

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

Financial Statements With Auditors' Report

As of and for the Years Ended December 31, 2020 and 2019

Quad Area Community Action Agency, Inc.
Hammond, 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 December 31, 2020	4
For the Year Ended December 31, 2019	5
Statements of Functional Expenses	
For the Year Ended December 31, 2020	6 – 7
For the Year Ended December 31, 2019	8 – 9
Statements of Cash Flows	10
Notes to Financial Statements	11 – 20
Other Supplementary Information	
Schedule of Compensation and Benefits Paid Agency Head	21
Schedule of Expenditures of Federal Awards	22 – 24
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>	25 – 26
Report on Compliance for Each Major Program and on Internal Control over over Compliance Required by the Uniform Guidance	27 – 28
Summary Schedule of Prior Audit Findings	29
Schedule of Findings and Questioned Costs	29
Schedules for the Louisiana Legislative Auditor:	
Summary Schedule of Prior Audit Findings	30
Corrective Action Plan of Current Year Audit Findings	30

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Quad Area Community Action Agency, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of LaPosada Apartments, RHS Project, a project owned by Quad Area Community Action Agency, Inc., which statements reflect total assets at December 31, 2020 and 2019 of \$1,441,462 and \$1,486,490 respectively, and the total support and revenues for the years ended December 31, 2020 and 2019 of \$274,204 and \$269,823 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. 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, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Quad Area Community Action Agency, Inc., as of December 31, 2020 and 2019, 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.

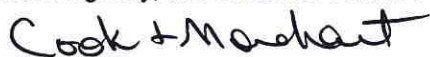
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information 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 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 June 29, 2021, on our consideration of 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 29, 2021

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 457,066	\$ 227,682
Grant receivables	462,812	684,786
Other receivables	3,865	3,263
Prepaid expenses	16,727	14,985
Total current assets	940,470	930,716
Restricted deposits and funded reserves	248,447	248,563
Property and equipment	6,974,838	6,875,357
Accumulated depreciation	(3,880,995)	(3,666,192)
Net property and equipment	3,093,843	3,209,165
Total Assets	\$ 4,282,760	\$ 4,388,444
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 171,790	\$ 245,524
Accrued liabilities	145,953	158,329
Current portion of long-term debt	81,400	72,800
Refundable advances	19,615	18,950
Total current liabilities	418,758	495,603
Deposits and prepayment liabilities:		
Tenant's security deposits	5,850	5,850
Long-term debt	946,904	1,050,339
Total liabilities	1,371,512	1,551,792
Net assets:		
With donor restrictions	186,581	148,522
Without donor restrictions	2,724,667	2,688,130
Total net assets	2,911,248	2,836,652
Total Liabilities and Net Assets	\$ 4,282,760	\$ 4,388,444

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, 2020

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Totals</u>
Revenues and Other Support:			
Contractual revenue - grants	\$ 12,499,372	\$ 38,644	\$ 12,538,016
Rents	37,776		37,776
Rental assistance subsidy	261,262		261,262
Fees earned	8,697		8,697
Miscellaneous revenues	103,042	47,055	150,097
Net assets released from restrictions:			
Satisfaction of restrictions	47,640	(47,640)	
 Total revenues and other support	 <u>12,957,789</u>	 <u>38,059</u>	 <u>12,995,848</u>
 Program expenses:			
Home energy assistance	4,239,082		4,239,082
Community services	2,226,641		2,226,641
Weatherization assistance	2,013,652		2,013,652
Head start program	1,388,954		1,388,954
Child care food program	121,501		121,501
Out of school youth program	102,047		102,047
Foster grandparents program	457,022		457,022
Rental housing project	192,029		192,029
VA Grant & Per Diem	596,590		596,590
Americorps	45,982		45,982
Youth Build	372,508		372,508
General services	52,031		52,031
Total program expenses	<u>11,808,039</u>		<u>11,808,039</u>
 General and Administrative expenses	 <u>1,113,213</u>		 <u>1,113,213</u>
 Total expenses	 <u>12,921,252</u>		 <u>12,921,252</u>
 Changes in net assets	 36,537	 38,059	 74,596
 Net assets, beginning of year	 <u>2,688,130</u>	 <u>148,522</u>	 <u>2,836,652</u>
 Net assets, end of year	 <u>\$ 2,724,667</u>	 <u>\$ 186,581</u>	 <u>\$ 2,911,248</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, 2019

