

**Caddo Community Action Agency, Inc.
Shreveport, Louisiana**

Financial Statements

For the Years Ended January 31, 2018 and 2017

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	
For the Year Ended January 31, 2018	4
For the Year Ended January 31, 2017	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 13
Combining Schedules:	
Combining Schedule of Financial Position	14
Combining Schedule of Activities	15
Other Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	16
Schedule of Expenditures of Federal Awards	17 – 18
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	19 – 20
Report on Compliance For Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance	21 – 22
Summary Schedule of Prior Audit Findings	23
Schedule of Findings and Questioned Costs	24
Schedules for Louisiana Legislative Auditor:	
Summary Schedule of Prior Audit Findings	25
Summary Schedule of Current Year Audit Findings	25

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Independent Auditors' Report

To the Board of Directors
Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Caddo Community Action Agency, Inc. (a nonprofit organization), which comprise the statements of financial position as of January 31, 2018 and 2017, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Caddo Community Action Agency, Inc., as of January 31, 2018, and 2017, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information schedules shown on page 14 - 16 are presented for the purpose of additional analysis and are not a required part of the financial statements of Caddo Community Action Agency, Inc. The accompanying schedule of expenditures of federal awards, shown on pages 17 - 18, 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. 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 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 July 24, 2018, on our consideration of Caddo 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 Caddo 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 Caddo Community Action Agency, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
July 24, 2018

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statements of Financial Position
January 31, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash	\$ 253,005	\$ 286,489
Grant receivables	655,995	209,415
Other receivables		192,000
Prepaid insurance	118,844	51,839
Total current assets	1,027,844	739,743
Property and Equipment:		
Property and equipment	14,336,757	14,203,372
Accumulated depreciation	(7,912,626)	(7,409,726)
Net property and equipment	6,424,131	6,793,646
Total Assets	\$ 7,451,975	\$ 7,533,389
Liabilities and Net Assets (Deficit)		
Current liabilities:		
Accounts payable	\$ 399,859	\$ 402,376
Accrued liabilities	421,755	321,472
Line of credit	129,220	
Capital lease, current portion	57,099	47,268
Notes payable, current portion	81,460	145,046
Total current liabilities	1,089,393	916,162
Capital lease, less current portion	194,869	169,955
Total liabilities	1,284,262	1,086,117
Net assets (deficit):		
Unrestricted:		
Operating	(58,894)	(96,979)
Designated	52,200	39,307
Fixed assets	6,090,704	6,431,377
Temporarily restricted	83,703	73,567
Total net assets (deficit)	6,167,713	6,447,272
Total Liabilities and Net Assets (Deficit)	\$ 7,451,975	\$ 7,533,389

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended January 31, 2018

	Unrestricted	Temporarily Restricted	Total
Revenues:			
Contractual revenue - grants	\$ 16,273,692	\$ 83,703	\$ 16,357,395
Miscellaneous revenues	98,982		98,982
Net assets released from restrictions:			
Satisfaction of restrictions	73,567	(73,567)	
Total revenues	16,446,241	10,136	16,456,377
 Expenses:			
Program expenses			
Head Start program	10,802,493		10,802,493
Child care food program	1,031,600		1,031,600
Community services	601,253		601,253
Weatherization assistance	553,949		553,949
Home energy assistance	1,963,984		1,963,984
Emergency food and shelter	35,960		35,960
Other general services	155,859		155,859
General and Administrative expense	1,590,838		1,590,838
Total expenses	16,735,936		16,735,936
Changes in net assets	(289,695)	10,136	(279,559)
Net assets as of beginning of year	6,373,705	73,567	6,447,272
Net assets as of end of year	\$ 6,084,010	\$ 83,703	\$ 6,167,713

