

**Delta Community Action Association, Inc.
Tallulah, Louisiana**

Financial Statements

As of and for the Year Ended June 30, 2019

Delta Community Action Association, Inc.
Tallulah, Louisiana

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COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Delta Community Action Association, Inc.
Tallulah, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Delta Community Action Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Community Action Association, Inc., as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As described in Note 2 to the financial statements, Delta Community Action Association, Inc. adopted the Financial Accounting Standards Board's Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Delta Community Action Association, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

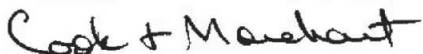
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, on pages 16 - 17, as required by Title 2 U.S. Code of Federal Regulations part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplemental combining schedules on pages 13 and 14 are presented for the purpose of additional analysis and are not a required part of the financial statements. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the supplemental combining schedules, and the other supplementary information are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of Delta Community Action Association, 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 solely 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 effectiveness of Delta Community Action Association, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta Community Action Association, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 18, 2019

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Financial Position
June 30, 2019
(With Comparative Amounts for 2018)

Assets	2019	2018
Current assets:		
Cash	\$ 324,749	\$ 422,177
Grant receivables	260,083	233,809
Total current assets	<u>584,832</u>	<u>655,986</u>
Property and Equipment:		
Property and equipment	3,115,488	2,910,960
Accumulated depreciation	(2,529,109)	(2,470,483)
Total property and equipment	<u>586,379</u>	<u>440,477</u>
Total Assets	<u>\$ 1,171,211</u>	<u>\$ 1,096,463</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 288,160	\$ 207,648
Accrued liabilities	105,469	197,401
Total current liabilities	<u>393,629</u>	<u>405,049</u>
Net assets:		
Without donor restrictions	<u>777,582</u>	<u>691,414</u>
Total net assets	<u>777,582</u>	<u>691,414</u>
Total Liabilities and Net Assets	<u>\$ 1,171,211</u>	<u>\$ 1,096,463</u>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Activities
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	Without Donor Restrictions	
	2019	2018
Revenues and Other Support:		
Contractual revenue - grants	\$ 6,008,025	\$ 6,027,306
Miscellaneous revenues	389	1,839
Total revenues and other support	<u>6,008,414</u>	<u>6,029,145</u>
Expenses:		
Program expenses		
Head Start and Early Head Start programs	3,789,682	3,694,548
Child care food program	423,402	386,586
Community services block grant	105,831	90,900
Home energy assistance	349,563	410,489
Family day care services	650,753	671,304
Delta recovery program		12,353
Early childhood network	2,761	14,965
General and Administrative expenses	<u>600,254</u>	<u>615,029</u>
Total expenses	<u>5,922,246</u>	<u>5,896,174</u>
Changes in net assets	86,168	132,971
Net assets as of beginning of year	<u>691,414</u>	<u>558,443</u>
Net assets as of end of year	<u>\$ 777,582</u>	<u>\$ 691,414</u>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	Program Services								Total	
	Head Start and Early Head Start	Child Care Food Program	Community Services Block Grant	Home Energy Assistance	Family Day Care Services	Early Childhood Network	General Services	Total Program	General and Administrative	
Salaries	\$ 2,142,780	\$ 157,162	\$ 77,976	\$	\$ 33,481	\$	\$	\$2,411,399	\$ 375,593	\$ 2,786,992
Fringe Benefits	565,408	49,937	19,628		16,942			651,915	79,201	731,116
Travel	10,425	282	1,567		3,376			15,650	3,636	19,286
Equipment	15,610				3,212			18,822	205	19,027
Occupancy	246,055	4,580	5,798		2,249			258,682	23,324	282,006
Telephone and postage	80,438	11			4,349			84,798	6,814	91,612
Insurance	69,677				285			69,962	5,490	75,452
Vehicle operation	169,287							169,287		169,287
Supplies	163,821	1,053			4,877			169,751	33,223	202,974
Professional services	109,584					393		109,977	34,409	144,386
Food and related supplies	78,116	209,251						287,367		287,367
Miscellaneous	91,165	1,126	862		1,947	2,368		97,468	26,530	123,998
Client assistance payments				349,563	580,035			929,598		929,598
Depreciation	47,316							47,316	11,829	59,145
Total Expenses	<u>\$ 3,789,682</u>	<u>\$ 423,402</u>	<u>\$ 105,831</u>	<u>\$ 349,563</u>	<u>\$ 650,753</u>	<u>\$ 2,761</u>	<u>\$</u>	<u>\$5,321,992</u>	<u>\$ 600,254</u>	<u>\$ 5,922,246</u>
										<u>\$ 5,896,174</u>

