

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

Financial Statements

For the Year Ended January 31, 2019

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
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COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

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 statement of financial position as of January 31, 2019, and the related statement of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As described in Note 2 to the financial statements, Caddo Community Action Agency, Inc. adopted the Financial Accounting Standards Board's Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended January 31, 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Caddo Community Action Agency, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 24, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

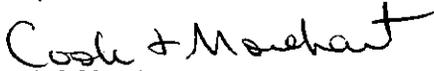
Other Matters

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 15 - 17 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 18 - 19, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2019, on our consideration of Caddo Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Caddo Community Action Agency, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caddo Community Action Agency, Inc.'s internal control over financial reporting and compliance.


Cook & Morehart
Certified Public Accountants
July 29, 2019

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statement of Financial Position
January 31, 2019
(With Comparative Amounts for 2018)

Assets	<u>2019</u>	<u>2018</u>
Current assets:		
Cash	\$ 264,939	\$ 253,005
Grant receivables	1,510,787	655,995
Prepaid insurance	126,185	118,844
Total current assets	<u>1,901,911</u>	<u>1,027,844</u>
Property and Equipment:		
Property and equipment	14,919,874	14,336,757
Accumulated depreciation	<u>(8,411,276)</u>	<u>(7,912,626)</u>
Net property and equipment	<u>6,508,598</u>	<u>6,424,131</u>
 Total Assets	 <u>\$ 8,410,509</u>	 <u>\$ 7,451,975</u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 1,370,249	\$ 399,859
Accrued liabilities	401,266	421,755
Line of credit	82,220	129,220
Capital lease, current portion	59,087	57,099
Notes payable, current portion		81,460
Total current liabilities	<u>1,912,822</u>	<u>1,089,393</u>
Capital lease, less current portion	<u>135,782</u>	<u>194,869</u>
Total liabilities	<u>2,048,604</u>	<u>1,284,262</u>
Net assets:		
Without donor restrictions	6,325,169	6,084,010
With donor restrictions	36,736	83,703
Total net assets	<u>6,361,905</u>	<u>6,167,713</u>
 Total Liabilities and Net Assets	 <u>\$ 8,410,509</u>	 <u>\$ 7,451,975</u>

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
(With Comparative Amounts for 2018)

	Without Donor Restrictions	With Donor Restrictions	Totals 2019	Totals 2018
Revenues:				
Contractual revenue - grants	\$ 17,932,789	\$ 36,736	\$ 17,969,525	\$ 16,357,395
Miscellaneous revenues	107,506		107,506	98,982
Net assets released from restrictions:				
Satisfaction of restrictions	83,703	(83,703)		
Total revenues	18,123,998	(46,967)	18,077,031	16,456,377
Expenses:				
Program expenses				
Head Start program	11,062,848		11,062,848	10,802,493
Child care food program	1,151,968		1,151,968	1,031,600
Community services	608,374		608,374	601,253
Weatherization assistance	473,767		473,767	553,949
Home energy assistance	2,130,597		2,130,597	1,963,984
Emergency food and shelter	11,277		11,277	35,960
Other general services	635,883		635,883	155,859
General and administrative expenses	1,808,125		1,808,125	1,590,838
Total expenses	17,882,839		17,882,839	16,735,936
Changes in net assets	241,159	(46,967)	194,192	(279,559)
Net assets as of beginning of year	6,084,010	83,703	6,167,713	6,447,272
Net assets as of end of year	\$ 6,325,169	\$ 36,736	\$ 6,361,905	\$ 6,167,713

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, 2019
(With Comparative Amounts for 2018)