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Totals</u>
Revenues and Other Support:			
Contractual revenue - grants	\$ 11,606,770	\$ 66,416	\$ 11,673,186
Rents	34,703		34,703
Rental assistance subsidy	255,817		255,817
Fees earned	6,662		6,662
Miscellaneous revenues	196,786	64,737	261,523
Net assets released from restrictions:			
Satisfaction of restrictions	<u>98,814</u>	<u>(98,814)</u>	
 Total revenues and other support	 <u>12,199,552</u>	 <u>32,339</u>	 <u>12,231,891</u>
Program expenses:			
Home energy assistance	4,202,681		4,202,681
Community services	976,856		976,856
Weatherization assistance	2,668,141		2,668,141
Head start program	1,226,032		1,226,032
Child care food program	192,203		192,203
Out of school youth program	89,606		89,606
Foster grandparents program	416,693		416,693
Rental housing project	184,720		184,720
VA Grant & Per Diem	487,051		487,051
Americorps	35,772		35,772
Youth Build	438,006		438,006
General services	<u>47,020</u>		<u>47,020</u>
Total program expenses	<u>10,964,781</u>		<u>10,964,781</u>
 General and Administrative expenses	 <u>1,084,561</u>		 <u>1,084,561</u>
 Total expenses	 <u>12,049,342</u>		 <u>12,049,342</u>
 Changes in net assets	 150,210	 32,339	 182,549
 Net assets, beginning of year	 <u>2,537,920</u>	 <u>116,183</u>	 <u>2,654,103</u>
 Net assets, end of year	 <u>\$ 2,688,130</u>	 <u>\$ 148,522</u>	 <u>\$ 2,836,652</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, 2020

	Program Services						
	Low-Income						
	Home	Community	Weatherization	Head	Child Care	Out of	Foster
	Energy	Services	Assistance	Start	Food Program	School Youth	Grandparents
	Assistance			Program			Program
Salaries	\$ 110,982	\$ 469,458	\$ 365,442	\$ 801,369	\$ 29,771	\$ 57,062	\$ 66,300
Fringe benefits	23,645	100,694	76,198	151,292	4,982	10,171	11,073
Travel	8,946	9,465	5,326	23,049			2,054
Space costs	3,780	111,082		161,054			
Telephone	4,888	31,072		15,291			
Administrative							
Operating and maintenance	81	115		50,911	679		
Insurance	319	60,381	5,825	30,159			
Equipment expenses		11,921					
Supplies	14,686	54,229	1,557,253	45,492	11,391	34,814	15,649
Professional services and contract labor		6,703	1,000	4,135	1,540		434
Food and related supplies				32,582	73,138		
Miscellaneous		2,444		19,108			29
Vehicle expenses							
Volunteer expenses							361,483
Client assistance payments	4,070,264	1,369,052					
Interest expense							
Depreciation expense	1,491	25	2,608	54,512			
Total Expenses	<u>\$ 4,239,082</u>	<u>\$ 2,226,641</u>	<u>\$ 2,013,652</u>	<u>\$ 1,388,954</u>	<u>\$ 121,501</u>	<u>\$ 102,047</u>	<u>\$ 457,022</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, 2020
(Continued)