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended January 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenues:			
Contractual revenue - grants	\$ 16,874,722	\$ 73,567	\$ 16,948,289
Miscellaneous revenues	312,746		312,746
Net assets released from restrictions:			
Satisfaction of restrictions	155,928	(155,928)	
Total revenues	17,343,396	(82,361)	17,261,035
 Expenses:			
Program expenses			
Head Start program	10,391,161		10,391,161
Child care food program	1,202,963		1,202,963
Community services	660,462		660,462
Weatherization assistance	551,635		551,635
Home energy assistance	1,983,230		1,983,230
Emergency food and shelter	11,040		11,040
Other general services	542,062		542,062
General and Administrative expense	1,544,029		1,544,029
Total expenses	16,886,582		16,886,582
Changes in net assets	456,814	(82,361)	374,453
Net assets as of beginning of year	5,916,891	155,928	6,072,819
Net assets as of end of year	\$ 6,373,705	\$ 73,567	\$ 6,447,272

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended January 31, 2018 and 2017

	2018	2017
Operating activities		
Changes in net assets	\$ (279,559)	\$ 374,453
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	504,489	438,195
(Increase) decrease in operating activities:		
Grant receivables	(446,580)	339,407
Other receivables	192,000	(192,000)
Prepaid insurance	(67,005)	100,926
Increase (decrease) in operating liabilities:		
Accounts payable	(32,232)	(186,641)
Accrued liabilities	100,283	(14,877)
Net cash provided by (used in) operating activities	(28,604)	859,463
Investing Activities		
Payments for property and equipment	(24,499)	(270,779)
Net cash (used in) investing activities	(24,499)	(270,779)
Financing Activities		
Advances on line of credit	130,000	80,000
Repayments on line of credit	(780)	(140,000)
Proceed on loan	94,219	
Payments on capital lease	(46,015)	
Payments on loans	(157,805)	(529,183)
Net cash provided by (used in) financing activities	19,619	(589,183)
Net (decrease) in cash	(33,484)	(499)
Cash as of beginning of year	286,489	286,988
Cash as of end of year	\$ 253,005	\$ 286,489

Supplemental disclosure:

Cash paid for interest during the years ended January 31, 2018 and 2017 was \$14,821 and \$19,343, respectively.

Non-cash investing and financing activities:

Acquisition of equipment		
Cost of equipment	\$ 134,974	\$ 747,618
Acquisition of equipment through capital lease	(80,760)	\$ (217,223)
Trade account payable	(29,715)	(259,616)
	\$ 24,499	\$ 270,779

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2018 and 2017

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Caddo Community Action Agency, Inc., (CCAA) is a private non-profit organization incorporated under the laws of the State of Louisiana. CCAA is governed by a Board of Directors composed of members from Caddo Parish. CCAA operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Caddo Parish, Louisiana, with Weatherization Services also provided in Rapides and Lincoln parishes. CCAA administers the following programs, shown with their approximate percentage of revenues for the year ended January 31, 2018:

Head Start Program (69%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided through federal funds from the U. S. Department of Health and Human Services.

Child Care Food Program (8%) – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

Community Services Block Grant (6%) – Administers various programs to fulfill responsibilities and provide assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the Louisiana Workforce Commission.

Weatherization Assistance Program (4%) – Provides assistance to weatherize (insulate) the dwellings of low-income persons, particularly the elderly and handicapped low-income in order to conserve needed energy and aid those persons least able to afford higher utility costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

Home Energy Assistance Program (13%) – Provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

Shreveport Water Assistance Program – Provides assistance to hardship families in paying their water bills. Funding is provided by a contract with the City of Shreveport.

B. Basis of Accounting

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

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2018 and 2017
(Continued)

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

CCAA 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 CCAA's tax-exempt purpose is subject to taxation as unrelated business income. CCAA had no such income for this audit period. CCAA's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended January 31, 2015, 2016, 2017, and 2018 are subject to examination by the IRS, generally for 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 purposes of the Statement of Cash Flows, CCAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. CCAA had no cash equivalents at January 31, 2018 or January 31, 2017.

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 primarily the straight-line method. 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. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency. CCAA has adopted a policy to capitalize all items with a unit cost of \$1,000 or greater.

H. Retirement Obligations

CCAA offers a 401(k) profit sharing plan for its employees. Employees with at least three months of service may contribute a portion of their gross wages up to a dollar limit which is set by law. Each year CCAA determines the percentage of an employee's compensation it will contribute to the plan. For the year ended January 31, 2018, the contribution was 2% of eligible wages. The amount contributed to the plan for the years ended January 31, 2018 and 2017 was \$170,957 and \$176,555, respectively.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2018 and 2017
(Continued)

I. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

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

J. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

K. Compensated Absences

Employees may accrue annual leave up to 21 days. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 15 days. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

(2) Concentrations of Credit Risk

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 January 31, 2018 and 2017, CCAA had no significant concentrations of credit risk in relation to grant receivables.

