

**Union Community Action Association, Inc.
Farmerville, Louisiana**

Financial Statements

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

Union Community Action Association, Inc.
Farmerville, Louisiana

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Independent Auditors' Report

To the Board of Directors
Union Community Action Association, Inc.
Farmerville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Union 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 Union 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 page 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 15 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 28, 2021, on our consideration of Union 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 Union 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 Union Community Action Association, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 28, 2021

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

| | 2021 | 2020 |
|-----------------------------------------|-------------------|-------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 241,029 | \$ 161,016 |
| Grant receivables | 33,902 | 107,728 |
| Other receivables | 750 | 750 |
| Prepays | 5,120 | 4,832 |
| Other assets | 3,659 | 3,659 |
| Total current assets | 284,460 | 277,985 |
| Property and equipment: | | |
| Property and equipment | 53,426 | 73,793 |
| Accumulated depreciation | (53,111) | (72,533) |
| Net property and equipment | 315 | 1,260 |
| Total Assets | \$ 284,775 | \$ 279,245 |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,772 | \$ 3,755 |
| Accrued liabilities | 12,057 | 12,377 |
| Refundable advances | 10,573 | 4,436 |
| Total current liabilities | 25,402 | 20,568 |
| Net assets: | | |
| Without donor restrictions | 246,263 | 245,195 |
| With donor restrictions | 13,110 | 13,482 |
| Total net assets | 259,373 | 258,677 |
| Total Liabilities and Net Assets | \$ 284,775 | \$ 279,245 |

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

Union Community Action Association, Inc.
Farmerville, Louisiana
Statement of Activities
For the Year Ended June 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------------|-------------------------------|----------------------------|------------|
| Revenues and Other Support: | | | |
| Contractual revenue - grants | \$ 898,339 | \$ | \$ 898,339 |
| Miscellaneous revenues | 2,145 | | 2,145 |
| Net assets released from restrictions: | | | |
| Satisfaction of restrictions | 372 | (372) | |
| Total revenues and other support | 900,856 | (372) | 900,484 |
| Expenses: | | | |
| Program expenses | | | |
| Community services | 72,567 | | 72,567 |
| Low-income home energy assistance | 708,985 | | 708,985 |
| Other services | 12,687 | | 12,687 |
| General and administrative expenses | 105,549 | | 105,549 |
| Total expenses | 899,788 | | 899,788 |
| Change in net assets | 1,068 | (372) | 696 |
| Net assets as of beginning of year | 245,195 | 13,482 | 258,677 |
| Net assets as of end of year | \$ 246,263 | \$ 13,110 | \$ 259,373 |

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

Union Community Action Association, Inc.
Farmerville, Louisiana
Statement of Activities
For the Year Ended June 30, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------------|-------------------------------|----------------------------|------------|
| Revenues and Other Support: | | | |
| Contractual revenue - grants | \$ 873,491 | \$ | \$ 873,491 |
| Miscellaneous revenues | 4,977 | | 4,977 |
| Net assets released from restrictions: | | | |
| Satisfaction of restrictions | 3,623 | (3,623) | |
| Total revenues and other support | 882,091 | (3,623) | 878,468 |
| Expenses: | | | |
| Program expenses | | | |
| Community services | 57,764 | | 57,764 |
| Low-income home energy assistance | 700,599 | | 700,599 |
| Other services | 11,553 | | 11,553 |
| General and administrative expenses | 110,156 | | 110,156 |
| Total expenses | 880,072 | | 880,072 |
| Change in net assets | 2,019 | (3,623) | (1,604) |
| Net assets as of beginning of year | 243,176 | 17,105 | 260,281 |
| Net assets as of end of year | \$ 245,195 | \$ 13,482 | \$ 258,677 |