Program Services

	Rental Housing Project	VA Grant & Per Diem	Americorps	Youth Build	General Services	Total Program	General and Administrative	Total 2020
Salaries	\$	\$ 254,458	\$ 20,797	\$ 216,095	\$	\$ 2,391,734	\$ 724,196	\$ 3,115,930
Fringe benefits		45,583	5,156	41,643		470,437	120,090	590,527
Travel		3,460		2,990		55,290	788	56,078
Space costs	41,874			11,352		329,142	17,838	346,980
Telephone		7,613		4,556		63,420	7,165	70,585
Administrative							89,223	89,223
Operating and maintenance	69,504	61,701				182,991	740	183,731
Insurance	23,348	22,634		19,658		162,324	3,063	165,387
Equipment expenses		11,087				23,008	8,597	31,605
Supplies		28,866	16,786	7,412		1,786,578	35,178	1,821,756
Professional services and contract labor		1,356		58,612		73,780	51,689	125,469
Food and related supplies		75,590				181,310	3,435	184,745
Miscellaneous			3,243	4,473		29,297	17,512	46,809
Vehicle expenses		1,784		2,563		4,347	9,064	13,411
Volunteer expenses						361,483		361,483
Client assistance payments					27,468	5,466,784		5,466,784
Interest expense	5,832	26,263				32,095	2,852	34,947
Depreciation expense	51,471	56,195		3,154	24,563	194,019	21,783	215,802
Total Expenses	\$ 192,029	\$ 596,590	\$ 45,982	\$ 372,508	\$ 52,031	\$ 11,808,039	\$ 1,113,213	\$ 12,921,252

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, 2019

	Program Services						
	Low-Income Home Energy Assistance	Community Services	Weatherization Assistance	Head Start Program	Child Care Food Program	Out of School Youth	Foster Grandparents Program
Salaries	\$ 123,162	\$ 364,257	\$ 433,914	\$ 776,655	\$ 28,850	\$ 65,845	\$ 64,050
Fringe benefits	28,690	83,136	88,808	165,397	4,869	9,572	9,835
Travel	7,507	11,729	27,201	52,369			2,644
Space costs	10,194	143,398		75,093		14,189	
Telephone	14,469	28,206		10,968			
Administrative							
Operating and maintenance	853				1,579		
Insurance	1,613	70,405	5,634	16,109			
Equipment expenses		2,881					
Supplies	4,763	45,507		45,419	24,349		6,736
Professional services and contract labor		24,753	2,259	5,785	2,400		7,340
Food and related supplies				4,305	130,156		
Miscellaneous	150	48,362		26,381			
Vehicle expenses							
Volunteer expenses							326,088
Client assistance payments	4,009,789	154,184	2,107,717				
Interest expense							
Depreciation expense	1,491	38	2,608	47,551			
Total Expenses	<u>\$ 4,202,681</u>	<u>\$ 976,856</u>	<u>\$ 2,668,141</u>	<u>\$ 1,226,032</u>	<u>\$ 192,203</u>	<u>\$ 89,606</u>	<u>\$ 416,693</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, 2019
(Continued)

Program Services

	Rental Housing Project	VA Grant & Per Diem	Americorps	Youth Build	General Services	Total Program	General and Adminstrative	Total 2019
Salaries	\$	\$ 209,763	\$ 20,199	\$ 222,662	\$	\$ 2,309,357	\$ 713,645	\$ 3,023,002
Fringe benefits		36,249	5,386	41,476		473,418	129,488	602,906
Travel		7,101	1,755	6,690		116,996	3,693	120,689
Space costs	40,699	784		1,115		285,472	21,610	307,082
Telephone		12,637		13,725		80,005	4,008	84,013
Administrative							83,592	83,592
Operating and maintenance	63,474	37,360				103,266	568	103,834
Insurance	22,866	4,031		5,211		125,869	2,334	128,203
Equipment expenses		3,203				6,084	21,260	27,344
Supplies		23,497	5,184	16,976		172,431	19,039	191,470
Professional services and contract labor		4,375		123,777		170,689	24,441	195,130
Food and related supplies		59,392				193,853	6,342	200,195
Miscellaneous		2,185	3,248			80,326	19,714	100,040
Vehicle expenses		2,222		3,483		5,705	9,918	15,623
Volunteer expenses						326,088		326,088
Client assistance payments					23,905	6,295,595		6,295,595
Interest expense	6,210	28,145				34,355	4,410	38,765
Depreciation expense	51,471	56,107		2,891	23,115	185,272	20,499	205,771
Total Expenses	\$ 184,720	\$ 487,051	\$ 35,772	\$ 438,006	\$ 47,020	\$ 10,964,781	\$ 1,084,561	\$ 12,049,342