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	2019	2018
Operating activities		
Changes in net assets	\$ 86,168	\$ 132,971
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	59,145	62,828
(Increase) decrease in operating assets:		
Grant receivables	(26,274)	(39,313)
Increase (decrease) in operating liabilities:		
Accounts payable	62,282	77,074
Accrued liabilities	(91,932)	57,185
Refundable advances		(7,662)
Net cash provided by operating activities	<u>89,389</u>	<u>283,083</u>
Investing activities		
Payments for property and equipment	<u>(186,817)</u>	<u>(179,967)</u>
Net cash (used in) investing activities	<u>(186,817)</u>	<u>(179,967)</u>
Net increase (decrease) in cash	(97,428)	103,116
Cash as of beginning of year	<u>422,177</u>	<u>319,061</u>
Cash as of end of year	<u><u>\$ 324,749</u></u>	<u><u>\$ 422,177</u></u>
Supplemental disclosure		
Non-cash investing and financing activities:		
Acquisition of equipment		
Cost of equipment	\$ 205,047	\$
Trade account payable	<u>(18,230)</u>	
Cash down payment for equipment	<u><u>\$ 186,817</u></u>	<u><u>\$</u></u>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2019

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Delta Community Action Association, Inc. (Delta) is a private non-profit corporation incorporated under the laws of the State of Louisiana. A Board of Directors composed of 15 members governs Delta. Delta operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in various parishes in Louisiana that Delta serves. The following programs, with their approximate percentage of total revenues indicated, are administered by Delta:

Head Start and Early Head Start Program (72%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

Child Care Food Program (7%) – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds from USDA passed through the Louisiana Department of Education.

Community Services Block Grant (2%) – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Workforce Commission.

Home Energy Assistance (7%) – Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

Family Day Care Services (11%) – Provides a food service program for children in private nonprofit centers of approximately 124 homes. Funding is provided by federal funds passed through the Louisiana Department of Education.

Early Childhood Network (1%) – Provides technology support to prepare our youngest learners for kindergarten. Funding is provided by federal funds passed through the Louisiana Department of Education.

B. Basis of Accounting

The financial statements of Delta have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of Delta's management and the board of directors.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of Delta or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Delta has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

D. Income Tax Status

Delta is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Delta's tax-exempt purpose would be subject to taxation as unrelated business income. There was no unrelated business income for the years ended June 30, 2019. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2016, 2017, 2018, and 2019 are subject to examination by the IRS, generally three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

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

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. Delta has adopted a policy to capitalize all items with a unit cost of \$1,000 or greater.

H. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

(Continued)

Delta Community Action Association, Inc
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit. Facility related expenses are allocated to each function based upon square footage utilized by the function.

J. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with general accepted accounting principles. Accordingly, such information should be read in conjunction with Delta's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

(2) Adoption of New Accounting Pronouncement

For the year ended June 30, 2019, Delta adopted the Financial Accounting Standard Update (ASU) No 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

(3) Concentrations of Credit Risk

Financial instruments that potentially subject Delta to concentrations of credit risk consist principally of temporary cash investments and grant receivables.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 2019, Delta had no significant concentrations of credit risk in relation to grant receivables.

Delta maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2019, total cash balances held at financial institutions was \$517,078. Of this amount, \$466,624 was insured by FDIC, and the remaining \$50,454 was unsecured.

(Continued)

Delta Community Action Association, Inc
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

(4) Liquidity and Availability of Financial Assets

Delta monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. Delta has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations

Financial assets at year-end:	
Cash and cash equivalents	\$ 324,749
Grant receivables	<u>260,083</u>
Total financial assets	584,832
Less amounts not available to be used within one year:	
Less designated assets which are designated for program use	<u>(30,172)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>554,660</u>

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 12, are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, designated amounts could be made available, if necessary.