CCAA maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At January 31, 2018, total cash balances held at financial institutions was \$384,370. Of this amount, \$252,927 was secured by FDIC, and the remaining \$131,443 was collateralized by pledged securities. At January 31, 2017, total cash balances held at financial institutions was \$345,942. Of this amount, \$253,212 was secured by FDIC, and the remaining \$92,730 was collateralized by pledged securities.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at January 31, 2018 and 2017, but received after those dates.

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2018 and 2017
 (Continued)

(4) Property and Equipment

Property and equipment consisted of the following at January 31, 2018:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 8,551,131	\$ 82,493	\$ 8,633,624
Land		361,891		361,891
Furniture, fixtures, equipment	5-10 years	3,191,531	317,595	3,509,126
Vehicles	5 years	1,718,688	53,428	1,772,116
Idle Property			60,000	60,000
Accumulated depreciation		(7,762,476)	(150,150)	(7,912,626)
Net investment in property and equipment		<u>\$ 6,060,765</u>	<u>\$ 363,366</u>	<u>\$ 6,424,131</u>

Property and equipment consisted of the following at January 31, 2017:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 8,551,131	\$ 82,493	\$ 8,633,624
Land		361,891		361,891
Furniture, fixtures, equipment	5-10 years	3,138,906	236,835	3,375,741
Vehicles	5 years	1,718,688	53,428	1,772,116
Idle Property			60,000	60,000
Accumulated depreciation		(7,315,308)	(94,418)	(7,409,726)
Net investment in property and equipment		<u>\$ 6,455,308</u>	<u>\$ 338,338</u>	<u>\$ 6,793,646</u>

Depreciation expense was \$504,489 and \$438,195 for the years ended January 31, 2018 and 2017, respectively.

(5) Accrued Liabilities

Accrued liabilities at January 31, 2018 and 2017 consisted of the following:

	2018	2017
Accrued payroll	\$ 315,008	\$ 270,832
Accrued leave	83,611	26,991
Payroll taxes payable	23,136	23,649
	<u>\$ 421,755</u>	<u>\$ 321,472</u>

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2018 and 2017
 (Continued)

(6) Contractual Revenue – Grants

During the years ended January 31, 2018 and 2017, CCAA received contractual revenue from federal, state, and local grants in the amount of \$16,357,395 and \$16,948,289, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(7) Operating Leases

The agency leases several buildings and certain equipment under operating leases. The rental costs on these items for the years ended January 31, 2018 and 2017 were \$83,374 and \$126,323, respectively. The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending January 31,	
2019	58,232
2020	52,332
2021	49,082
2022	18,961
	<u>\$ 178,607</u>

(8) Temporarily Restricted Net Assets

Amounts shown as temporarily restricted net assets at January 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Home energy assistance program	\$ 83,703	\$ 73,567

(9) Designated Net Assets

Designated net assets at January 31, 2018 and 2017 consist of funds designated to be used for the following:

	<u>2018</u>	<u>2017</u>
Emergency Aid Services	\$ 23,683	\$ 28,539
Weatherization Program	28,517	10,768
	<u>\$ 52,200</u>	<u>\$ 39,307</u>

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2018 and 2017
 (Continued)

(10) Capital Leases - Equipment

Caddo Community Action Agency, Inc. leased several copiers during the years ended January 31, 2018 and 2017 under capital leases. The leases qualified as capital leases for accounting purposes. The assets were depreciated over their estimated productive lives. Depreciation of assets under these capital leases was included in depreciation expense for the years ended January 31, 2018 and 2017. Interest has been imputed at a rate of 3.44%, and Caddo Community Action Agency, Inc. will make monthly payments through 2023.