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, 2020 and 2019

Operating Activities	2020	2019
Change in net assets	\$ 74,596	\$ 182,549
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	215,802	205,771
Gain on fixed asset disposal		(5,967)
(Increase) decrease in operating assets:		
Grant receivables	219,103	(375,747)
Other receivables	2,269	250
Prepaid expense	(1,742)	
Increase (decrease) in operating liabilities:		
Accounts payable	(73,734)	20,165
Accrued liabilities	(12,376)	2,873
Security deposit liability		99
Refundable advances	665	16,987
Net cash provided by operating activities	424,583	46,980
 Investing Activities		
Payments for property and equipment	(100,479)	(31,539)
Net cash (used) in investing activities	(100,479)	(31,539)
 Financing Activities		
Proceeds from line of credit	120,000	95,000
Repayments of line of credit	(120,000)	(95,000)
Proceeds from long-term debt		36,224
Repayments of long-term debt	(94,836)	(197,972)
Net cash (used) in financing activities	(94,836)	(161,748)
 Net increase (decrease) in cash, cash equivalents, and restricted cash	229,268	(146,307)
 Cash, cash equivalents, and restricted cash as of beginning of year	476,245	622,552
 Cash, cash equivalents, and restricted cash of end of year	\$ 705,513	\$ 476,245
 Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 457,066	\$ 227,682
Restricted cash	248,447	248,563
Cash, cash equivalents, and restricted cash, end of year	\$ 705,513	\$ 476,245
 Supplemental disclosures:		
Cash paid for interest	\$ 34,947	\$ 38,765
 Non-cash investing and financing transaction:		
Acquisition of property		
Cost of property and equipment, net of trade-ins	\$	\$ 77,758
Property and equipment loans		(36,224)
Trade account payable		(9,995)
Cash down payment for property and equipment	\$	\$ 31,539

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, 2020 and 2019

(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:

Home Energy Assistance (35%) – 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 (11%) – 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.

Community Services Block Grant Cares Act (9%) – Administers programs designed to provide mortgage and rental assistance, along with assistance of food vouchers for those that have been affected by COVID-19 and have been laid off from their job, and have applied or are receiving unemployment benefits. Funding is provided by federal funds passed through the Louisiana Workforce Commission.

Weatherization Assistance (16%) – 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 (10%) – 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 (1%) – 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 (4%) – 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, 2020 and 2019
(Continued)

VA Grant & Per Diem (4%) – Provides funding for acquisition and renovation of a building to create transitional housing that will provide 34 beds for homeless veterans. Funding is provided by federal funds from the Department of Veterans Affairs (VA) Homeless Providers Grant and Per Diem program.

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.

Out of School Youth (OSY) (1%) – To target high school aged children not enrolled in school and to ensure that all students have access to appropriate services based on identified needs. The program can help to determine services based on individual needs and provide a variety of services and opportunities to encourage and assist them in achieving their full potential. Funding is provided by federal funds passed through the Tangipahoa Parish Government.

United Way (1%) – 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 three 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.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019
(Continued)

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.

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, 2017, 2018, 2019, and 2020 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 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 2020 or 2019.

