

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

**Financial Statements**

**For the Years Ended January 31, 2020 and 2019**

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
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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, 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 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, 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 schedules shown on page 17-19 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 20-21, 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 October 28, 2020, 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  
October 28, 2020

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Statements of Financial Position  
 January 31, 2020 and 2019

Assets	<u>2020</u>	<u>2019</u>
Current assets:		
Cash	\$ 333,949	\$ 264,939
Grant receivables	1,185,107	1,510,787
Prepaid insurance	50,716	126,185
Total current assets	<u>1,569,772</u>	<u>1,901,911</u>
Property and Equipment:		
Property and equipment	14,995,105	14,919,874
Accumulated depreciation	(8,960,837)	(8,411,276)
Net property and equipment	<u>6,034,268</u>	<u>6,508,598</u>
<b>Total Assets</b>	<b><u>\$ 7,604,040</u></b>	<b><u>\$ 8,410,509</u></b>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 855,637	\$ 1,370,249
Accrued liabilities	467,545	401,266
Line of credit	75,000	82,220
Capital lease, current portion	61,152	59,087
Total current liabilities	<u>1,459,334</u>	<u>1,912,822</u>
Capital lease, less current portion	<u>74,630</u>	<u>135,782</u>
Total liabilities	<u>1,533,964</u>	<u>2,048,604</u>
Net assets:		
Without donor restrictions	6,024,712	6,325,169
With donor restrictions	45,364	36,736
Total net assets	<u>6,070,076</u>	<u>6,361,905</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 7,604,040</u></b>	<b><u>\$ 8,410,509</u></b>

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues:</b>			
Contractual revenue - grants	\$ 17,745,175	\$ 45,364	\$ 17,790,539
Miscellaneous revenues	202,918		202,918
Net assets released from restrictions:			
Satisfaction of restrictions	36,736	(36,736)	
<b>Total revenues</b>	<b>17,984,829</b>	<b>8,628</b>	<b>17,993,457</b>
 <b>Expenses:</b>			
Program expenses			
Head Start program	11,763,788		11,763,788
Child care food program	1,255,628		1,255,628
Community services	630,752		630,752
Weatherization assistance	614,321		614,321
Home energy assistance	1,718,744		1,718,744
Emergency food and shelter	27,279		27,279
Other general services	239,679		239,679
Total program expenses	16,250,191		16,250,191
General and administrative expense	2,035,095		2,035,095
<b>Total expenses</b>	<b>18,285,286</b>		<b>18,285,286</b>
Changes in net assets	(300,457)	8,628	(291,829)
Net assets as of beginning of year	6,325,169	36,736	6,361,905
Net assets as of end of year	<b>\$ 6,024,712</b>	<b>\$ 45,364</b>	<b>\$ 6,070,076</b>

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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues:</b>			
Contractual revenue - grants	\$ 17,932,789	\$ 36,736	\$ 17,969,525
Miscellaneous revenues	107,506		107,506
Net assets released from restrictions:			
Satisfaction of restrictions	83,703	(83,703)	
Total revenues	18,123,998	(46,967)	18,077,031
 <b>Expenses:</b>			
Program expenses			
Head Start program	11,062,848		11,062,848
Child care food program	1,151,968		1,151,968
Community services	608,374		608,374
Weatherization assistance	473,767		473,767
Home energy assistance	2,130,597		2,130,597
Emergency food and shelter	11,277		11,277
Other general services	635,883		635,883
Total program expenses	16,074,714		16,074,714
General and administrative expense	1,808,125		1,808,125
Total expenses	17,882,839		17,882,839
Changes in net assets	241,159	(46,967)	194,192
Net assets as of beginning of year	6,084,010	83,703	6,167,713
Net assets as of end of year	\$ 6,325,169	\$ 36,736	\$ 6,361,905

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Statement of Functional Expenses  
 For the Year Ended January 31, 2020