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	Total 2018
Salaries	\$ 6,284,390	\$ 430,959	\$ 396,715	\$ 132,854	\$	\$ 8,486	\$	\$ 7,253,404	\$ 1,189,430	\$ 8,442,834	\$ 8,310,081
Fringe Benefits	1,481,976	101,754	103,974	29,897		729		1,718,330	325,555	2,043,885	2,041,566
Travel	13,859		1,351					15,210	2,342	17,552	39,167
Equipment	191,592	58,471	207	3		188		250,461	497	250,958	232,836
Occupancy	364,984		20,811	5		645		386,445	74,369	460,814	476,368
Telephone	114,264		7,261			1,056		122,581	48,595	171,176	172,705
Insurance	187,906		14,641	5,128				207,675	11,050	218,725	220,662
Vehicle operation	197,860		7,551	19,284				224,695	2,282	226,977	291,736
Supplies	426,608	68,171	4,776	95,148		483		595,186	54,261	649,447	446,167
Professional services	762,829		295	143,976				907,100	11,345	918,445	884,335
Food and related supplies	79,648	492,613						572,261		572,261	583,920
Miscellaneous	504,893		4,618	47,472		13,189		570,172	78,424	648,596	479,520
Client assistance payments			46,174		2,130,597	539,123	11,277	2,727,171		2,727,171	2,037,563
Interest expense	2,015					15,459		17,474		17,474	14,821
Depreciation expense	450,024					56,525		506,549	9,975	516,524	504,489
Total Expenses	\$ 11,062,848	\$ 1,151,968	\$ 608,374	\$ 473,767	\$ 2,130,597	\$ 635,883	\$ 11,277	\$ 16,074,714	\$ 1,808,125	\$ 17,882,839	\$ 16,735,936

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

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statement of Cash Flows
For the Year Ended January 31, 2019
(With Comparative Amounts for 2018)

	2019	2018
Operating activities		
Changes in net assets	\$ 194,192	\$ (279,559)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	516,524	504,489
(Increase) decrease in operating activities:		
Grant receivables	(854,792)	(446,580)
Other receivables		192,000
Prepaid insurance	(7,341)	(67,005)
Increase (decrease) in operating liabilities:		
Accounts payable	389,497	(32,232)
Accrued liabilities	(20,489)	100,283
Net cash provided by (used in) operating activities	217,591	(28,604)
Investing Activities		
Payments for property and equipment	(20,098)	(24,499)
Net cash (used in) investing activities	(20,098)	(24,499)
Financing Activities		
Advances on line of credit	25,000	130,000
Repayments on line of credit	(72,000)	(780)
Proceed on loan		94,219
Payments on capital lease	(57,099)	(46,015)
Payments on loans	(81,460)	(157,805)
Net cash provided by (used in) financing activities	(185,559)	19,619
Net increase (decrease) in cash	11,934	(33,484)
Cash as of beginning of year	253,005	286,489
Cash as of end of year	\$ 264,939	\$ 253,005

Supplemental disclosure:

Cash paid for interest during the year ended January 31, 2019 was \$17,474.

Non-cash investing and financing activities:

Acquisition of equipment		
Cost of equipment	\$ 600,991	\$ 134,974
Acquisition of equipment through capital lease		\$ (80,760)
Trade account payable	(580,893)	(29,715)
	\$ 20,098	\$ 24,499

The accompanying notes are an integral part of this statement.

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

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

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

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

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

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

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

B. Basis of Accounting

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

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 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, 2016, 2017, 2018, and 2019 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, 2019.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 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. For the year ended January 31, 2019, the contribution was 2% of eligible wages. The amount contributed to the plan for the year ended January 31, 2019 was \$168,631.

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 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.

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. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with general accepted accounting principles. Accordingly, such information should be read in conjunction with CCAA's financial statements for the year ended January 31, 2018, from which the summarized information was derived.

(Continued)

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

L. 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.

(2) Adoption of New Accounting Pronouncement

For the year ended January 31, 2019, CCAA adopted the Financial Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

(3) 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, 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, 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.

(4) 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, 2019, but received after that date.

(Continued)

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

(5) 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:

Financial assets at year-end:	
Cash and cash equivalents	\$ 264,939
Grant receivables	<u>1,510,787</u>
Total financial assets	1,775,726
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(36,736)
Less designated net assets which are designated for program use	<u>(43,614)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,695,376</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, 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 \$217,591 for fiscal year ending January 31, 2019. 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, 2019
 (Continued)

(6) Property and Equipment

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 \$516,524 for the year ended January 31, 2019.

(7) Accrued Liabilities

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

Accrued payroll	\$ 360,144
Accrued leave	18,212
Payroll taxes payable	22,910
	<u>\$ 401,266</u>

(8) Contractual Revenue – Grants

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

(Continued)

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

(9) Operating Leases

The agency leases several buildings and certain equipment under operating leases. The rental costs on these items for the year ended January 31, 2019 were \$77,057. The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending <u>January 31,</u>	
2020	\$ 67,332
2021	64,082
2022	33,961
2023	15,000
2024	<u>15,000</u>
	<u>\$ 195,375</u>

(10) Capital Leases - Equipment

CCAA leased several copiers during the year ended January 31, 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 year ended January 31, 2019. Interest has been imputed at a rate of 3.44%, and CCAA will make monthly payments through 2023.