	2018	2017
Copiers	\$ 297,983	\$ 217,223
Less: accumulated depreciation	(48,829)	
Property held under capital leases, net	\$ 249,154	\$ 217,223

Minimum future lease payments under capital leases as of January 31, 2018 are as follows:

Year Ending <u>January 31,</u>	
2019	\$ 64,872
2020	64,872
2021	64,872
2022	64,872
2023	11,462
Total minimum lease payments	\$ 270,950
Less amounts representing interest	(18,982)
Present value of minimum lease payments	251,968
Less current portion	(57,099)
	\$ 194,869

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2018 and 2017
 (Continued)

(11) Line of Credit

Caddo Community Action Agency, Inc. entered into an agreement for a revolving line of credit for \$250,000. Interest rate was 4.90% over prime. The line of credit was renewed in October, 2017, in the amount of \$500,000, with a variable interest rate of 2.93% over prime. Interest rate at January 31, 2018 and 2017 was 7.43% and 8.89%, respectively. At January 31, 2018 and 2017, the balance on the line of credit was \$129,220 and \$0, respectively. Interest expense incurred under the line of credit for the years ended January 31, 2018 and 2017 was \$3,870 and \$3,598, respectively. Collateral for the line of credit is certain real estate owned by the agency.

(12) Long-term debt

Long-term debt at January 31, 2018 and 2017 consisted of the following:

	2018	2017
Note payable to a bank, due September 28, 2017, With an interest rate of 2.74% over prime rate, secured by pledge of collateral mortgage note.	\$	\$ 145,046
Note payable to a bank, due January 1, 2019 with an interest rate of 6.45% secured by certain real estate owned by the agency.	81,460	
Less current installments on long-term debt	(81,460)	(145,046)
	\$	\$

Total interest expense incurred on the loan for the years ended January 31, 2018 and 2017 was \$3,829 and \$15,745, respectively.

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

For the Year Ending January 31,	Approximate Amount
2019	\$ 81,460

(13) Subsequent Events

Subsequent events have been evaluated through July 24, 2018, the date the financial statements were available to be issued.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Financial Position
January 31, 2018

	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Water Assistance	Other General Services	Total
Assets								
Current assets:								
Cash	\$ 68,610	\$	\$ 2,118	\$ 29,764	\$ 65,241	\$ 17,361	\$ 69,911	\$ 253,005
Grant receivables	392,841	111,450	44,527	88,715	18,462			655,995
Prepaid insurance	118,844							118,844
Due from other funds							30,000	30,000
Total current assets	580,295	111,450	46,645	118,479	83,703	17,361	99,911	1,057,844
Property and equipment:								
Property and equipment	13,604,352		14,717	176,924	21,666		519,098	14,336,757
Accumulated depreciation	(7,543,587)		(14,717)	(176,924)	(21,666)		(155,732)	(7,912,626)
Net property & equipment	6,060,765						363,366	6,424,131
Total Assets	\$ 6,641,060	\$ 111,450	\$ 46,645	\$ 118,479	\$ 83,703	\$ 17,361	\$ 463,277	\$ 7,481,975
Liabilities and Net Assets (Deficit)								
Current liabilities:								
Accounts payable	\$ 233,553	\$ 111,450	\$ 5,118	\$ 49,738	\$	\$	\$	\$ 399,859
Accrued liabilities	346,741		41,527	10,224			23,263	421,755
Due to other funds				30,000				30,000
Line of credit							129,220	129,220
Current portion of capital lease							57,099	57,099
Current portion of note payable	81,460							81,460
Total current liabilities	661,754	111,450	46,645	89,962			209,582	1,119,393
Capital lease, less current portion							194,869	194,869
Net assets (deficit):								
Unrestricted:								
Operating						17,361	(76,255)	(58,894)
Designated				28,517			23,683	52,200
Fixed assets	5,979,306						111,398	6,090,704
Temporarily restricted					83,703			83,703
Total net assets (deficit)	5,979,306			28,517	83,703	17,361	58,826	6,167,713
Total Liabilities and Net Assets (Deficit)	\$ 6,641,060	\$ 111,450	\$ 46,645	\$ 118,479	\$ 83,703	\$ 17,361	\$ 463,277	\$ 7,481,975

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Activities
For the Year Ended January 31, 2018