In addition to financial assets available to meet general expenditures over the year, Delta operates with a balanced budget and anticipates covering general expenditures using the income generated from contractual agreements with governmental agencies

(5) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 2019, but received after that date. Management has determined that the allowance for bad debts is not material.

(6) Refundable Advances

Delta records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(7) Contractual Revenue – Grants

During the year ended June 30, 2019, Delta received contractual revenue from federal and state grants in the amount of \$6,008,025. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

(8) Property and Equipment

Property and equipment consisted of the following at June 30, 2019

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Land	N/A	\$	\$ 15,000	\$ 15,000
Buildings	7-20 years	590,449		590,449
Leasehold improvement	7-20 years	249,277		249,277
Furniture and equipment	5-10 years	571,273		571,273
Vehicles	5 years	1,539,698		1,539,698
Assets not in operation		149,791		149,791
Accumulated depreciation		<u>(2,529,109)</u>		<u>(2,529,109)</u>
Net investment in property and equipment		\$ <u>571,379</u>	\$ <u>15,000</u>	\$ <u>586,379</u>

Depreciation expense for the year ended June 30, 2019 was \$59,145.

(9) Retirement Plan

Delta participates in a tax deferred annuity 403(b) plan whereby an amount equal to 5% of the salary of eligible employees is contributed to purchase annuity contracts with an insurance company. The annuities are in the employee's name upon funding. The amount contributed for the year ended June 30, 2019 was \$60,611.

(10) Accrued Liabilities

Accrued liabilities consisted of the following:

	2019
Accrued leave payable	\$ 29,351
Payroll taxes payable	<u>76,118</u>
	<u>\$ 105,469</u>

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

(11) Leases

Delta leases certain buildings and equipment under operating leases. Rental costs on those leases for the year ended June 30, 2019 was as follows:

	2019
Buildings	\$ 52,815
Equipment	<u>11,320</u>
	<u>\$ 64,135</u>

Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending June 30,	
2020	\$ 43,203
2021	<u>39,152</u>
Total minimum future rentals	<u>\$ 82,355</u>

(12) Net Assets

Net assets at June 30, 2019, consisted of the following:

Net Assets Without Donor Restrictions:	
Undesignated	\$ 161,031
Net investment in property and equipment	<u>586,379</u>
Total undesignated net assets	<u>747,410</u>
Designated for Child and Adult Care Food Program (Head Start)	8,534
Designated for Energy Assistance Program	1,258
Designated for Child and Adult Care Food Program (FDCH)	<u>20,380</u>
Total designated for use for programs	<u>30,172</u>
Total net assets without donor restrictions	<u>777,582</u>
Total Net Assets	<u>\$ 777,582</u>

(13) Subsequent events

Subsequent events have been evaluated through December 18, 2019, the date the financial statements were available to be issued.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Combining Schedule of Financial Position
June 30, 2019
(With Comparative Totals for 2018)

	Head Start and Early Head Start Programs	Child Care Food Program	Community Services Block Grant	Home Energy Assistance	Family Day Care Services	Early Childhood Network	General Services	Total	
								2019	2018
Assets									
Current assets:									
Cash	\$ 21,115	\$ 205	\$ 13,420	\$ 1,725	\$ 14,367	\$ 2,976	\$ 270,941	\$ 324,749	\$ 422,177
Grant receivables	97,325	3,992	16,580	12,375	125,036	4,775		260,083	233,809
Due from other funds	68,388	74,761					64,360	207,509	46,912
Total current assets	<u>186,828</u>	<u>78,958</u>	<u>30,000</u>	<u>14,100</u>	<u>139,403</u>	<u>7,751</u>	<u>335,301</u>	<u>792,341</u>	<u>702,898</u>
Property and equipment:									
Property and equipment	3,097,156		17,142		1,190			3,115,488	2,910,960
Accumulated depreciation	(2,510,777)		(17,142)		(1,190)			(2,529,109)	(2,470,483)
Total property & equipment	<u>586,379</u>							<u>586,379</u>	<u>440,477</u>
Total Assets	<u>\$ 773,207</u>	<u>\$ 78,958</u>	<u>\$ 30,000</u>	<u>\$ 14,100</u>	<u>\$ 139,403</u>	<u>\$ 7,751</u>	<u>\$ 335,301</u>	<u>\$ 1,378,720</u>	<u>\$ 1,143,375</u>
Liabilities and Net Assets									
Current liabilities:									
Accounts payable	\$ 172,468	\$ 1,592	\$	\$ 504	\$ 112,429	\$	\$ 1,167	\$ 288,160	\$ 207,648
Accrued liabilities		444		2,339	6,594		96,092	105,469	197,401
Due to other funds	14,360	68,388	30,000	10,000		10,000	74,761	207,509	46,912
Total current liabilities	<u>186,828</u>	<u>70,424</u>	<u>30,000</u>	<u>12,843</u>	<u>119,023</u>	<u>10,000</u>	<u>172,020</u>	<u>601,138</u>	<u>451,961</u>
Net assets:									
Without donor restrictions	586,379	8,534		1,257	20,380	(2,249)	163,281	777,582	691,414
Total net assets	<u>586,379</u>	<u>8,534</u>		<u>1,257</u>	<u>20,380</u>	<u>(2,249)</u>	<u>163,281</u>	<u>777,582</u>	<u>691,414</u>
Total Liabilities and Net Assets	<u>\$ 773,207</u>	<u>\$ 78,958</u>	<u>\$ 30,000</u>	<u>\$ 14,100</u>	<u>\$ 139,403</u>	<u>\$ 7,751</u>	<u>\$ 335,301</u>	<u>\$ 1,378,720</u>	<u>\$ 1,143,375</u>

