

**Quad Area Community Action Agency, Inc.
Hammond, Louisiana**

Financial Statements With Auditors' Report

As of and for the Years Ended December 31, 2024 and 2023

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
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Independent Auditor's Report

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quad Area Community Action Agency, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Quad Area Community Action Agency, Inc. (a nonprofit organization) as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of LaPosada Apartments, RHS Project, a project owned by Quad Area Community Action Agency, Inc., which statements reflects total assets at December 31, 2024 and 2023 of \$1,216,631 and \$1,286,666, respectively, and the total support and revenues for the years ended December 31, 2024 and 2023 of \$323,912 and \$312,572, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for LaPosada Apartments, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Quad Area Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Quad Area Community Action Agency, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Quad Area Community Action Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Quad Area Community Action Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 21 is presented for the purpose of additional analysis and is not a required part of the financial statements of Quad Area Community Action Agency, Inc. The accompanying schedule of expenditures of federal awards, shown on pages 22 – 24, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration 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. 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 GAAS. In our opinion, the information is 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 June 25, 2025, on our consideration of the Quad Area Community Action Agency, 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 Quad Area Community Action Agency, 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 Quad Area Community Action Agency, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 25, 2025

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 903,809	\$ 628,168
Grant receivables	981,724	1,181,242
Other receivables	600	513
Prepaid expenses	35,469	34,657
Total current assets	<u>1,921,602</u>	<u>1,844,580</u>
Restricted deposits and funded reserves	<u>216,964</u>	<u>229,153</u>
Property and equipment, net	2,410,980	2,584,053
Operating lease right-of-use asset, net	80,188	69,759
Net property and equipment	<u>2,491,168</u>	<u>2,653,812</u>
Total Assets	<u><u>\$ 4,629,734</u></u>	<u><u>\$ 4,727,545</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 627,597	\$ 634,175
Accrued liabilities	178,423	153,588
Current portion of long-term debt	49,769	39,496
Current portion of operating lease liabilities	36,913	30,126
Refundable advances	57,401	62,678
Total current liabilities	<u>950,103</u>	<u>920,063</u>
Deposits and prepayment liabilities:		
Tenant's security deposits	15,346	5,850
Non-current portion of operating lease liabilities	43,275	39,633
Long-term debt	<u>408,966</u>	<u>410,151</u>
Total Long term debt	<u>452,241</u>	<u>449,784</u>
Total liabilities	<u>1,417,690</u>	<u>1,375,697</u>
Net assets:		
With donor restrictions	109,944	112,911
Without donor restrictions	<u>3,102,100</u>	<u>3,238,937</u>
Total net assets	<u>3,212,044</u>	<u>3,351,848</u>
Total Liabilities and Net Assets	<u><u>\$ 4,629,734</u></u>	<u><u>\$ 4,727,545</u></u>

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support:			
Contractual revenue - grants	\$ 13,365,386	\$ 53,270	\$ 13,418,656
Rents	87,474		87,474
Rental assistance subsidy	305,682		305,682
Fees earned	19,801		19,801
Miscellaneous revenues	19,877	25,000	44,877
Net assets released from restrictions:			
Satisfaction of restrictions	81,237	(81,237)	
Total revenues and other support	13,879,457	(2,967)	13,876,490
Program expenses:			
Low-income home energy assistance	4,851,486		4,851,486
Weatherization assistance	3,685,402		3,685,402
Head start program	1,505,119		1,505,119
Child care food program	171,080		171,080
Community services	989,258		989,258
Foster grandparents program	520,232		520,232
Rental housing project	255,413		255,413
Americorps	56,409		56,409
Youth Build	457,152		457,152
General services	142,724		142,724
Total program expenses	12,634,275		12,634,275
General and Administrative expenses	1,382,019		1,382,019
Total expenses	14,016,294		14,016,294
Changes in net assets	(136,837)	(2,967)	(139,804)
Net assets, beginning of year	3,238,937	112,911	3,351,848
Net assets, end of year	\$ 3,102,100	\$ 109,944	\$ 3,212,044