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

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019
(Continued)

I. Functional Allocation of Expenses

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

J. Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the rental housing project. At December 31, 2020 and 2019, 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, 2020, \$799,506 was held at financial institutions. Of this amount, \$590,211 was insured by the FDIC, and the remaining \$209,295 was uninsured. At December 31, 2019, \$696,519 was held at financial institutions. Of this amount, \$540,117 was insured by the FDIC, and the remaining \$156,402 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, 2020 and 2019, 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, 2020 and 2019, 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.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019
(Continued)

(5) Net Assets

Net assets at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 405,242	\$ 348,092
Net investment in property and equipment	<u>2,065,538</u>	<u>2,076,030</u>
Total undesignated net assets	<u>2,470,780</u>	<u>2,424,122</u>
Designated for Rental Housing Project	242,586	242,712
Designated for VA Grant and Per Diem Program	<u>11,301</u>	<u>21,296</u>
Total designated for use for programs	<u>253,887</u>	<u>264,008</u>
Total net assets without donor restrictions	<u>2,724,667</u>	<u>2,688,130</u>
Net Assets With Donor Restrictions:		
Subject to expenditures for specified purpose -		
Restricted for Liheap program	1,447	1,994
Restricted for West Feliciana program	40,605	34,754
Restricted for Veterans program	<u>144,529</u>	<u>111,774</u>
Total net assets with donor restrictions	<u>186,581</u>	<u>148,522</u>
Total Net Assets	<u>\$2,911,248</u>	<u>\$2,836,652</u>

(6) Contractual Revenue – Grants

During the years ended December 31, 2020 and 2019, QACAA received contractual revenue from federal and state grants in the amount of \$12,538,016 and \$11,673,186, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(7) 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, 2020 and 2019 was \$213,020 and \$213,020, respectively. The amount on hand at December 31, 2020 and 2019 was \$241,153 and \$240,188, respectively, which was funded. 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, 2020 and 2019 of \$7,294 and \$8,375, respectively.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019
(Continued)

(8) 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:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 457,066	\$ 227,682
Grant receivables	462,812	684,786
Other receivables	3,865	3,263
Cash restricted for deposits and funded reserves	248,447	248,563
Total financial assets	1,172,190	1,164,294
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(186,581)	(148,522)
Less designated assets which are designated for program use	(253,887)	(264,008)
Financial assets available to meet cash needs for		
General expenditures within one year	\$ 731,722	\$ 751,764

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 5, 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 positive cash generated by operations of \$424,583 and \$46,980 for fiscal years ending December 31, 2020 and 2019, respectively. QACAA also has a \$300,000 line of credit available to meet cash flow needs.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to the Financial Statements
December 31, 2020 and 2019
(Continued)

(9) Property and Equipment

An analysis of property and equipment at December 31, 2020 is as follows:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Building and improvements	20 - 30 years	\$ 2,740,213	\$ 1,010,263	\$ 3,750,476
La Pasada Apartment buildings	30 years	2,006,299		2,006,299
Land		31,500	100,250	131,750
Idle assets		8,550	14,323	22,873
Furniture and equipment	3 - 7 years	467,127	25,998	493,125
La Pasada furniture and equipment	3 - 7 years	33,106		33,106
Vehicles	3 - 5 years	455,007	82,202	537,209
Accumulated depreciation		<u>(3,100,170)</u>	<u>(780,825)</u>	<u>(3,880,995)</u>
Net investment in property and equipment		<u>\$ 2,641,632</u>	<u>\$ 452,211</u>	<u>\$ 3,093,843</u>

Depreciation expense for the year ended December 31, 2020 was \$215,802.