Program Services

	Head Start	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Other General Services	Emergency Food and Shelter	Total Program	General and Administrative	Total 2020
Salaries	\$ 6,765,048	\$ 472,577	\$ 408,470	\$ 104,044	\$	\$ 19,055	\$	\$ 7,769,194	\$ 1,187,364	\$ 8,956,558
Fringe Benefits	1,511,695	110,319	103,190	31,979		1,618		1,758,801	561,153	2,319,954
Travel	33,889		1,842					35,731	4,600	40,331
Equipment	243,645	50,457		62		5,877		300,041	1,490	301,531
Occupancy	475,786		16,844					492,630	62,973	555,603
Telephone	125,270		8,678			1,351		135,299	48,806	184,105
Insurance	224,583		18,430	3,964				246,977	8,106	255,083
Vehicle operation	211,926		1,045	7,096				220,067	2,985	223,052
Supplies	475,112	56,965	20,989	157,235		570		710,871	56,818	767,689
Professional services	731,383			223,325		55		954,763	33,193	987,956
Food and related supplies	65,972	559,765						625,737		625,737
Miscellaneous	416,418	5,545	3,340	86,616		5,204		517,123	57,632	574,755
Client assistance payments			47,924		1,718,744	136,491	27,279	1,930,438		1,930,438
Interest expense						12,932		12,932		12,932
Depreciation expense	483,061					56,526		539,587	9,975	549,562
<b>Total Expenses</b>	<b>\$ 11,763,788</b>	<b>\$ 1,255,628</b>	<b>\$ 630,752</b>	<b>\$ 614,321</b>	<b>\$ 1,718,744</b>	<b>\$ 239,679</b>	<b>\$ 27,279</b>	<b>\$ 16,250,191</b>	<b>\$ 2,035,095</b>	<b>\$ 18,285,286</b>

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

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Statement of Functional Expenses  
 For the Year Ended January 31, 2019

Program Services

	Head Start	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Other General Services	Emergency Food and Shelter	Total Program	General and Administrative	Total 2019
Salaries	\$ 6,284,390	\$ 430,959	\$ 396,715	\$ 132,854	\$	\$ 8,486	\$	\$ 7,253,404	\$ 1,189,430	\$ 8,442,834
Fringe Benefits	1,481,976	101,754	103,974	29,897		729		1,718,330	325,555	2,043,885
Travel	13,859		1,351					15,210	2,342	17,552
Equipment	191,592	58,471	207	3		188		250,461	497	250,958
Occupancy	364,984		20,811	5		645		386,445	74,369	460,814
Telephone	114,264		7,261			1,056		122,581	48,595	171,176
Insurance	187,906		14,641	5,128				207,675	11,050	218,725
Vehicle operation	197,860		7,551	19,284				224,695	2,282	226,977
Supplies	426,608	68,171	4,776	95,148		483		595,186	54,261	649,447
Professional services	762,829		295	143,976				907,100	11,345	918,445
Food and related supplies	79,648	492,613						572,261		572,261
Miscellaneous	504,893		4,618	47,472		13,189		570,172	78,424	648,596
Client assistance payments			46,174		2,130,597	539,123	11,277	2,727,171		2,727,171
Interest expense	2,015					15,459		17,474		17,474
Depreciation expense	450,024					56,525		506,549	9,975	516,524
<b>Total Expenses</b>	<b>\$ 11,062,848</b>	<b>\$ 1,151,968</b>	<b>\$ 608,374</b>	<b>\$ 473,767</b>	<b>\$ 2,130,597</b>	<b>\$ 635,883</b>	<b>\$ 11,277</b>	<b>\$ 16,074,714</b>	<b>\$ 1,808,125</b>	<b>\$ 17,882,839</b>

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

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Statements of Cash Flows  
 For the Years Ended January 31, 2020 and 2019

	2020	2019
Operating activities		
Changes in net assets	\$ (291,829)	\$ 194,192
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	549,562	516,524
(Increase) decrease in operating activities:		
Grant receivables	325,680	(854,792)
Prepaid insurance	75,469	(7,341)
Increase (decrease) in operating liabilities:		
Accounts payable	(551,933)	389,497
Accrued liabilities	66,279	(20,489)
Net cash provided by operating activities	173,228	217,591
Investing Activities		
Payments for property and equipment	(37,911)	(20,098)
Net cash (used in) investing activities	(37,911)	(20,098)
Financing Activities		
Advances on line of credit	80,000	25,000
Repayments on line of credit	(87,220)	(72,000)
Payments on capital lease	(59,087)	(57,099)
Payments on loans		(81,460)
Net cash (used in) financing activities	(66,307)	(185,559)
Net increase in cash	69,010	11,934
Cash as of beginning of year	264,939	253,005
Cash as of end of year	\$ 333,949	\$ 264,939
Supplemental disclosure:		
Cash paid for interest during the years ended January 31, 2020 and 2019 was \$12,932 and \$17,474, respectively.		
Non-cash investing and financing activities:		
Acquisition of equipment		
Cost of equipment	\$ 75,231	\$ 600,991
Trade account payable	(37,320)	(580,893)
Cash down payment for equipment	\$ 37,911	\$ 20,098

