

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

Financial Statements

As of and for the Years Ended June 30, 2021 and 2020

Delta Community Action Association, Inc.
Tallulah, Louisiana

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Delta Community Action Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Community Action Association, Inc., as of June 30, 2021, and 2020, 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 schedule of expenditures of federal awards, on pages 15 - 16, as required by Title 2 U.S. Code of Federal Regulations part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, and the other supplementary information are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of Delta Community Action Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Delta Community Action Association, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta Community Action Association, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 30, 2021

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statements of Financial Position
June 30, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Current assets:		
Cash	\$ 283,872	\$ 240,194
Grant receivables	828,363	318,176
Total current assets	<u>1,112,235</u>	<u>558,370</u>
Property and Equipment:		
Property and equipment	4,254,683	3,177,712
Accumulated depreciation	(2,684,795)	(2,590,785)
Total property and equipment	<u>1,569,888</u>	<u>586,927</u>
 Total Assets	 <u>\$ 2,682,123</u>	 <u>\$ 1,145,297</u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 770,194	\$ 250,232
Accrued liabilities	109,193	99,387
Refundable advance	11,546	
Total current liabilities	<u>890,933</u>	<u>349,619</u>
 Net assets:		
Without donor restrictions	<u>1,791,190</u>	<u>795,678</u>
Total net assets	<u>1,791,190</u>	<u>795,678</u>
 Total Liabilities and Net Assets	 <u>\$ 2,682,123</u>	 <u>\$ 1,145,297</u>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statements of Activities
For the Years Ended June 30, 2021 and 2020

	Without Donor Restrictions	
	2021	2020
Revenues and Other Support:		
Contractual revenue - grants	\$ 8,134,913	\$ 5,993,927
Miscellaneous revenues	124	326
	8,135,037	5,994,253
Expenses:		
Program expenses		
Head Start and Early Head Start programs	4,374,391	3,796,888
Child care food program	274,577	290,962
Community services block grant	236,996	120,285
Low-income home energy assistance	518,530	367,825
Family day care services	672,337	700,436
Early childhood network	63,340	9,535
General	253,426	47,181
General and Administrative expenses	745,928	643,045
	7,139,525	5,976,157
Changes in net assets	995,512	18,096
Net assets as of beginning of year	795,678	777,582
Net assets as of end of year	\$ 1,791,190	\$ 795,678

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services									
	Head Start and Early Head Start	Child Care Food Program	Community Services Block Grant	Low-Income Home Energy Assistance	Family Day Care Services	Early Childhood Network	General Services	Total Program	General and Administrative	Total 2021
Salaries	\$ 2,178,384	\$ 162,280	\$ 92,201	\$	\$ 31,683	\$	\$	\$ 2,464,548	\$ 431,674	\$ 2,896,222
Fringe benefits	573,718	59,292	20,911		19,370			673,291	109,693	782,984
Travel			373		4,518			4,891	354	5,245
Equipment	21,296				2,952			24,248	188	24,436
Occupancy	360,322				2,588			362,910	33,450	396,360
Telephone and postage	125,927	63			5,266			131,256	4,645	135,901
Insurance	77,576				364			77,940	3,381	81,321
Vehicle operation	153,108							153,108		153,108
Supplies	365,007	1,269			1,258	1,322		368,856	86,542	455,398
Professional services	28,866					2,768		31,634	31,976	63,610
Grant expense						59,250		59,250		59,250
Food and related supplies	168,491	47,087						215,578		215,578
Miscellaneous	241,883	4,586	16,563		505		1,336	264,873	17,421	282,294
Client assistance payments			106,948	518,530	603,833		252,090	1,481,401		1,481,401
Depreciation	79,813							79,813	26,604	106,417
Total Expenses	\$ 4,374,391	\$ 274,577	\$ 236,996	\$ 518,530	\$ 672,337	\$ 63,340	\$ 253,426	\$ 6,393,597	\$ 745,928	\$ 7,139,525