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support:			
Contractual revenue - grants	\$ 17,398,172	\$ 63,791	\$ 17,461,963
Rents	44,746		44,746
Rental assistance subsidy	297,017		297,017
Fees earned	22,295		22,295
Contributions of financial assets	100		100
Miscellaneous revenues	65,053	15,000	80,053
Net assets released from restrictions:			
Satisfaction of restrictions	87,750	(87,750)	
Total revenues and other support	<u>17,915,133</u>	<u>(8,959)</u>	<u>17,906,174</u>
Program expenses:			
Low-income home energy assistance	7,303,782		7,303,782
Low-income water assistance	1,178,117		1,178,117
Weatherization assistance	4,081,115		4,081,115
Head start program	1,502,380		1,502,380
Child care food program	162,112		162,112
Community services	996,512		996,512
Foster grandparents program	533,484		533,484
Rental housing project	208,850		208,850
Americorps	39,731		39,731
Youth Build	523,006		523,006
General services	203,430		203,430
Total program expenses	<u>16,732,519</u>		<u>16,732,519</u>
General and Administrative expenses	<u>1,349,998</u>		<u>1,349,998</u>
Total expenses	<u>18,082,517</u>		<u>18,082,517</u>
Changes in net assets	(167,384)	(8,959)	(176,343)
Net assets, beginning of year	<u>3,406,321</u>	<u>121,870</u>	<u>3,528,191</u>
Net assets, end of year	<u><u>\$ 3,238,937</u></u>	<u><u>\$ 112,911</u></u>	<u><u>\$ 3,351,848</u></u>

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services					
	Low-Income					
	Home	Weatherization	Head	Child Care	Community	Foster
	Energy	Assistance	Start	Food Program	Services	Grandparents
	Assistance		Program			Program
Salaries	\$ 162,423	\$ 623,420	\$ 858,400	\$ 31,013	\$ 414,782	\$ 96,429
Fringe benefits	32,909	113,385	131,358	4,235	70,530	17,901
Travel	11,887	865	49,018		7,616	
Space costs	4,916		126,000	923	74,793	2,003
Telephone	9,027		12,896		41,307	
Administrative						
Operating and maintenance				6,586		
Insurance	1,922	7,719	136,688		141,268	
Equipment expenses					14,495	
Supplies	9,041	2,926,939	59,744	23,020	35,115	7,482
Professional services						
and contract labor	19,828			11,400		
Food and related supplies			29,495	93,903		1,416
Miscellaneous	459		23,355		10,788	140
Vehicle expenses						
Volunteer expenses						394,861
Client assistance payments	4,597,831	3,602			178,564	
Interest expense						
Depreciation expense	1,243	9,472	78,165			
Total Expenses	<u>\$ 4,851,486</u>	<u>\$ 3,685,402</u>	<u>\$ 1,505,119</u>	<u>\$ 171,080</u>	<u>\$ 989,258</u>	<u>\$ 520,232</u>

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

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2024
(Continued)

Program Services

	Rental Housing Project	Americorps	Youth Build	General Services	Total Program	General and Administrative	Total 2024
Salaries	\$	\$ 38,665	\$ 221,659	\$	\$ 2,446,791	\$ 846,438	\$ 3,293,229
Fringe benefits		5,365	38,965		414,648	137,323	551,971
Travel		537	10,449		80,372	12,139	92,511
Space costs	43,424		755		252,814	88,425	341,239
Telephone			6,915		70,145	9,039	79,184
Administrative						107,989	107,989
Operating and maintenance	103,844				110,430	2,314	112,744
Insurance	52,391		46,544		386,532	54,637	441,169
Equipment expenses					14,495	2,984	17,479
Supplies		8,645	17,941		3,087,927	60,795	3,148,722
Professional services and contract labor					31,228	38,568	69,796
Food and related supplies					124,814	4,444	129,258
Miscellaneous		3,197			37,939	4,720	42,659
Vehicle expenses			4,523		4,523	11,629	16,152
Volunteer expenses					394,861		394,861
Client assistance payments			106,247	60,148	4,946,392		4,946,392
Interest expense	4,283				4,283	575	4,858
Depreciation expense	51,471		3,154	82,576	226,081		226,081
Total Expenses	<u>\$ 255,413</u>	<u>\$ 56,409</u>	<u>\$ 457,152</u>	<u>\$ 142,724</u>	<u>\$ 12,634,275</u>	<u>\$ 1,382,019</u>	<u>\$ 14,016,294</u>