	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Water Assistance	Other General Services	Total
Revenues								
Contractual revenue - grants	\$ 11,460,071	\$ 1,249,295	\$ 863,272	\$ 574,747	\$ 2,146,302	\$ 15,886	\$ 47,822	\$ 16,357,395
Miscellaneous revenues				20,000			78,982	98,982
Total revenues	11,460,071	1,249,295	863,272	594,747	2,146,302	15,886	126,804	16,456,377
Expenses								
Program								
Salaries	6,187,125	445,880	398,351	162,796			8,328	7,202,480
Fringe benefits	1,555,118	123,046	104,996	41,603			738	1,825,501
Travel	37,310							37,310
Equipment	149,703	65,435	1,067	1,693			103	218,001
Occupancy	388,086		21,197				5,326	414,609
Telephone	117,563		7,621				820	126,004
Insurance	198,806		2,556	5,108				206,470
Vehicle operation	232,962		19,955	33,965				286,882
Supplies	236,420	51,764	4,412	122,859			1,253	416,708
Professional services	706,900			157,160				864,060
Food and related supplies	238,445	345,475						583,920
Miscellaneous	302,353		3,479	27,882			80,926	414,640
Client assistance payments			37,619		1,963,984		35,960	2,037,563
Interest expense	3,829						10,992	14,821
Depreciation	447,873			883			47,373	496,129
Total program	10,802,493	1,031,600	601,253	553,949	1,963,984		191,819	15,145,098
General and Administrative								
Salaries	704,897	114,429	165,227	16,561	106,487			1,107,601
Fringe benefits	115,534	31,560	46,979	5,016	16,976			216,065
Travel			927	930				1,857
Equipment	11,322		581		2,791	141		14,835
Occupancy	56,269		5,490					61,759
Telephone	19,347		9,893	10,112	7,349			46,701
Insurance			10,566		3,626			14,192
Vehicle operation			4,854					4,854
Supplies	13,753		3,988	1,576	9,693	449		29,459
Professional services			4,419		15,856			20,275
Miscellaneous	25,943		5,188	7,337	5,024	21,388		64,880
Depreciation							8,360	8,360
Total general and administrative	947,065	145,989	258,112	41,532	167,802	21,978	8,360	1,590,838
Total expenses	11,749,558	1,177,589	859,365	595,481	2,131,786	21,978	200,179	16,735,936
Change in net assets	(289,487)	71,706	3,907	(734)	14,516	(6,092)	(73,375)	(279,559)
Net assets, beginning of year	6,309,378	(71,706)		31,367	73,567	24,456	80,210	6,447,272
Transfers	(40,585)		(3,907)	(2,116)	(4,380)	(1,003)	51,991	
Net assets, end of year	\$ 5,979,306	\$	\$	\$ 28,517	\$ 83,703	\$ 17,361	\$ 58,826	\$ 6,167,713

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended January 31, 2018

Agency Head: Laurance Guidry, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 162,729
Benefits - insurance	6,067
Benefits - retirement	3,255
Cell phone	824
Reimbursements	15

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended January 31, 2018

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Pass through Louisiana Department of Education: Child and Adult Care Food Program (Head Start)	10.558	N/A	<u> </u>	\$ 1,177,589
<u>U.S. Department of Energy</u>				
Pass through Louisiana Housing Corporation: Weatherization Assistance for Low-Income Persons (FY 9-30-17)	81.042	N/A	<u> </u>	21,816
Weatherization Assistance for Low-Income Persons (FY 9-30-18)	81.042	N/A	<u> </u>	75,180
Total Department of Energy			<u> </u>	<u>96,996</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	Unknown	<u> </u>	35,500
<u>U.S. Department of Health and Human Services</u>				
Passed through Caddo Parish Commission: Head Start	93.600	06CH010435-02	212,375	11,487,771
477 Cluster				
Passed through Louisiana Workforce Commission: Community Services Block Grant	93.569	2016N0036 & 2017N0036	<u> </u>	841,640
Total 477 Cluster			<u> </u>	<u>841,640</u>
Pass through Louisiana Housing Corporation:				
Home Energy Assistance Program	93.568	N/A	<u> </u>	2,136,166
Weatherization Assistance for Low-Income Persons (FY 09-30-17)	93.568	N/A	<u> </u>	236,149
Weatherization Assistance for Low-Income Persons (FY 09-30-18)	93.568	N/A	<u> </u>	240,284
Total Department of Health and Human Services			<u>212,375</u>	<u>14,942,010</u>
Total Federal Expenditures			<u><u>\$ 212,375</u></u>	<u><u>\$ 16,252,095</u></u>