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

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

| | Program Services | | | | | |
|----------------------------|-----------------------|-----------------------------------------|---------------------|-------------------|-------------------------------|-------------------|
| | Community Services | Low-Income Home Energy Assistance | General Services | Total Program | General and Administrative | Total 2021 |
| Salaries | \$ 35,136 | \$ 32,517 | \$ | \$ 67,653 | \$ 64,999 | \$ 132,652 |
| Fringe benefits | 3,513 | 3,289 | | 6,802 | 6,428 | 13,230 |
| Travel | | 376 | | 376 | | 376 |
| Equipment | 497 | | | 497 | 1,346 | 1,843 |
| Telephone and postage | 1,004 | | | 1,004 | 3,634 | 4,638 |
| Supplies | 1,184 | 13,336 | | 14,520 | 5,290 | 19,810 |
| Professional services | 2,790 | | | 2,790 | 9,255 | 12,045 |
| Occupancy | 803 | 918 | | 1,721 | 1,699 | 3,420 |
| Insurance | 1,184 | | | 1,184 | 2,657 | 3,841 |
| Maintenance | 2,275 | | | 2,275 | 7,305 | 9,580 |
| Miscellaneous | 1,185 | | 133 | 1,318 | 1,991 | 3,309 |
| Client assistance payments | 22,996 | 658,549 | 12,554 | 694,099 | | 694,099 |
| Depreciation | | | | | 945 | 945 |
| Total Expenses | \$ 72,567 | \$ 708,985 | \$ 12,687 | \$ 794,239 | \$ 105,549 | \$ 899,788 |

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

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

| | Program Services | | | | | |
|----------------------------|-----------------------|-----------------------------------------|---------------------|-------------------|-------------------------------|-------------------|
| | Community Services | Low-Income Home Energy Assistance | General Services | Total Program | General and Administrative | Total 2020 |
| Salaries | \$ 32,916 | \$ 32,701 | \$ | \$ 65,617 | \$ 64,450 | \$ 130,067 |
| Fringe benefits | 3,086 | 3,385 | | 6,471 | 6,283 | 12,754 |
| Travel | 2,019 | | | 2,019 | 3,000 | 5,019 |
| Equipment | 3,843 | | | 3,843 | 1,529 | 5,372 |
| Telephone and postage | 586 | | | 586 | 3,191 | 3,777 |
| Supplies | 1,774 | 7,595 | | 9,369 | 5,721 | 15,090 |
| Professional services | 2,529 | | | 2,529 | 8,651 | 11,180 |
| Insurance | 1,351 | | | 1,351 | 2,767 | 4,118 |
| Maintenance | 4,856 | | | 4,856 | 11,671 | 16,527 |
| Miscellaneous | 62 | | | 62 | 1,948 | 2,010 |
| Client assistance payments | 4,742 | 656,918 | 11,553 | 673,213 | | 673,213 |
| Depreciation | | | | | 945 | 945 |
| Total Expenses | \$ 57,764 | \$ 700,599 | \$ 11,553 | \$ 769,916 | \$ 110,156 | \$ 880,072 |

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

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

| | 2021 | 2020 |
|------------------------------------------------------------------------------------------------|------------|------------|
| Operating Activities | | |
| Change in net assets | \$ 696 | \$ (1,604) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 945 | 945 |
| (Increase) decrease in operating assets: | | |
| Grant receivables | 73,826 | (63,179) |
| Prepaid | (288) | |
| Other assets | | 2 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (983) | (12,997) |
| Accrued liabilities | (320) | 1,135 |
| Refundable advances | 6,137 | (74) |
| | 80,013 | (75,772) |
| Net cash provided by (used in) operating activities | | |
| | 80,013 | (75,772) |
| Net increase (decrease) in cash and cash equivalents | | |
| | 80,013 | (75,772) |
| Cash and cash equivalents as of beginning of year | 161,016 | 236,788 |
| Cash and cash equivalents as of end of year | \$ 241,029 | \$ 161,016 |

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

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

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Union Community Action Association, Inc. (Union) is a private non-profit corporation incorporated under the laws of the State of Louisiana. Union is governed by a Board of Directors composed of 15 members. These board members receive no compensation for their services.

Union operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Union parish in Louisiana. The following significant programs, shown with their approximate percentage of total revenues, are administered by Union:

Community Services Block Grant (13%) – 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.