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services						
	Low-Income						
	Home	Low-Income		Head			Foster
	Energy	Water	Weatherization	Start	Child Care	Community	Foster
	Assistance	Assistance	Assistance	Program	Food Program	Services	Grandparents
Salaries	\$ 149,059	\$ 12,159	\$ 685,842	\$ 888,933	\$ 31,883	\$ 330,229	\$ 97,400
Fringe benefits	30,427	1,608	138,788	165,484	4,971	68,601	20,634
Travel	9,037		7,964	61,546		3,352	
Space costs	4,381	108		91,116		131,933	
Telephone	5,557	21		16,133		28,564	
Administrative							
Operating and maintenance	14	24			5,140		
Insurance	2,819	251	9,348	53,947		190,225	
Equipment expenses		34				15,030	
Supplies	14,158		3,224,265	102,444	15,501	18,796	15,550
Professional services							
and contract labor			2,500				
Food and related supplies				27,614	104,617		
Miscellaneous			2,937	16,717		97	
Vehicle expenses							
Volunteer expenses							399,900
Client assistance payments	7,088,330	1,163,912				209,685	
Interest expense							
Depreciation/amortization							
expense			9,471	78,446			
Total Expenses	<u>\$7,303,782</u>	<u>\$1,178,117</u>	<u>\$ 4,081,115</u>	<u>\$1,502,380</u>	<u>\$ 162,112</u>	<u>\$ 996,512</u>	<u>\$ 533,484</u>

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

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2023
(Continued)

	Program Services						
	Rental Housing Project	Americorps	Youth Build	General Services	Total Program	General and Administrative	Total 2023
Salaries	\$	\$ 29,337	\$ 229,203	\$	\$ 2,454,045	\$ 802,483	\$ 3,256,528
Fringe benefits		5,031	41,434		476,978	147,628	624,606
Travel		1,805	5,625		89,329	14,167	103,496
Space costs	43,808		12,074		283,420	23,927	307,347
Telephone			27		50,302	8,809	59,111
Administrative						103,104	103,104
Operating and maintenance	58,591				63,769	13,518	77,287
Insurance	50,304		67,395		374,289	23,984	398,273
Equipment expenses					15,064	3,740	18,804
Supplies		1,273	26,190		3,418,177	92,968	3,511,145
Professional services and contract labor					2,500	62,662	65,162
Food and related supplies					132,231	4,798	137,029
Miscellaneous		2,285		1,708	23,744	31,678	55,422
Vehicle expenses			8,525		8,525	13,961	22,486
Volunteer expenses					399,900		399,900
Client assistance payments			129,379	77,308	8,668,614		8,668,614
Interest expense	4,676				4,676	1,080	5,756
Depreciation/amortization expense	51,471		3,154	124,414	266,956	1,491	268,447
Total Expenses	<u>\$208,850</u>	<u>\$ 39,731</u>	<u>\$ 523,006</u>	<u>\$203,430</u>	<u>\$16,732,519</u>	<u>\$ 1,349,998</u>	<u>\$ 18,082,517</u>