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2020

Program Services

	Head Start and Early Head Start	Child Care Food Program	Community Services Block Grant	Low-Income Home Energy Assistance	Family Day Care Services	Early Childhood Network	General Services	Total Program	General and Administrative	Total 2020
Salaries	\$ 2,080,564	\$ 164,947	\$ 89,362	\$	\$ 33,757	\$	\$	\$ 2,368,630	\$ 407,013	\$ 2,775,643
Fringe benefits	583,283	49,458	22,458		19,984			675,183	98,891	774,074
Travel	2,609	1	1,052		2,592			6,254	2,158	8,412
Equipment	12,753				927			13,680	59	13,739
Occupancy	228,390		5,924		2,369			236,683	17,491	254,174
Telephone and postage	96,564				4,782			101,346	8,109	109,455
Insurance	71,795				315			72,110	5,921	78,031
Vehicle operation	135,237							135,237		135,237
Supplies	147,506	1,265			1,776	7,905		158,452	47,965	206,417
Professional services	47,687					280		47,967	34,953	82,920
Food and related supplies	157,877	69,754						227,631		227,631
Miscellaneous	170,970	5,537	1,489		802	1,350	47,181	227,329	5,072	232,401
Client assistance payments				367,825	633,132			1,000,957		1,000,957
Depreciation	61,653							61,653	15,413	77,066
Total Expenses	\$ 3,796,888	\$ 290,962	\$ 120,285	\$ 367,825	\$ 700,436	\$ 9,535	\$ 47,181	\$ 5,333,112	\$ 643,045	\$ 5,976,157

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Operating activities		
Changes in net assets	\$ 995,512	\$ 18,096
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	106,417	77,066
(Increase) decrease in operating assets:		
Grant receivables	(510,187)	(58,093)
Increase (decrease) in operating liabilities:		
Accounts payable	299,053	(64,038)
Accrued liabilities	9,806	(6,082)
Refundable advance	11,546	
	912,147	(33,051)
Investing activities		
Payments for property and equipment	(868,469)	(51,504)
	(868,469)	(51,504)
Net increase (decrease) in cash	43,678	(84,555)
Cash as of beginning of year	240,194	324,749
Cash as of end of year	\$ 283,872	\$ 240,194
Supplemental disclosure		
Non-cash investing and financing activities:		
Acquisition of equipment		
Cost of equipment	\$ 1,089,378	\$ 77,615
Trade account payable	(220,909)	(26,111)
Cash payments for equipment	\$ 868,469	\$ 51,504

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies

A. Nature of Activities

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

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

Child Care Food Program (3%) – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds from USDA passed through the Louisiana Department of Education.

Community Services Block Grant (4%) – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Workforce Commission.

Home Energy Assistance (8%) – Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

Family Day Care Services (9%) – Provides a food service program for children in private nonprofit centers of approximately 124 homes. Funding is provided by federal funds passed through the Louisiana Department of Education.

Ready Start Community Networks (1%) – Implement new strategies to increase access to and improve the quality of early childhood care and education programs. Funding is provided by federal and state funds passed through the Louisiana Department of Education.

Early Childhood Network (3%) – Provides technology support to prepare our youngest learners for kindergarten. Funding is provided by federal and state funds passed through the Louisiana Department of Education.

B. Basis of Accounting

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

C. Basis of Presentation

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

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

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

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

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

D. Income Tax Status

Delta is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to Delta's tax-exempt purpose would be subject to taxation as unrelated business income. There was no unrelated business income for the years ended June 30, 2021 and 2020. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2021, 2020, 2019, and 2018 are subject to examination by the IRS, generally three years after they were filed.

E. Use of Estimates

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

F. Cash and Cash Equivalents

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

G. Property and Equipment

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

H. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature 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.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

I. Functional Allocation of Expenses

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

(2) Concentrations of Credit Risk

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

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 2021 and 2020, Delta had no significant concentrations of credit risk in relation to grant receivables.

Delta maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2021, total cash balances held at financial institutions was \$881,753. Of this amount, \$606,665 was insured by FDIC, and the remaining \$275,088 was unsecured. At June 30, 2020, total cash balances held at financial institutions was \$519,940. Of this amount, \$502,465 was insured by FDIC, and the remaining \$17,475 was unsecured.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 2021 and 2020, but received after that date. Management has determined that the allowance for bad debts is not material.

