295,845	\$ 18,000
Total Expenditures of Non-Federal Awards		\$ 15,417,848	\$ 7,562,917	\$ 7,941,550	\$ 378,633

The accompanying notes to the financial statements
are an integral part of this statement.

COASTAL PLAIN AREA ECONOMIC OPPORTUNITY AUTHORITY, INC.
VALDOSTA, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND NONFEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2011

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coastal Plain Area Economic Opportunity Authority, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B - IN-KIND

Non-monetary assistance is reported in the Schedule at the fair market value of the In-Kind received.

NOTE C – DUE FROM GRANTOR

Amounts considered due from grantor consist of grant expenditures incurred but grant reimbursements not yet received as of March 31, 2011. See note 8 for a breakdown of due from grantor amounts.