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Operating Activities	2024	2023
Change in net assets	\$ (139,804)	\$ (176,343)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	226,081	268,447
Amortization of operating leases	36,985	37,782
(Increase) decrease in operating assets:		
Grant receivables	199,518	(184,016)
Other receivables	(87)	38
Prepaid expense	(812)	(1,681)
Increase (decrease) in operating liabilities:		
Accounts payable	(6,578)	21,366
Accrued liabilities	24,835	10,169
Tenant's security deposits	9,496	
Refundable advances	(5,277)	21,282
Repayments of operating lease liabilities	(36,984)	(38,450)
Net cash provided by (used in) operating activities	<u>307,373</u>	<u>(41,406)</u>
 Financing Activities		
Repayments of long-term debt	(43,921)	(39,104)
Net cash (used) in financing activities	<u>(43,921)</u>	<u>(39,104)</u>
 Net increase (decrease) in cash, cash equivalents, and restricted cash	263,452	(80,510)
 Cash, cash equivalents, and restricted cash as of beginning of year	<u>857,321</u>	<u>937,831</u>
 Cash, cash equivalents, and restricted cash of end of year	<u>\$ 1,120,773</u>	<u>\$ 857,321</u>
 Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 903,809	\$ 628,168
Restricted cash	216,964	229,153
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 1,120,773</u>	<u>\$ 857,321</u>
 Supplemental disclosures:		
 Cash paid for interest	<u>\$ 4,891</u>	<u>\$ 4,676</u>
 Non-cash investing and financing transaction:		
Property and equipment purchased with loan	<u>\$ 53,008</u>	<u>\$</u>
Right of use assets obtained in exchange for operationg leases	<u>\$ 47,414</u>	<u>\$</u>

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Quad Area Community Action Agency, Inc. (QACAA) is a private nonprofit corporation incorporated under the laws of the State of Louisiana. QACAA is governed by a Board of Directors from the different parishes that QACAA serves. QACAA operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in the following parishes of Louisiana: Ascension, East Feliciana, West Feliciana, Livingston, St. Helena, Tangipahoa, Washington, Assumption, St. James, St. Charles, Iberville, West Baton Rouge, East Baton Rouge, St. John, St. Tammany, Plaquemines, St. Bernard, Jefferson, and Orleans. The following programs, with their approximate percentage of total revenues indicated, are administered by QACAA:

Low-Income Home Energy Assistance (37%) – Operates a program designed to assist low income households in offsetting the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

Community Services Block Grant (9%) – 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.

Weatherization Assistance (29%) – Weatherizes (insulates) the dwellings of low-income persons particularly the elderly and handicapped low-income persons, in order to aid those persons least able to afford higher energy costs and to conserve needed energy. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

Head Start Program (12%) – 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 Nutrition (2%) – Operates a Child and Adult Care Food Program in coordination with the Head Start Program. Funding is provided by federal funds passed through the Louisiana Department of Education.

Foster Grandparents Program (3%) – Sets up projects which provide one-on-one help to children with special needs or exceptional needs in health, education, welfare and related settings. Foster grandparents must be low-income persons at least 60 years of age. Funding is provided by federal funds from the U.S. Agency the Corporation for National Service.

Rental Housing Projects (3%) – La Posada Apartments is a forty-unit apartment project located in Independence, Louisiana, that is owned and operated by QACCA. The project was placed in service during August, 2002, for the purpose of operating a rental housing project. Permanent financing is being provided by the Rural Housing Service (RHS), and the project is regulated by RHS as to rent charges and operating methods.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

Americorps (1%) – To assist individuals currently unemployed to gain work experience and valuable skills, and nonprofit organizations and communities negatively affected by the economic crisis will gain critical human resources. Funding is provided by federal funds through Youth Build USA.

Youth Build (3%) – To target disadvantaged youth to engage them in academic and occupational challenges, qualifying them to work on affordable or free housing intended for homeless/low-income projects. Funding is provided by federal funds from the U.S. Department of Labor.

United Way – To educate and empower disadvantaged individuals and to help lift them out of poverty to create a stronger, better community. Funding is provided by United Way and passed through the United Way of Southeast Louisiana.

General Services (1%) – Provides payment of necessary agency expenses not specifically attributable to a grant/contract operated by the agency. Funding is provided by various donations and by management and development fees earned through the operation of two apartment complexes.

B. Basis of Accounting

The financial statements of QACAA 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 QACAA's management and the board of directors.

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 QACAA 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. QACAA 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.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

D. Income Taxes

QACAA is a nonprofit 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 QACAA's tax-exempt purpose is subject to taxation as unrelated business income. QACAA had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended December 31, 2021, 2022, 2023, and 2024 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 reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, QACAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. QACAA had no cash equivalents during 2024 or 2023.