(4) Contractual Revenue – Grants

During the years ended June 30, 2021 and 2020, Delta received contractual revenue from federal and state grants in the amount of \$8,134,913 and \$5,993,927, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(5) Liquidity and Availability of Financial Assets

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

Financial assets at year-end:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 283,872	\$ 240,194
Grant receivables	<u>828,363</u>	<u>318,176</u>
Total financial assets	1,112,235	558,370
Less amounts not available to be used within one year:		
Less designated assets which are designated for program use	(48,170)	(41,635)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,064,065</u>	<u>\$ 516,735</u>

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 11, are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, designated amounts could be made available, if necessary.

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

(6) Property and Equipment

Property and equipment consisted of the following at June 30, 2021:

	<u>Estimated Depreciable Life</u>	<u>Purchased With Federal Funds</u>	<u>Purchased With Non-Federal Funds</u>	<u>Total</u>
Land	N/A	\$	\$ 15,000	\$ 15,000
Buildings	7-20 years	881,660		881,660
Leasehold improvement	7-20 years	249,278		249,278
Furniture and equipment	5-10 years	700,228		700,228
Vehicles	5 years	2,258,726		2,258,726
Assets not in operation		149,791		149,791
Accumulated depreciation		<u>(2,684,795)</u>		<u>(2,684,795)</u>
Net investment in property and equipment		<u>\$ 1,554,888</u>	<u>\$ 15,000</u>	<u>\$ 1,569,888</u>

Depreciation expense for the year ended June 30, 2021 was \$106,417.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

Property and equipment consisted of the following at June 30, 2020:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Land	N/A	\$	\$ 15,000	\$ 15,000
Buildings	7-20 years	590,448		590,448
Leasehold improvement	7-20 years	249,277		249,277
Furniture and equipment	5-10 years	603,349		603,349
Vehicles	5 years	1,569,847		1,569,847
Assets not in operation		149,791		149,791
Accumulated depreciation		<u>(2,590,785)</u>		<u>(2,590,785)</u>
Net investment in property and equipment		<u>\$ 571,927</u>	<u>\$ 15,000</u>	<u>\$ 586,927</u>

Depreciation expense for the year ended June 30, 2020 was \$77,066.

(7) Retirement Plan

Delta participates in a tax deferred annuity 403(b) plan whereby an amount equal to 5% of the salary of eligible employees is contributed to purchase annuity contracts with an insurance company. The annuities are in the employee's name upon funding. The amount contributed for the years ended June 30, 2021 and 2020 was \$66,652 and \$59,103, respectively.

(8) Accrued Liabilities

Accrued liabilities consisted of the following:

	<u>2021</u>	<u>2020</u>
Accrued leave payable	\$ 29,351	\$ 29,351
Other payroll related liabilities	<u>79,842</u>	<u>70,036</u>
	<u>\$ 109,193</u>	<u>\$ 99,387</u>

(9) 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 reasonably estimated at this time.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(10) Leases

Delta leases certain buildings and equipment under operating leases. Rental costs on those leases for the years ended June 30, 2021 and 2020 were as follows:

	2021	2020
Buildings	\$ 54,703	\$ 50,479
Equipment	11,266	11,210
	\$ 65,969	\$ 61,689

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

For the Year Ending June 30,		
2022	\$	29,555
2023		18,003
2024		11,102
Total minimum future rentals	\$	58,660

(11) Net Assets

Net assets at June 30, 2021 and 2020, consisted of the following:

	2021	2020
Net Assets Without Donor Restrictions:		
Undesignated	\$ 173,132	\$ 167,116
Net investment in property and equipment	1,569,888	586,927
Total undesignated net assets	1,743,020	754,043
Designated for Energy Assistance Program	7,580	8,352
Designated for Child and Adult Care Food Program (FDCH)	40,590	33,283
Total designated for use for programs	48,170	41,635
Total net assets without donor restrictions	1,791,190	795,678
Total Net Assets	\$1,791,190	\$ 795,678

(12) Subsequent events

Subsequent events have been evaluated through December 30, 2021, the date the financial statements were available to be issued.