Low-Income Home Energy Assistance (86%) — Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

B. Basis of Accounting

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

C. Basis of Presentation

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

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

(Continued)

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

E. Income Tax Status

Union 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 Union's tax-exempt purpose is subject to taxation as unrelated business income. Union had no such income for this audit period. 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.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Union considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, when there is no significant penalty for early withdrawal.

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

I. Functional Allocation of Expenses

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

(2) Concentrations of Credit Risk

Financial instruments that potentially subject Union 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, Union had no significant concentrations of credit risk in relation to grant receivables.

(Continued)

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

Union maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain amounts. At June 30, 2021 and 2020, total cash balances held at financial institutions were \$243,381 and \$162,376, respectively, all of which was secured by FDIC.

(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 those dates.

(4) Property and Equipment

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

| | Estimated Depreciable Life | Purchased With Federal Funds | Purchased With Non-Federal Funds | Total |
|------------------------------------------|----------------------------------|------------------------------------|-------------------------------------------|------------------|
| Furniture and equipment | 5-10 years | \$ 40,110 | \$ 4,856 | \$ 44,966 |
| Idle assets | | 8,460 | | 8,460 |
| Accumulated depreciation | | <u>(48,255)</u> | <u>(4,856)</u> | <u>(53,111)</u> |
| Net investment in property and equipment | | <u>\$ 315</u> | <u>\$</u> | <u>\$ 315</u> |

Depreciation expense for the year ended June 30, 2021 was \$945.

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

| | Estimated Depreciable Life | Purchased With Federal Funds | Purchased With Non-Federal Funds | Total |
|------------------------------------------|----------------------------------|------------------------------------|-------------------------------------------|------------------|
| Furniture and equipment | 5-10 years | \$ 40,111 | \$ 4,856 | \$ 44,967 |
| Idle assets | | 28,826 | | 28,826 |
| Accumulated depreciation | | <u>(67,677)</u> | <u>(4,856)</u> | <u>(72,533)</u> |
| Net investment in property and equipment | | <u>\$ 1,260</u> | <u>\$</u> | <u>\$ 1,260</u> |

Depreciation expense for the year ended June 30, 2020 was \$945.

(5) Refundable Advances

Union records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(Continued)

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

(6) Contractual Revenue – Grants

During the years ended June 30, 2021 and 2020, Union received contractual revenue from federal and state grants in the amount of \$898,339 and \$873,491, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(7) Accrued Liabilities

Accrued liabilities at June 30, 2021 and 2020 consisted of the following:

| | <u>2021</u> | <u>2020</u> |
|----------------------|------------------|------------------|
| Accrued annual leave | \$ 11,112 | \$ 11,112 |
| Payroll liabilities | 945 | 1,265 |
| | <u>\$ 12,057</u> | <u>\$ 12,377</u> |

(8) Net Assets

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

| | <u>2021</u> | <u>2020</u> |
|----------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Net Assets Without Donor Restrictions: | | |
| Undesignated | \$ 245,948 | \$ 243,935 |
| Net investment in property and equipment | <u>315</u> | <u>1,260</u> |
| Total net assets without donor restrictions | <u>246,263</u> | <u>245,195</u> |
| Net Assets With Donor Restrictions: | | |
| Subject to expenditure for specified purpose – Restricted for Low-income home energy assistance | <u>13,110</u> | <u>13,482</u> |
| Total net assets with donor restrictions | <u>13,110</u> | <u>13,482</u> |
| Total Net Assets | <u>\$ 259,373</u> | <u>\$ 258,677</u> |

(9) Leases

Union leases certain property and equipment under operating leases. Rental costs on those leases for the years ended June 30, 2021 and 2020 were \$5,258 and \$5,396, respectively.

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

| For the Year Ending <u>June 30,</u> | |
|----------------------------------------|---------------|
| 2022 | \$ 125 |
| Total minimum future rentals | <u>\$ 125</u> |

(Continued)

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

(10) Contingencies

Employees of Union are entitled to paid sick days, earned at the rate of twelve hours per month of full time employment. It is reasonably possible but not certain that sick leave will be paid in the future; accordingly, no liability has been recorded in the accompanying financial statements. Union's policy is to recognize the costs of sick leave benefits when actually paid to employees. Upon an employee's resignation, lay-off, or death, no pay will be granted for any earned sick leave. Union estimates the liability for sick leave earned by employees but not yet taken as of June 30, 2021, to be approximately \$48,246.