G. Property and Equipment

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Capitalized assets are stated 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 there from is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency.

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.

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.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

J. Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the rental housing project. At December 31, 2024, the account was underfunded; however, management made a transfer in 2025 to fund the cash account to equal the security deposit liability at December 31, 2024. At December 31, 2023, this account was funded in an amount equal to the security deposit liability.

K. Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the corporation and the tenants of the rental housing project are operating leases.

(2) Concentrations of Credit Risk

QACAA maintains its temporary cash investments with financial institutions that are insured by the FDIC. At December 31, 2024, \$1,312,920 was held at financial institutions. Of this amount, \$574,478 was insured by the FDIC, and the remaining \$738,442 was uninsured. At December 31, 2023, \$968,376 was held at financial institutions. Of this amount, \$642,381 was insured by the FDIC, and the remaining \$325,995 was uninsured.

Concentrations of credit risk with respect to grants receivable were limited due to the balance being comprised of amounts due from governmental agencies under contractual terms. As of December 31, 2024 and 2023, QACAA had no significant concentrations of credit risk in relation to grants receivable.

(3) Grants Receivable

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 2024 and 2023, but not received until after those dates.

(4) Refundable Advances

QACAA 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.

(5) Restricted Deposits and Funded Reserves

In accordance with the loan agreement with RHS, a reserve for replacements is to be funded \$21,302 annually until the account reaches a balance of \$213,020. The required amount of reserves as of December 31, 2024 and 2023 was \$213,020 and \$213,020, respectively. The amount on hand at December 31, 2024 and 2023 was \$208,948 and \$216,954, respectively. This amount is included in restricted deposits and funded reserves in the accompanying financial statements.

Also included in restricted deposits and fund reserves are escrow and security deposits at December 31, 2024 and 2023 of \$8,016 and \$12,199, respectively.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

(6) Net Assets

Net assets at December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 938,827	\$ 881,295
Net investment in property and equipment	<u>1,952,245</u>	<u>2,134,405</u>
Total undesignated net assets	<u>2,891,072</u>	<u>3,015,700</u>
Designated for Rental Housing Project	<u>211,028</u>	<u>223,237</u>
Total designated for use for programs	<u>211,028</u>	<u>223,237</u>
Total net assets without donor restrictions	<u>3,102,100</u>	<u>3,238,937</u>
Net Assets With Donor Restrictions:		
Subject to expenditures for specified purpose -		
Restricted for Liheap program	1,635	1,002
Restricted for West Feliciana program	64,358	60,936
Restricted for Weatherization	20,420	20,420
Restricted for utility assistance	<u>23,531</u>	<u>30,553</u>
Total net assets with donor restrictions	<u>109,944</u>	<u>112,911</u>
Total Net Assets	<u>\$3,212,044</u>	<u>\$3,351,848</u>

(7) Contractual Revenue – Grants

During the years ended December 31, 2024 and 2023, QACAA received contractual revenue from federal and state grants in the amount of \$13,418,656 and \$17,461,963, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Partnership Investments

QACAA serves as the Managing General Partner for two different limited partnerships which manage apartment complexes under the Home Affordable Rental Housing Program through regulatory agreements with Louisiana Housing Finance Agency.

QACAA entered into Management Sub-Contracts with Calhoun Property Management, Inc. and St. Amant Management Co., in which they will co-manage the Partnerships. QACAA's ownership percentage of all partnerships is .5%.

During 2024, QACAA sold its partnership interest in both limited partnerships.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

(9) Liquidity and Availability of Financial Assets

QACAA 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. QACAA has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 903,809	\$ 628,168
Grant receivables	981,724	1,181,242
Other receivables	600	513
Cash restricted for deposits and funded reserves	<u>216,964</u>	<u>229,153</u>
Total financial assets	2,103,097	2,039,076
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(109,944)	(112,911)
Less designated assets which are designated for program use	<u>(211,028)</u>	<u>(223,237)</u>
Financial assets available to meet cash needs for General expenditures within one year	<u>\$1,782,125</u>	<u>\$1,702,928</u>

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 6, 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, QACAA operates with a balanced budget and anticipates covering general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of QACAA's cash and shows a positive cash generated by operations of \$307,373 for fiscal year ending December 31, 2024, and a negative cash generated by operations of (\$41,406) for fiscal year ending December 31, 2023.