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2020 and 2019

(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, 2020:

**Head Start Program (71%)** – 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 (11%)** – 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, 2020 and 2019  
(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 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 CCAA'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 CCAA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

D. Income Tax Status

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, 2017, 2018, 2019, and 2020 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, 2020 or January 31, 2019.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2020 and 2019  
(Continued)

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. The contribution rate was changed from 2% for the year ended January 31, 2019, to 5% for the year ended January 31, 2020. The amount contributed to the plan for the years ended January 31, 2020 and 2019 was \$248,170 and \$168,631, respectively.

I. 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.

J. Functional Allocation of Expense

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 expenses. 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.

K. Compensated Absences

Employees may accrue annual leave up to 21 days. Employees can carry over a maximum of 40 hours at the end of the fiscal year. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 40 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

(Continued)

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2020 and 2019  
 (Continued)

(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, 2020 and 2019, 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, 2020, total cash balances held at financial institutions was \$460,484. Of this amount, \$252,303 was secured by FDIC, \$7,004 was collateralized by pledged securities, and the remaining \$201,177 was not collateralized. At January 31, 2019, total cash balances held at financial institutions was \$324,577. Of this amount, \$252,666 was secured by FDIC, and the remaining \$71,911 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, 2020 and 2019, but received after those dates.

(4) Contractual Revenue – Grants

During the years ended January 31, 2020 and 2019, CCAA received contractual revenue from federal, state, and local grants in the amount of \$17,790,539 and \$17,969,525, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(5) 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, 2020 and 2019 were \$110,857 and \$77,057, respectively. The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending <u>January 31,</u>	
2021	\$ 68,281
2022	38,161
2023	19,200
2024	19,200
2025	<u>3,500</u>
	<u>\$ 148,342</u>

(Continued)

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2020 and 2019  
 (Continued)

(6) Property and Equipment

Property and equipment consisted of the following at January 31, 2020:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 8,759,093	\$ 82,493	\$ 8,841,586
Land		361,891		361,891
Furniture, fixtures, equipment	5-10 years	3,266,337	317,595	3,583,932
Vehicles	5 years	2,094,268	53,428	2,147,696
Idle Property			60,000	60,000
Accumulated depreciation		<u>(8,677,686)</u>	<u>(283,151)</u>	<u>(8,960,837)</u>
Net investment in property and equipment		<u>\$ 5,803,903</u>	<u>\$ 230,365</u>	<u>\$ 6,034,268</u>

Property and equipment consisted of the following at January 31, 2019:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 8,721,772	\$ 82,493	\$ 8,804,265
Land		361,891		361,891
Furniture, fixtures, equipment	5-10 years	3,228,427	317,595	3,546,022
Vehicles	5 years	2,094,268	53,428	2,147,696
Idle Property			60,000	60,000
Accumulated depreciation		<u>(8,194,625)</u>	<u>(216,651)</u>	<u>(8,411,276)</u>
Net investment in property and equipment		<u>\$ 6,211,733</u>	<u>\$ 296,865</u>	<u>\$ 6,508,598</u>

Depreciation expense was \$549,562 and \$516,524 for the years ended January 31, 2020 and 2019, respectively.

(7) Accrued Liabilities

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

	2020	2019
Accrued payroll	\$ 295,989	\$ 360,144
Accrued leave	16,847	18,212
Payroll taxes payable	154,709	22,910
	<u>\$ 467,545</u>	<u>\$ 401,266</u>

(Continued)

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2020 and 2019  
 (Continued)

(8) Liquidity and Availability of Financial Assets

CCAA 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. CCAA 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	\$ 333,949	\$ 264,939
Grant receivables	1,185,107	1,510,787
Total financial assets	1,519,056	1,775,726
Less amounts not available to be used within one year:		
Net assets with donor restrictions	( 45,364)	( 36,736)
Less designated net assets which are designated for program use	( 63,430)	( 43,614)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,410,262	\$ 1,695,376

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 10, 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, CCAA operates with a balanced budget and anticipates covering its 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 CCAA's cash and shows positive cash generated by operations of \$173,228 and \$217,591 for fiscal years ending January 31, 2020 and 2019, respectively. CCAA also has a \$500,000 line of credit available to meet cash flow needs.