(13) New Accounting Pronouncement

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers." This Standard, along with its related amendments, requires organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this standard for the year ended June 30, 2021 did not have a material effect on the Organization's financial statements and required no adjustment.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2021

Agency Head: Carl Smith, Executive Director

<u>Purpose</u>	<u>Amount Paid with Federal Funds</u>
Salary	\$ 99,882
Benefits - retirement	4,994
Benefits - insurance	7,639
Reimbursements	243

Delta Community Action Association, Inc.
Tallulah, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health and Human Services</u>				
Head Start Cluster				
Direct Program:				
Head Start (Fy 06-30-21)	93.600	06CH0160001	\$	\$ 5,198,275
Head Start (Fy 06-30-21)	93.600	06CH01008605		262,000
Covid-19 - Head Start Cares Act	93.600	06CH0160001C3		415,270
Total Head Start Cluster				<u>5,875,545</u>
Passed through the Louisiana Department of Education Every Student Succeeds Act/Preschool Development	93.434	Unknown		<u>253,716</u>
477 Cluster				
Passed through Louisiana Workforce Commission				
Community Services Block Grant	93.569	2020N0038, 2021N0038		175,178
Covid-19 Community Services Block Grant Cares Act	93.569	Unknown		132,956
Total 477 Cluster				<u>308,134</u>
CCDF Cluster				
Passed through the Louisiana Department of Education				
Child Care Development Block Grant -PreK (FY 6-30-21)	93.575	Unknown		9,968
Covid-19 Child Care Development Block Grant - PreK (FY 6-30-21)	93.575			50,000
Child Care Development Block Grant - Ready Start (FY 6-30-21)	93.575			3,769
Total CCDF Cluster				<u>63,737</u>
Passed through Louisiana Housing Corporation				
Low-Income Home Energy Assistance Program	93.568	Unknown		464,174
Covid-19 Low-Income Home Energy Assistance Program Cares Act	93.568	Unknown		152,247
Total Department of Health and Human Services				<u>7,117,553</u>
<u>U.S. Department of Agriculture</u>				
Passed through Louisiana Department of Education				
Child and Adult Care Food Program (Head Start) (Fy 09-30-20)	10.558	Unknown		56,418
Child and Adult Care Food Program (Head Start) (Fy 09-30-21)	10.558	Unknown		218,159
Child and Adult Care Food Program (FDCH) (Fy 09-30-20)	10.558	Unknown		202,912
Child and Adult Care Food Program (FDCH) (Fy 09-30-21)	10.558	Unknown		526,954
Total Department of Agriculture				<u>1,004,443</u>
Total federal expenditures			\$	<u>\$ 8,121,996</u>

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Delta Community Action Association, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Delta Community Action Association, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Delta Community Action Association, Inc.

NOTE B: Summary of Significant Accounting Policies

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

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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
Delta Community Action Association, Inc.
Tallulah, 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 Delta Community Action Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 December 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Delta Community Action Association, Inc.'s, internal control over financial reporting (internal control) 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 Delta Community Action Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Delta Community Action Association, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Community Action Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 30, 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 Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Delta Community Action Association, Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Delta Community Action Association, Inc.'s major federal program for the year ended June 30, 2021. Delta Community Action Association, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Delta Community Action Association, 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 Delta Community Action Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Delta Community Action Association, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Delta Community Action Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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



Cook & Morehart
Certified Public Accountants
December 30, 2021

Delta Community Action Association, Inc.
Tallulah, Louisiana
Summary Schedule of Prior Audit Findings
June 30, 2021

There were no findings or questioned cost for the prior year audit ending June 30, 2020.

Schedule of Findings and Questioned Costs
June 30, 2021

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

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

Noncompliance material to financial statements noted :

_____ yes v no

Federal Awards

Internal control over major programs :

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

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

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

_____ yes v no

Identification of major federal programs :

Federal Assistance Listing # 93.600 - Head Start Program

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

Auditee qualified as low risk : v yes _____ no

B. Findings – Financial Statements Audit: None

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Summary Schedule of Audit Findings for Louisiana Legislative Auditor
June 30, 2021

Summary Schedule of Prior Audit Findings

There were no findings for the prior year ended June 30, 2020.

Summary Schedule for Current Year Audit Findings

There are no current year findings for the year ended June 30, 2021.