(10) Retirement Obligations

QACAA participates in a tax deferred thrift retirement plan whereby an amount up to 5% of the salary of eligible employees is contributed to interest-earning accounts or mutual funds. The funds are in the employee's name upon funding. The amounts contributed for the years ended December 31, 2024 and 2023 were \$151,868, and \$148,980, respectively.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to the Financial Statements
December 31, 2024 and 2023
(Continued)

(11) Property and Equipment

An analysis of property and equipment at December 31, 2024 is as follows:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Building and improvements	20 - 30 years	\$ 1,300,639	\$ 2,197,845	\$ 3,498,484
La Pasada Apartment buildings	30 years	2,006,299		2,006,299
Land		31,500	100,250	131,750
Idle assets		4,569	14,323	18,892
Furniture and equipment	3 - 7 years	426,813	31,480	458,293
La Pasada furniture and equipment	3 - 7 years	33,106		33,106
Vehicles	3 - 5 years	671,122	58,008	729,130
Accumulated depreciation		<u>(3,028,913)</u>	<u>(1,436,061)</u>	<u>(4,464,974)</u>
Net investment in property and equipment		<u>\$ 1,445,135</u>	<u>\$ 965,845</u>	<u>\$ 2,410,980</u>

Depreciation and amortization expense for the year ended December 31, 2024 was \$226,081.

An analysis of property and equipment at December 31, 2023 is as follows:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Building and improvements	20 - 30 years	\$ 1,300,639	\$ 2,197,845	\$ 3,498,484
La Pasada Apartment buildings	30 years	2,006,299		2,006,299
Land		31,500	100,250	131,750
Idle assets		4,569	14,323	18,892
Furniture and equipment	3 - 7 years	426,814	38,780	465,594
La Pasada furniture and equipment	3 - 7 years	33,106		33,106
Vehicles	3 - 5 years	671,122	77,316	748,438
Accumulated depreciation		<u>(2,885,409)</u>	<u>(1,433,101)</u>	<u>(4,318,510)</u>
Net investment in property and equipment		<u>\$ 1,588,640</u>	<u>\$ 995,413</u>	<u>\$ 2,584,053</u>

Depreciation and amortization expense for the year ended December 31, 2023 was \$268,447.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

(12) Right-of-Use Operating Leases

QUAD leases certain office space and office equipment under non-cancellable operating leases. The leases expire at various dates through 2027. The risk-free discount rate with a period comparable with that of the individual lease term was used which range from .97% to 4.11%.

The right-of-use operating assets and operating lease liabilities at December 31, 2024, and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Lease Assets		
Operating lease right-of-use asset (net)	\$ 80,188	\$ 69,759
Lease Liabilities		
Operating lease liabilities at December 31	\$ 80,188	\$ 69,759
Less current portion	(36,913)	(30,126)
Operating lease liabilities	\$ 43,275	\$ 39,633

Total lease costs were as follows:

Operating lease cost	\$ 39,060	\$ 38,460
Weighted-average remaining lease term – months	<u>26</u>	<u>29</u>
Weighted-average discount rate	<u>3.32%</u>	<u>2.51%</u>

Future minimum payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

For the Year Ending December 31,	Principle	Interest	Total
2025	\$ 36,913	\$ 2,147	\$ 39,060
2026	31,865	1,015	32,880
2027	11,410	190	11,600
Totals	<u>\$ 80,188</u>	<u>\$ 3,352</u>	<u>\$ 83,540</u>

(13) Accrued Liabilities

Accrued liabilities at December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Payroll liabilities	\$ 178,080	\$ 153,212
Accrued interest payable	<u>343</u>	<u>376</u>
	<u>\$ 178,423</u>	<u>\$ 153,588</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