Delta Community Action Association, Inc.
Tallulah, Louisiana
Combining Schedule of Activities
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Head Start and Early Head Start Programs	Child Care Food Program	Community Services Block Grant	Home Energy Assistance	Family Day Care Services	Early Childhood Network	General Services	Total	
								2019	2018
Revenues and Other Support:									
Contractual revenue - grants	\$ 4,370,995	\$ 387,866	\$ 165,680	\$ 379,630	\$ 703,342	\$ 512	\$	\$6,008,025	\$6,027,306
Miscellaneous revenue							389	389	1,839
Total revenues and other support	4,370,995	387,866	165,680	379,630	703,342	512	389	6,008,414	6,029,145
Expenses									
Program									
Salaries	2,142,780	157,162	77,976		33,481			2,411,399	2,324,913
Fringe benefits	565,408	49,937	19,628		16,942			651,915	663,155
Travel	10,425	282	1,567		3,376			15,650	15,727
Equipment	15,610				3,212			18,822	85,655
Occupancy	246,055	4,580	5,798		2,249			258,682	228,786
Telephone and postage	80,438	11			4,349			84,798	82,376
Insurance	69,677				285			69,962	59,197
Vehicle operation	169,287							169,287	146,632
Supplies	163,821	1,053			4,877			169,751	162,658
Professional services	109,584					393		109,977	83,438
Food and related supplies	78,116	209,251						287,367	257,283
Miscellaneous	91,165	1,126	862		1,947	2,368		97,468	107,469
Client assistance payments				349,563	580,035			929,598	1,013,594
Depreciation	47,316							47,316	50,262
Total program	3,789,682	423,402	105,831	349,563	650,753	2,761		5,321,992	5,281,145
General and Administrative									
Salaries	271,247		36,118	18,006	50,222			375,593	387,154
Fringe benefits	72,131		3,843		3,227			79,201	96,479
Travel	229		2,676	19	254		458	3,636	3,513
Equipment					205			205	147
Supplies	30,069		2,508	247	257		142	33,223	36,238
Professional services	27,773		2,100		4,536			34,409	38,184
Occupancy	15,032		8,038		144		110	23,324	15,059
Telephone and postage	4,234		963	1,156	278		183	6,814	5,026
Insurance	1,869		3,603		18			5,490	1,608
Miscellaneous	998			22,409	124		2,999	26,530	19,055
Depreciation	11,829							11,829	12,566
Total general and administrative	435,411		59,849	41,837	59,265		3,892	600,254	615,029
Total expenses	4,225,093	423,402	165,680	391,400	710,018	2,761	3,892	5,922,246	5,896,174
Change in net assets	145,902	(35,536)		(11,770)	(6,676)	(2,249)	(3,503)	86,168	132,971
Net assets, beginning of year	440,477	44,070		13,027	27,056		166,784	691,414	558,443
Net assets, end of year	\$ 586,379	\$ 8,534	\$	\$ 1,257	\$ 20,380	\$ (2,249)	\$ 163,281	\$ 777,582	\$ 691,414