(Continued)

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2020 and 2019  
 (Continued)

(9) Capital Leases - Equipment

Caddo Community Action Agency, Inc. leased several copiers during the years ended January 31, 2020 and 2019 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, 2020 and 2019. Interest has been imputed at a rate of 3.44%, and Caddo Community Action Agency, Inc. will make monthly payments through 2023.

	2020	2019
Copiers	\$ 297,983	\$ 297,983
Less: accumulated depreciation	( 168,022)	( 108,425)
Property held under capital leases, net	\$ 129,961	\$ 189,558

Minimum future lease payments under capital leases as of January 31, 2020 are as follows:

Year Ending <u>January 31,</u>	
2021	\$ 64,872
2022	64,872
2023	<u>11,485</u>
Total minimum lease payments	\$ 141,084
Less amounts representing interest	( 5,447)
Present value of minimum lease payments	135,782
Less current portion	( 61,152)
	\$ 74,630

(10) Net Assets

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

	2020	2019
Net Assets Without Donor Restrictions:		
Undesignated	\$ 62,796	\$ ( 32,174)
Net investment in property and equipment	5,898,486	6,313,729
Designated for Weatherization program	7,021	18,031
Designated for Emergency aid	<u>56,409</u>	<u>25,583</u>
Total net assets without donor restrictions	<u>6,024,712</u>	<u>6,325,169</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for Liheap program	32,714	31,021
Restricted for FEMA program	12,650	
Restricted for tornado victims		<u>5,715</u>
Total net assets with donor restrictions	<u>45,364</u>	<u>36,736</u>
Total Net Assets	<u>\$ 6,070,076</u>	<u>\$ 6,361,905</u>

(Continued)

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2020 and 2019  
 (Continued)

(11) Accounts Payable

Accounts payable at January 31, 2020 and 2019, consisted of the following:

	2020	2019
Construction payable	\$	\$ 200,600
Vendor payables	855,637	1,169,649
	\$ 855,637	\$ 1,370,249

(12) Line of Credit

Caddo Community Action Agency, Inc. entered into an agreement for a revolving line of credit in October, 2017 for \$500,000 with an interest rate of 2.93% over prime. Interest rate at January 31, 2020 and 2019 was 7.68% and 8.43%, respectively. At January 31, 2020 and 2019, the balance on the line of credit was \$75,000 and \$82,220, respectively. Interest expense incurred under the line of credit for the years ended January 31, 2020 and 2019 was \$7,055 and \$8,063, respectively. Collateral for the line of credit is certain real estate owned by the agency.

(13) Subsequent Events

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 reasonably estimated at this time.

Subsequent events have been evaluated through October 28, 2020, the date the financial statements were available to be issued.

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Combining Schedule of Financial Position  
January 31, 2020  
(With Comparative Totals for 2019)

	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Water Assistance	Other General Services	Total	
								2020	2019
<b>Assets</b>									
Current assets:									
Cash	\$ 112,508	\$	\$ 15,136	\$ 39,396	\$ 22,001	\$ 10,965	\$ 133,943	\$ 333,949	\$ 264,939
Grant receivables	881,833	152,677	18,080	54,208	78,309			1,185,107	1,510,787
Prepaid insurance	50,716							50,716	126,185
Due from other funds							75,000	75,000	25,000
Total current assets	<u>1,045,057</u>	<u>152,677</u>	<u>33,216</u>	<u>93,604</u>	<u>100,310</u>	<u>10,965</u>	<u>208,943</u>	<u>1,644,772</u>	<u>1,926,911</u>
Property and equipment:									
Property and equipment	14,262,700		14,717	176,924	21,666		519,098	14,995,105	14,919,874
Accumulated depreciation	(8,458,797)		(14,717)	(176,924)	(21,666)		(288,733)	(8,960,837)	(8,411,276)
Net property & equipment	<u>5,803,903</u>						<u>230,365</u>	<u>6,034,268</u>	<u>6,508,598</u>
<b>Total Assets</b>	<b><u>\$ 6,848,960</u></b>	<b><u>\$ 152,677</u></b>	<b><u>\$ 33,216</u></b>	<b><u>\$ 93,604</u></b>	<b><u>\$ 100,310</u></b>	<b><u>\$ 10,965</u></b>	<b><u>\$ 439,308</u></b>	<b><u>\$ 7,679,040</u></b>	<b><u>\$ 8,435,509</u></b>
<b>Liabilities and Net Assets</b>									
Current liabilities:									
Accounts payable	\$ 656,184	\$ 152,677	\$	\$ 46,776	\$	\$	\$	\$ 855,637	\$ 1,370,249
Accrued liabilities	388,873		33,216	14,807	5,596		25,053	467,545	401,266
Due to other funds				25,000	50,000			75,000	25,000
Line of credit							75,000	75,000	82,220
Current portion of capital lease							61,152	61,152	59,087
Total current liabilities	<u>1,045,057</u>	<u>152,677</u>	<u>33,216</u>	<u>86,583</u>	<u>55,596</u>		<u>161,205</u>	<u>1,534,334</u>	<u>1,937,822</u>
Capital lease, less current portion							74,630	74,630	135,782
Net assets:									
Without donor restrictions	5,803,903			7,021	12,000	10,965	190,823	6,024,712	6,325,169
With donor restrictions					32,714		12,650	45,364	36,736
Total net assets	<u>5,803,903</u>			<u>7,021</u>	<u>44,714</u>	<u>10,965</u>	<u>203,473</u>	<u>6,070,076</u>	<u>6,361,905</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 6,848,960</u></b>	<b><u>\$ 152,677</u></b>	<b><u>\$ 33,216</u></b>	<b><u>\$ 93,604</u></b>	<b><u>\$ 100,310</u></b>	<b><u>\$ 10,965</u></b>	<b><u>\$ 439,308</u></b>	<b><u>\$ 7,679,040</u></b>	<b><u>\$ 8,435,509</u></b>