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

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2018

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Caddo Community Action Agency, Inc. under programs of the federal government for the year ended January 31, 2018. 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 Caddo Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Caddo Community Action Agency, 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) Caddo Community Action Agency Inc. does not utilize an indirect cost rate.

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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
Caddo Community Action Agency, Inc.
Shreveport, 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, the financial statements of Caddo Community Action Agency, Inc., (a nonprofit organization), which comprise the statement of financial position as of January 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Caddo Community Action Agency 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 Caddo Community Action Agency, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Caddo 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo 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 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
July 24, 2018

COOK & MOREHART

Certified Public Accountants

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

Independent Auditors' Report

To the Board of Directors
Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Caddo Community Action Agency, Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Caddo Community Action Agency Inc.'s major federal programs for the year ended January 31, 2018. Caddo 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.

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 each of Caddo Community Action Agency, Inc.'s major federal programs 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 Caddo Community Action Agency, 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 each major federal program. However, our audit does not provide a legal determination of Caddo Community Action Agency, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Caddo 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 January 31, 2018.

Report on Internal Control Over Compliance

Management of Caddo Community Action Agency, 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 Caddo Community Action Agency, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Caddo Community Action Agency, 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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
July 24, 2018

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Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
January 31, 2018

BOARD OF DIRECTORS

Rev. Cleonies Odom
Chairperson

Carolyn Larkins
Vice-Chairperson

Gloria C. Daniels
Secretary

Raymond Williams
Sergeant-at-Arms

Reginald King
Parliamentarian

Erica Bryant

Edward J. Caesar

Georgia Castleberry

Stormy Gage-Watts

Rev. Johnnie Henderson

Lyndon B. Johnson

Cynthia Poindexter-Barkschat

Shirley Roque

Bessie D. Smith

Judge Shonda D. Stone

Rev. Claude White, Sr.

Damecoyn Woodley

In Memoriam

Jerry "Tim" Brooks

Eddie D. Jones

Willie "Dee" Smith

Hersey D. Wilson

2017-001 - Finding

As discussed at Finding 2017-002, expenditures exceeded budgeted amounts for the contract period ending January 31, 2017, resulting in those expenditures over the budgeted amount being paid with non-federal resources. See current status noted below in Finding 2017-002.

2017-002 - Significant Deficiency

United States Department of Health and Human Services – Head Start Program - CFDA 93.600

Statement of Condition – Significant Deficiency: Expenditures exceeded budgeted amounts for the contract period ending January 31, 2017, resulting in those expenditures over the budgeted amount being paid with non-federal resources.

Recommendation: We recommend that the agency monitor the comparison of expenditures with budgeted amounts on a monthly basis, including projections to the end of each contract period, and make necessary adjustments to the budget on a current, on-going basis.

Current Status: Corrective action was taken.

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Schedule of Findings and Questioned Costs
 January 31, 2018

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified : yes v no
 Significant deficiencies identified : yes v none reported

Noncompliance material to financial
 statements noted :

 yes v no

Federal Awards

Internal control over major programs :

Material weaknesses identified : yes v no
 Significant deficiencies identified : yes v 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 v no

Identification of major federal programs :

CFDA# 93.568 - Home Energy and Weatherization Assistance Program
 CFDA# 93.569 - Community Service Block Grant

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

Auditee qualified as low risk : v yes no

B. Findings – Financial Statements Audit: None.

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

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2018

There was one finding for the prior year audit period ended January 31, 2017, as described in the accompanying Summary Schedule of Prior Audit Findings.

Summary Schedule of Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2018

There are no findings for the current year audit period ended January 31, 2018.