(14) Long-term Debt

Long-term debt at December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Two notes payable to Rural Housing Service, due in monthly installments of \$3,150 and \$501, including interest at 1.00%, secured by real estate, final payments due October 2035.	\$ 410,151	\$ 449,647
Note payable to an auto finance company, interest 3.9%. payments due in monthly installments of \$975, Final payment due October 2029; secured by a vehicle.	<u>48,584</u>	<u> </u>
Total debt	458,735	449,647
Less current installments on long-term debt	<u>(49,769)</u>	<u>(39,496)</u>
Non-current portion of long-term debt	<u>\$ 408,966</u>	<u>\$ 410,151</u>

Approximate maturities of long-term debt are summarized as follows:

<u>For the Year Ending December 31, _</u>	<u>Approximate Amount</u>
2025	\$ 49,769
2026	50,562
2027	51,373
2028	52,206
2029	48,186
2030 – thereafter	<u>206,639</u>
	<u>\$ 458,735</u>

Interest expense on these notes for the years ended December 31, 2024 and 2023 was \$4,858 and \$4,676, respectively.

(15) Line of Credit

QACAA has a \$300,000 line of credit. The line of credit matures on October 25, 2025, and was secured by a continuing security interest in all property. As of December 31, 2024 and 2023, there was no outstanding balance on the line of credit.

(16) Subsequent Events

Subsequent events have been evaluated through June 25, 2025, the date the financial statements were available to be issued.

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head: Wallace Sibley, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 166,214
Benefits - insurance	6,486
Benefits - retirement	8,311
Reimbursements	164
Travel	686
Per diem	146
Cell phone	1,159

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health and Human Services</u>				
Head Start Cluster				
Direct Programs:				
Head Start (Fy 11-30-24)	93.600	06CH011867-04	\$	\$ 1,471,765
Head Start (Fy 11-30-25)	93.600	06CH011867-05		89,639
Total Head Start Cluster				<u>1,561,404</u>
Passed through Louisiana Workforce Commission				
Community Services Block Grant	93.569	2024N0026, 2025N0026		1,320,015
Passed through Louisiana Housing Corporation				
Low-Income Home Energy Assistance Program	93.568	Unknown		5,220,946
Low-Income Home Energy Assistance Program - Weatherization (Fy 6-30-24)	93.568	Unknown		1,820,244
Low-Income Home Energy Assistance Program - Weatherization (Fy 6-30-25)	93.568	Unknown		<u>817,653</u>
Total U.S. Department of Health and Human Services				<u>10,740,262</u>
<u>U.S. Department of Energy</u>				
Passed through Louisiana Housing Corporation				
Weatherization Assistance for Low-Income Persons (Fy 6-30-24)	81.042	Unknown		471,616
Weatherization Assistance for Low-Income Persons (Fy 6-30-25)	81.042	Unknown		<u>893,140</u>
Total U.S. Department of Energy				<u>1,364,756</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024
(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>The Corporation For National Service</u>				
Foster Grandparent / Senior Companion Cluster				
Direct Programs:				
Americorps Seniors Foster Grandparent Program (FGP) (Fy 6-30-24)	94.011	24SF234322		318,594
Americorps Seniors Foster Grandparent Program (FGP) (Fy 6-30-25)	94.011	25SF234322		214,080
Total Foster Grandparent / Senior Companion Cluster				<u>532,674</u>
Passed through YouthBuild USA				
Americorps State and National	94.006	Unknown		<u>56,503</u>
Total Corporation For National Service				<u>589,177</u>
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Farm Labor Housing Loans and Grants	10.405	Unknown		410,151
Rural Rental Assistance Payments	10.427	Unknown		323,647
Passed through Louisiana Department of Education				
Child and Adult Care Food Program (CACFP)	10.558	Unknown		<u>171,080</u>
Total U.S. Department of Agriculture				<u>904,878</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024
(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Labor</u>				
Direct Programs:				
YouthBuild	17.274	YB-34294-19-60-A-22		480,139
Total U.S. Department of Labor		YB-38219-22-60-A-22		480,139
 Total federal expenditures			\$	\$ 14,079,212

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of QUAD Area Community Action Agency, Inc. under programs of the federal government for the year ended December 31, 2024. 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 QUAD Area Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of QUAD Area Community Action Agency, Inc.