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Combining Schedule of Activities  
For the Year Ended January 31, 2020  
(With Comparative Totals for 2019)

	Head Start	Child Care	Community	Weatherization	Home	Water	Other	Total	
	Program	Food						Service	Assistance
		Program					Services		
<b>Revenues</b>									
Contractual revenue - grants	\$ 12,671,534	\$ 1,408,437	\$ 940,224	\$ 699,859	\$ 1,922,362	\$ 17,291	\$ 130,832	\$ 17,790,539	\$ 17,969,525
Miscellaneous revenues					12,000		190,918	202,918	107,506
<b>Total revenues</b>	<b>12,671,534</b>	<b>1,408,437</b>	<b>940,224</b>	<b>699,859</b>	<b>1,934,362</b>	<b>17,291</b>	<b>321,750</b>	<b>17,993,457</b>	<b>18,077,031</b>
<b>Expenses</b>									
<b>Program</b>									
Salaries	6,765,048	472,577	408,470	104,044			19,055	7,769,194	7,253,404
Fringe benefits	1,511,695	110,319	103,190	31,979			1,618	1,758,801	1,718,330
Travel	33,889		1,842					35,731	15,210
Equipment	243,645	50,457		62			5,877	300,041	250,461
Occupancy	475,786		16,844					492,630	386,445
Telephone	125,270		8,678					135,299	122,581
Insurance	224,583		18,430	3,964				246,977	207,675
Vehicle operation	211,926		1,045	7,096				220,067	224,695
Supplies	475,112	56,965	20,989	157,235				710,871	595,186
Professional services	731,383			223,325			570	954,763	907,100
Food and related supplies	65,972	559,765					55	625,737	572,261
Miscellaneous	416,418	5,545	3,340	86,616			5,204	517,123	570,172
Client assistance payments			47,924		1,718,744		163,770	1,930,438	2,727,171
Interest expense							12,932	12,932	17,474
Depreciation	483,061						56,526	539,587	506,549
<b>Total program</b>	<b>11,763,788</b>	<b>1,255,628</b>	<b>630,752</b>	<b>614,321</b>	<b>1,718,744</b>		<b>266,958</b>	<b>16,250,191</b>	<b>16,074,714</b>
<b>General and Administrative</b>									
Salaries	690,230	117,679	174,991	68,387	136,077			1,187,364	1,189,430
Fringe benefits	445,449	35,130	49,052	9,001	22,521			561,153	325,555
Travel			3,495		1,105			4,600	2,342
Equipment			1,470					1,490	497
Occupancy	54,579		8,394			20		62,973	74,369
Telephone	22,107		8,464	11,087	7,148			48,806	48,595
Insurance			8,073		33			8,106	11,050
Vehicle operation			2,985					2,985	2,282
Supplies	27,059		11,796	1,289	16,266	408		56,818	54,261
Professional services			29,314	1,055	2,824			33,193	11,345
Miscellaneous	29,081		4,959	2,286	9,306	12,000		57,632	78,424
Depreciation							9,975	9,975	9,975
<b>Total general and administrative</b>	<b>1,268,505</b>	<b>152,809</b>	<b>302,993</b>	<b>93,105</b>	<b>195,280</b>	<b>12,428</b>	<b>9,975</b>	<b>2,035,095</b>	<b>1,808,125</b>
<b>Total expenses</b>	<b>13,032,293</b>	<b>1,408,437</b>	<b>933,745</b>	<b>707,426</b>	<b>1,914,024</b>	<b>12,428</b>	<b>276,933</b>	<b>18,285,286</b>	<b>17,882,839</b>
<b>Change in net assets</b>	<b>(360,759)</b>		<b>6,479</b>	<b>(7,567)</b>	<b>20,338</b>	<b>4,863</b>	<b>44,817</b>	<b>(291,829)</b>	<b>194,192</b>
<b>Net assets, beginning of year</b>	<b>6,211,732</b>			<b>18,032</b>	<b>31,021</b>	<b>7,428</b>	<b>93,692</b>	<b>6,361,905</b>	<b>6,167,713</b>
<b>Transfers</b>	<b>(47,070)</b>		<b>(6,479)</b>	<b>(3,444)</b>	<b>(6,645)</b>	<b>(1,326)</b>	<b>64,964</b>		
<b>Net assets, end of year</b>	<b>\$ 5,803,903</b>	<b>\$</b>	<b>\$</b>	<b>\$ 7,021</b>	<b>\$ 44,714</b>	<b>\$ 10,965</b>	<b>\$ 203,473</b>	<b>\$ 6,070,076</b>	<b>\$ 6,361,905</b>