An analysis of property and equipment at December 31, 2019 is as follows:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Building and improvements	20 - 30 years	\$ 2,740,213	\$ 1,010,263	\$ 3,750,476
La Pasada Apartment buildings	30 years	2,006,299		2,006,299
Land		31,500	100,250	131,750
Idle assets		8,550	14,323	22,873
Furniture and equipment	3 - 7 years	468,125	25,998	494,123
La Pasada furniture and equipment	3 - 7 years	33,106		33,106
Vehicles	3 - 5 years	354,528	82,202	436,730
Accumulated depreciation		<u>(2,931,714)</u>	<u>(734,478)</u>	<u>(3,666,192)</u>
Net investment in property and equipment		<u>\$ 2,710,607</u>	<u>\$ 498,558</u>	<u>\$ 3,209,165</u>

Depreciation expense for the year ended December 31, 2019 was \$205,771.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019
(Continued)

(10) Leases

The agency leases certain buildings and equipment under operating leases. There are no purchase options or renewal terms contained in these leases. They can each be renewed based on the mutual agreement of both parties. Rental costs on these items for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Buildings	\$ 25,200	\$ 24,200
Equipment	35,080	29,396
	<u>\$ 60,280</u>	<u>\$ 53,596</u>

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

<u>For the Year Ending</u> <u>December 30,</u>	
2021	\$ 12,400
2022	3,600
2023	3,600
	<u>\$ 19,600</u>

(11) Accrued Liabilities

Accrued liabilities at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Payroll liabilities	\$ 144,300	\$ 156,644
Accrued interest payable	1,653	1,685
	<u>\$ 145,953</u>	<u>\$ 158,329</u>

(12) Partnership Investments

QACAA serves as the Managing General Partner for three 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%.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019
(Continued)

(13) Long-term Debt

Long-term debt at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Note payable with a bank dated January, 2010 payable in monthly payments of principal and interest as determined by bank; interest rate of 6.75%; loan renewed February, 2015, due in monthly installments of \$4,919; interest rate 5.25%; final payment due February, 2020; secured by real estate. Note was renewed March 5, 2020 with a maturity date of March, 2025, with monthly payments of \$4,839.	\$ 445,918	\$ 485,530
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.	565,795	603,743
Note payables to a bank, interest 5.25%; payments due in monthly installments of \$695, final payments due October 2024; secured by a vehicle.	16,591	33,866
Total Debt	1,028,304	1,123,139
Less current installments on long-term debt	(81,400)	(72,800)
Non-current portion of long-term debt	<u>\$ 946,904</u>	<u>\$ 1,050,339</u>

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

For the Year Ending December 31, <u> </u>	Approximate Amount
2021	\$ 81,400
2022	84,162
2023	79,367
2024	81,006
2025	332,111
2026 – thereafter	370,258
	<u>\$ 1,028,304</u>

Interest expense on these notes for the years ended December 31, 2020 and 2019 was \$34,947 and \$38,765, respectively.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019
(Continued)

(14) Line of Credit

QACAA has a \$300,000 line of credit. The line of credit will matured on October 14, 2021, and is secured by a continuing security interest in all property. As of December 31, 2020 and 2019, there was no outstanding balance on this line of credit.

(15) 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, 2020 and 2019 were \$137,190, and \$132,026, respectively.

(16) Subsequent Events

Subsequent events have been evaluated through June 29, 2021, the date the financial statements were available to be issued.

(17) Contingency

QUAD is a defendant in a lawsuit, the ultimate outcome of which is not presently determinable. An estimate of possible loss or range of loss cannot be reasonably estimated at this time.

(18) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonable estimated at this time.

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2020

Agency Head: Wallace Sibley, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 154,815
Benefits - insurance	1,715
Benefits - retirement	7,894
Per diem	78
Reimbursements	846
Conference travel	294
Car usage	3,063