NOTE B: Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) QUAD Area Community Action Agency, Inc. does not utilize an indirect cost rate.

NOTE C: Loan Balances Outstanding

Loan balance outstanding at December 31, 2024, for the Farm Labor Housing Loan, CFDA #10.405, totaled \$410,151.

COOK & MOREHART

Certified Public Accountants

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Report on Internal Control Over Financial Reporting and 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
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

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 (*Government Auditing Standards*), the financial statements of Quad Area Community Action Agency, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 June 25, 2025. Our report includes a reference to other auditors who audited the financial statements of LaPosada Apartments, RHS Project, a project owned by Quad Area Community Action Agency, Inc., as described in our report on Quad Area Community Action Agency, Inc.'s financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Quad Area Community Action Agency Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Quad Area Community Action Agency, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Quad Area Community Action Agency, 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quad Area Community Action Agency, 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 financial statements. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
June 25, 2025

COOK & MOREHART

Certified Public Accountants

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

Independent Auditor's Report

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Quad Area Community Action Agency, Inc.'s, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Quad Area Community Action Agency's major federal programs for the year ended December 31, 2024. Quad Area Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Quad Area Community Action Agency, Inc. complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Quad Area Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Quad Area Community Action Agency Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Quad Area Community Action Agency, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Quad Area Community Action Agency Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Quad Area Community Action Agency Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Quad Area Community Action Agency Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Quad Area Community Action Agency Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Quad Area Community Action Agency Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive, flowing style.

Cook & Morehart
Certified Public Accountants
June 25, 2025

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
December 31, 2024

There were no findings for the prior year audit for the year ended December 31, 2023.

Schedule of Findings and Questioned Costs
December 31, 2024

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified :	_____	yes	<u>✓</u>	no
Significant deficiencies identified :	_____	yes	<u>✓</u>	none reported

Noncompliance material to financial statements noted : _____ yes ✓ no

Federal Awards

Internal control over major programs :

Material weaknesses identified :	_____	yes	<u>✓</u>	no
Significant deficiencies identified :	_____	yes	<u>✓</u>	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 :

Low-Income Home Energy Assistance Program AL# 93.568
Head Start Program AL# 93.600

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 Programs Audit - None

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2024

There were no findings or questioned costs for the prior year audit period ended December 31, 2023.

Corrective Action Plan for Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2024

There are no findings or questioned costs for the current year audit period ended December 31, 2024.

COOK & MOREHART

Certified Public Accountants

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CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Quad Area Community Action Agency's management is responsible for those C/C areas identified in the SAUPs.

Quad Area Community Action Agency has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledges that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

2) *Board or Finance Committee*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

3) *Bank Reconciliations*

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that;

- i) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- ii) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.
- iii) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed, noted the following exception:

Exception: No evidence that management has researched the reconciling items that have been outstanding for more than 12 months from the statement closing date. There were 10 checks totaling \$1,760.

4) Collections (excluding electronic funds transfers)

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

7) Travel and Expense Reimbursement (excluding card transactions)

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

8) Contracts

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

9) Payroll and Personnel

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

10) Ethics

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

11) Debt Service

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

12) Fraud Notice

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

13) Information Technology Disaster Recovery/Business Continuity

No testing required in year 2.

14) Prevention of Sexual Harassment

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

We were engaged by Quad Area Community Action Agency, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Quad Area Community Action Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Cook & Morehart
Certified Public Accountants
June 25, 2025



QUAD AREA COMMUNITY ACTION AGENCY, INC.
45300 NORTH BAPTIST ROAD
HAMMOND, LOUISIANA 70401

Wallace Sibley
Executive Director

Phone (225) 567-2350
Fax (225) 567-2630
quadarea@i-55.com

June 25, 2025

Cook & Morehart, CPAs
1215 Hawn Avenue
Shreveport, LA 71107

Quad Area Community Action Agency submits the following response to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2024.

Exception: There was no documentation that management had researched reconciling items outstanding for more than 12 months.

Management's Response: Management will document the research for outstanding items for more than 12 months.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wallace Sibley".

Wallace Sibley
Executive Director