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Caddo Community Action Agency, Inc.
Shreveport, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Caddo Community Action Agency, Inc. (CCAA) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period February 1, 2017 through January 31, 2018. Caddo Community Action Agency, Inc.'s (CCAA) management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

CCAA provided written policies and procedures addressing all of the above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The Board of Directors of CCAA met on the basis as set by board.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The minutes of the board of directors referenced and included budge to actual comparisons.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The minutes of the Board of Directors of CCAA did reference non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Bank reconciliations were prepared for each month examined.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

There was evidence of management or a board member review of the bank reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Not applicable

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The person responsible for collecting cash was insured under a blanket crime insurance policy. Each person responsible for collecting cash was not responsible for depositing cash in the bank, recording the related transaction, or reconciling the related bank account. Each person responsible for collecting cash was not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

CCAA has a formal process to reconcile cash collections to the general ledger and /or subsidiary ledgers, by a person who is not responsible for cash collections in the cash collection locations selected.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

For the week selected, deposits were processed within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

For the week selected, daily cash collections were completely supported by collection documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

CCAA has a process specifically defined to determine completeness of all collections by a person not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Management provided the requested information, along with management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchases selected for testing were initiated with purchase orders.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Purchase orders were approved by a person who did not initiate the purchase.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

CCAA's policy is that new vendors can only be added to the purchase/disbursement system after approval of the Fiscal Administrator. The Fiscal Administrator is not responsible for processing payments.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Person's with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Person's with signatory authority do not have access to print checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Persons with signatory authority do not use signature stamp or a signature machine. Checks are maintained under the control of an authorized user until mailed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

For each card selected for testing, there were attributes indicating that someone other than the authorized card holder reviewed and approved the monthly statements and supporting documents.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Exception: One of the ten statements selected for testing contained a late charge of \$27.00, and two of the ten statements selected for testing contained finance charges totaling \$117.76.

Management's Response: It is management's policy to pay all credit card balances by required due dates.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Transactions tested were supported by original itemized receipts.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Transactions tested contained documentation of business purpose.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No other documentation is required by CCAA's written credit card policy.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

We compared each transaction tested to the agency's written policies and public bid law. There were no exceptions noted.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

CCAA's documentation met the requirements of Article 7, Section 14.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Management provided the requested information, along with management's representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The rates established in the CCAA's policy do not exceed the GSA per diem or mileage rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

The reimbursements selected were supported with documentation in accordance with CCAA's written policies.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Expenses selected for testing contained receipts listing precisely what was purchased.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

The business purpose was documented on each invoice selected for testing.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Other documentation as required by CCAA's written policy was attached to items selected for testing.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

CCAA's documentation met the requirements of Article 7, Section 14.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

For each expense selected for testing, the expense and related documentation was reviewed and approved in writing by someone other than the person receiving reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Management provided the requested information, along with management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

There were formal, written contracts supporting the services arrangement and the amounts paid for the contracts selected for testing.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

The contracts selected were not subject to the Louisiana Public Bid Law or Procurement Code.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Exception: For three (3) of the five (5) the contracts selected for testing, CCAA did not solicit quotes as best practice. Those contracts were for professional services and janitorial services.

Management's Response: Management will solicit quotes as a best practice when deemed practical and feasible. Management complies with all funding source requirements regarding contracting.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

None of the contracts selected for testing were amended during the testing period.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The largest payment selected for testing from each of the five vendor contracts was supported by invoices that agreed with the terms of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Contracts selected for testing did not require board approval.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Payment was made in accordance with the terms of approved pay rates.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with the CCAA's written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

For transactions selected for testing, daily attendance and leave were documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Transactions selected for testing had evidence that supervisors approved the attendance and leave of the selected employees.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

For the transactions selected for testing, CCAA maintained written leave records.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Management provided the requested information, along with management's representation that the listing is complete.

For the two (2) transactions selected for testing, the termination benefits were made in accordance with CCAA's written procedures.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Employee and employer portions of payroll taxes and retirement contributions, as well as required reporting forms were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Not applicable to nonprofit organizations.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Not applicable to nonprofit organizations.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable to nonprofit organizations.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable to nonprofit organizations.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable to nonprofit organizations.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management is not aware of any misappropriation of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

CCAA has posted on its premises and website the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

We have not observed or identified any exceptions regarding management's representations in the above procedures.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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
July 24, 2018