Delta Community Action Association, Inc
Tallulah, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head: Carl Smith, Executive Director

<u>Purpose</u>	<u>Amount Paid with Federal Funds</u>
Salary	\$ 92,852
Benefits - retirement	4,643
Registration fees	537
Travel	603
Training	500

Delta Community Action Association, Inc.
Tallulah, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health and Human Services</u>				
Direct Program:				
Head Start (Fy 06-30-19)	93.600	06CH010086-04	\$	\$ 4,370,995
477 Cluster				
Passed through Louisiana Workforce Commission Community Services Block Grant	93.569	2017N0038, 2018N0038, 2019N0038		165,680
Passed through the Louisiana Department of Education Child Care Development Block Grant - Madison PreK (Fy 6-30-19)	93.575	Unknown		265
Total 477 Cluster				165,945
Passed through Louisiana Housing Corporation Home Energy Assistance Program - Energy	93.568	Unknown		391,400
Total Department of Health and Human Services				4,928,340
<u>U.S. Department of Agriculture</u>				
Passed through Louisiana Department of Education				
Child and Adult Care Food Program (Head Start) (Fy 09-30-18)	10.558	Unknown		117,645
Child and Adult Care Food Program (Head Start) (Fy 09-30-19)	10.558	Unknown		305,757
Child and Adult Care Food Program (FDCH) (Fy 09-30-18)	10.558	Unknown		196,417
Child and Adult Care Food Program (FDCH) (Fy 09-30-19)	10.558	Unknown		513,601
Total Department of Agriculture				1,133,420
Total federal expenditures			\$	\$ 6,061,760

See accompanying notes to the schedule of expenditures of federal awards.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Delta Community Action Association, Inc. under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Delta Community Action Association, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Delta Community Action Association, Inc.

NOTE B: Summary of Significant Accounting Policies

- (1) The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.
- (2) Delta Community Action Association Inc. does not utilize an indirect cost rate.

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

To the Board of Directors
Delta Community Action Association, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Delta Community Action Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

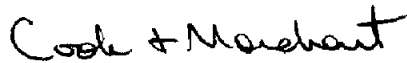
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Community Action Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Cook & Morehart
Certified Public Accountants
December 18, 2019

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
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Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

To the Board of Directors
Delta Community Action Association, Inc.

Report on Compliance for Each Major Federal Program

We have audited Delta Community Action Association, Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Delta Community Action Association, Inc.'s major federal program for the year ended June 30, 2019. Delta Community Action Association, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Delta Community Action Association, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Delta Community Action Association, 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 on compliance for the major federal program. However, our audit does not provide a legal determination of Delta Community Action Association, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Delta Community Action Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

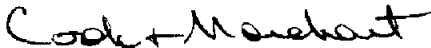
Report on Internal Control Over Compliance

Management of Delta Community Action Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Delta Community Action Association, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Delta Community Action Association, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 18, 2019

Delta Community Action Association, Inc.
Tallulah, Louisiana
Summary Schedule of Prior Audit Findings
June 30, 2019

There were no findings or questioned cost for the prior year audit ending June 30, 2018.

Schedule of Findings and Questioned Costs
June 30, 2019

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified : ☐ yes ☒ no
Significant deficiencies identified : ☐ yes ☒ none reported

Noncompliance material to financial
statements noted :

☐ yes ☒ no

Federal Awards

Internal control over major programs :

Material weaknesses identified : ☐ yes ☒ no
Significant deficiencies identified : ☐ yes ☒ none reported

Type of auditors' report issued on compliance
for major federal programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR section
200.516(a)

☐ yes ☒ no

Identification of major federal programs :

CFDA# 93.600 - Head Start Program

Dollar threshold used to distinguish between
type A and type B programs : \$750,000

Auditee qualified as low risk :

☒ yes ☐ no

B. Findings – Financial Statements Audit: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

Delta Community Action Association, Inc.
Tallulah, Louisiana
Summary Schedule of Audit Findings for Louisiana Legislative Auditor
June 30, 2019

Summary Schedule of Prior Audit Findings

There were no findings for the prior year ended June 30, 2018.

Summary Schedule for Current Year Audit Findings

There are no current year findings for the year ended June 30, 2019.