Grants and contracts awarded to Union are subject to funding agencies' criteria, contract terms, and regulations under which expenditures may be charged and are subject to audit under those terms, regulations, and criteria. Occasionally, such audits may determine that certain costs incurred under the grants and contracts do not comply with the established criteria that govern them. In such cases, Union could be held responsible for repayments to the funding agency for the costs. Management does not anticipate any material questioned costs at this time for grants and contracts administered through the year June 30, 2021.

(11) Liquidity and Availability of Financial Assets

Union 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. Union 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 | \$ 241,029 | \$ 161,016 |
| Grant receivables | 33,902 | 107,728 |
| Other receivables | <u>750</u> | <u>750</u> |
| Total financial assets | 275,681 | 269,494 |
| Less amounts not available to be used within one year: | | |
| Net assets with donor restrictions | (13,110) | (13,482) |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 262,571</u> | <u>\$ 256,012</u> |

In addition to financial assets available to meet general expenditures over the year, Union anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies.

(12) 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.

(13) Subsequent events

Subsequent events have been evaluated through December 28, 2021, the date the financial statements were available to be issued.

(Continued)

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

(14) 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. This standard was effective for annual reporting periods beginning after December 15, 2019. The adoption of this standard did not have a material effect on the Organization's financial statements and required no adjustment.

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

Agency Head: Diane Hill, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|----------------|---------------|
| Salary | \$ 54,459 |

Union Community Action Association, Inc.
Farmerville, 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> | | | | |
| 477 Cluster | | | | |
| Passed through Louisiana Workforce Commission | | | | |
| Community Services Block Grant | 93.569 | 2000460221 & 2000539880 | \$ | \$ 60,024 |
| Covid-19 - Community Services Block Grant | 93.569 | 2000499583 | | 54,447 |
| Total Community Services Block Grant | | | | <u>114,471</u> |
| Total 477 Cluster | | | | <u>114,471</u> |
| Passed through Louisiana Housing Corporation | | | | |
| Low-Income Home Energy Assistance Program | 93.568 | Unknown | | 696,941 |
| Covid-19 - Low-Income Home Energy Assistance Program | 93.568 | Unknown | | 73,968 |
| Total Low-Income Home Energy Assistance Program | | | | <u>770,909</u> |
| Total U.S. Department of Health and Human Services | | | | <u>885,380</u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Passed through United Way of America | | | | |
| Emergency Food and Shelter Program | 97.024 | Unknown | | 8,348 |
| Covid-19 - Emergency Food and Shelter Program | 97.024 | Unknown | | 4,366 |
| Total U.S. Department of Homeland Security | | | | <u>12,714</u> |
| Total federal expenditures | | | \$ | <u>\$ 898,094</u> |

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Union Community Action Agency, 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 Union Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Union 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) Union Community Action Agency, Inc. does not utilize an indirect cost rate.

COOK & MOREHART

Certified Public Accountants

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Report on Internal Control Over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards*

Independent Auditors' Report

To the Board of Directors
Union Community Action Association, Inc.
Farmerville, 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 Union 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, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union 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 Union Community Action Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Union 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 Union 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 28, 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
Union Community Action Association, Inc.

Report on Compliance for Each Major Federal Program

We have audited Union 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 Union Community Action Association, Inc.'s major federal program for the year ended June 30, 2021. Union 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 Union Community Action Association, Inc.'s major federal program 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 Union 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 Union Community Action Association, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Union 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 its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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



Cook & Morehart
Certified Public Accountants
December 28, 2021

Union Community Action Association, Inc.
Farmerville, 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 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 :

Federal Assistance Listing #93.568 - Low-Income Home Energy Assistance Program

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

Auditee qualified as low risk : yes no

B. Findings – Financial Statement Audit: None

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

Union Community Action Association, Inc.
Farmerville, 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.