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health and Human Services</u>				
Direct Programs:				
Head Start (Fy 11-30-20)	93.600	06CH010276-05-00		\$ 1,366,352
Head Start (Fy 11-30-21)	93.600	06CH0402-24		101,673
Covid-19 - Head Start Cares Act	93.600	06CH01027605C3		74,503
477 Cluster				
Passed through Louisiana Workforce Commission				
Community Services Block Grant	93.569	2020N0026, 2021N0026		1,419,585
Covid-19 - Community Services Block Grant Cares Act	93.569	2000507708		1,122,803
Total 477 Cluster				<u>2,542,388</u>
Passed through Louisiana Housing Corporation				
Low-Income Home Energy Assistance Program	93.568	Unknown		3,219,274
Covid-19 - Low-Income Home Energy Assistance Program Cares Act	93.568	Unknown		1,265,357
Weatherization Assistance Program (Fy 6-30-20)	93.568	Unknown		661,208
Weatherization Assistance Program (Fy 6-30-21)	93.568	Unknown		<u>1,007,516</u>
Total U.S. Department of Health and Human Services				<u>10,238,271</u>
<u>U.S. Department of Energy</u>				
Passed through Louisiana Housing Corporation				
Weatherization Assistance Program (Fy 6-30-20)	81.042	Unknown		244,575
Weatherization Assistance Program (Fy 6-30-21)	81.042	Unknown		<u>257,796</u>
Total U.S. Department of Energy				<u>502,371</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020
(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA 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:				
Foster Grandparent Program (Fy 6-30-20)	94.011	17SFWLA002		292,986
Foster Grandparent Program (Fy 6-30-21)	94.011	20SFWLA004		204,166
Total Foster Grandparent / Senior Companion Cluster				497,152
Passed through YouthBuild USA				
Americorps	94.006	Unknown		45,982
Total Corporation For National Service				543,134
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Farm Labor Housing Loan	10.405	Unknown		565,795
Rural Rental Assistance Payment	10.427	Unknown		261,262
Passed through Louisiana Department of Education				
Child Care Food Program (Head Start)	10.558	Unknown		121,501
Total U.S. Department of Agriculture				948,558

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020
(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Labor</u>				
Direct Programs:				
YouthBuild	17.274	YB-31075-17-60-A-22, YB-34294-19-60-A-22		384,291
WIOA Cluster				
Passed through Tangipahoa Parish Government Out of School Youth (OSY)	17.259	1-2019-2020. 1-2020-2021		102,047
Total WIOA Cluster				102,047
Total U.S. Department of Labor				486,338
<u>U.S. Department of Veterans Affairs</u>				
Direct Program:				
VA Homeless Providers Grant	64.024	QACA570-0163-629-SI-18-O, QACA570-1460-629-PD-21		589,278
Total U.S. Department of Veterans Affairs				589,278
Total federal expenditures			\$	\$ 13,307,950

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, 2020. 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) The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.
- (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, 2020, for the Farm Labor Housing Loan, CFDA #10.405, totaled \$565,795.

COOK & MOREHART

Certified Public Accountants

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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
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, the financial statements of Quad Area Community Action Agency, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 29, 2021. 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.

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.

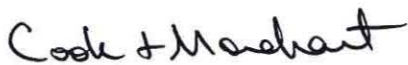
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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 29, 2021

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

We have audited Quad Area 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 Quad Area Community Action Agency's major federal programs for the year ended December 31, 2020. 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Quad Area 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 Quad Area 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 Quad Area Community Action Agency, Inc.'s compliance.

Opinion on Each Major Federal Program

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, 2020.

Report on Internal Control Over Compliance

Management of Quad Area 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 Quad Area 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 Quad Area 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
June 29, 2021

Quad Area Community Action Program, Inc.
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
December 31, 2020

There were no findings for the prior year audit for the year ended December 31, 2019.

Schedule of Findings and Questioned Costs
December 31, 2020

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

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

Noncompliance material to financial statements noted :

	_____	yes	_____	no	
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Federal Awards

Internal control over major programs :

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

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

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

	_____	yes	_____	no	
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Identification of major federal programs :

Community Services Block Grant and Community Services
Block Grant Cares Act CFDA #93.569
Weatherization Assistance Program CFDA #81.042

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

Auditee qualified as low risk :	_____	yes	_____	no	
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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, 2020

There were no findings or questioned costs for the prior year audit period ended December 31, 2019.

Corrective Action Plan for Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2020

There are no findings or questioned costs for the current year audit period ended December 31, 2020.