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended January 31, 2020

Agency Head: Laurance Guidry, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 171,319
Benefits - insurance	6,495
Benefits - retirement	8,566
Cell phone	685
Reimbursements	120
Travel	573

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended January 31, 2020

<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	_____	\$ 1,408,437
<u>U.S. Department of Energy</u>				
Pass through Louisiana Housing Corporation: Weatherization Assistance for Low-Income Persons (FY 06-30-2019)	81.042	N/A		63,156
Weatherization Assistance for Low-Income Persons (FY 06-30-2020)	81.042	N/A	_____	87,437
Total Department of Energy			_____	150,593
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	Unknown	_____	27,279
<u>U.S. Department of Health and Human Services</u>				
Passed through Caddo Parish Commission: Head Start	93.600	06CH010435-04	215,533	12,671,534
477 Cluster				
Passed through Louisiana Workforce Commission: Community Services Block Grant	93.569	2019N0036 & 2018N0036	_____	941,589
Total 477 Cluster			_____	941,589
Pass through Louisiana Housing Corporation:				
Home Energy Assistance Program	93.568	N/A		1,908,669
Weatherization Assistance for Low-Income Persons (FY 06-30-2019)	93.568	N/A		236,016
Weatherization Assistance for Low-Income Persons (FY 06-30-2020)	93.568	N/A	_____	313,223
Total Department of Health and Human Services			_____	215,533
Total Federal Expenditures			\$ 215,533	\$ 17,657,340

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, 2020

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, 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 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.

# COOK & MOREHART

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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, 2020, 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 October 28, 2020.

### 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) 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 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.

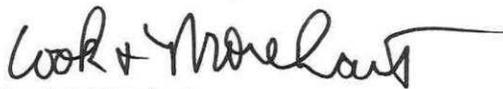
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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 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  
October 28, 2020

# 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, 2020. 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, 2020.

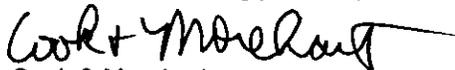
### **Report on Internal Control Over Compliance**

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  
October 28, 2020

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Summary Schedule of Prior Audit Findings  
January 31, 2020

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

Schedule of Findings and Questioned Costs  
January 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

Federal Awards

Internal control over major programs :

Material weaknesses identified :

\_\_\_\_\_ yes  no

Significant deficiencies identified :

\_\_\_\_\_ yes  none reported

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

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

\_\_\_\_\_ yes  no

Identification of major federal programs :

CFDA# 93.600 - Head Start Program

CFDA# 10.558 - Child and Adult Care Food Program (Head Start)

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

Auditee qualified as low risk :

yes \_\_\_\_\_ no

**B. Findings – Financial Statements Audit: None.**

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

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Summary Schedule of Prior Year Audit Findings  
Schedule for Louisiana Legislative Auditor  
January 31, 2020

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

Summary Schedule of Current Year Audit Findings  
Schedule for Louisiana Legislative Auditor  
January 31, 2020

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