Copiers	\$ 297,983
Less: accumulated depreciation	<u>(108,425)</u>
Property held under capital leases, net	<u>\$ 189,558</u>

Minimum future lease payments under capital leases as of January 31, 2019 are as follows:

Year Ending <u>January 31,</u>	
2020	\$ 64,872
2021	64,872
2022	64,872
2023	<u>11,485</u>
Total minimum lease payments	\$ 206,101
Less amounts representing interest	<u>(11,232)</u>
Present value of minimum lease payments	194,869
Less current portion	<u>(59,087)</u>
	<u>\$ 135,782</u>

(Continued)

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

(11) Net Assets

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

Net Assets Without Donor Restrictions:	
Undesignated	\$ (32,174)
Net investment in property and equipment	6,313,729
Designated for Weatherization program	18,031
Designated for Emergency aid	<u>25,583</u>
Total net assets without donor restrictions	<u>6,325,169</u>
Net Assets With Donor Restrictions:	
Subject to expenditure for specified purpose –	
Restricted for Liheap program	31,021
Restricted for tornado victims	<u>5,715</u>
Total net assets with donor restrictions	<u>36,736</u>
Total Net Assets	<u>\$ 6,361,905</u>

(12) Line of Credit

CCAA 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, 2019 was 8.43%. At January 31, 2019, the balance on the line of credit was \$82,220. Interest expense incurred under the line of credit for the year ended January 31, 2019 was \$8,063. Collateral for the line of credit is certain real estate owned by the agency.

(13) Accounts Payable

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

Construction payable	\$ 200,600
Vendor payables	<u>1,169,649</u>
	<u>\$ 1,370,249</u>

(14) Subsequent Events

Subsequent events have been evaluated through July 29, 2019, the date the financial statements were available to be issued.

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Combining Schedule of Financial Position
 January 31, 2019
 (With Comparative Totals for 2018)

	Head Start	Child Care	Community	Weatherization	Home	Water	Other	Total	
	Program	Food Program	Service	Assistance	Energy Assistance	Assistance	General Services	2019	2018
Assets									
Current assets:									
Cash	\$ 127,530	\$	\$ 3,597	\$ 23,426	\$ 31,021	\$ 7,428	\$ 71,937	\$ 264,939	\$ 253,005
Grant receivables	1,266,238	138,565	28,762	77,222				1,510,787	655,995
Prepaid insurance	126,185							126,185	118,844
Due from other funds							25,000	25,000	30,000
Total current assets	1,519,953	138,565	32,359	100,648	31,021	7,428	96,937	1,926,911	1,057,844
Property and equipment:									
Property and equipment	14,187,469		14,717	176,924	21,666		519,098	14,919,874	14,336,757
Accumulated depreciation	(7,975,737)		(14,717)	(176,924)	(21,666)		(222,232)	(8,411,276)	(7,912,626)
Net property & equipment	6,211,732						296,866	6,508,598	6,424,131
Total Assets	\$ 7,731,685	\$ 138,565	\$ 32,359	\$ 100,648	\$ 31,021	\$ 7,428	\$ 393,803	\$ 8,435,509	\$ 7,481,975
Liabilities and Net Assets									
Current liabilities:									
Accounts payable	\$ 1,184,292	\$ 138,565	\$	\$ 47,392	\$	\$	\$	\$ 1,370,249	\$ 399,859
Accrued liabilities	335,661		32,359	10,224			23,022	401,266	421,755
Due to other funds				25,000				25,000	30,000
Line of credit							82,220	82,220	129,220
Current portion of capital lease							59,087	59,087	57,099
Current portion of note payable									81,460
Total current liabilities	1,519,953	138,565	32,359	82,616			164,329	1,937,822	1,119,393
Capital lease, less current portion							135,782	135,782	194,869
Net assets:									
Without donor restrictions	6,211,732			18,032		7,428	87,977	6,325,169	6,084,010
With donor restrictions					31,021		5,715	36,736	83,703
Total net assets	6,211,732			18,032	31,021	7,428	93,692	6,361,905	6,167,713
Total Liabilities and Net Assets	\$ 7,731,685	\$ 138,565	\$ 32,359	\$ 100,648	\$ 31,021	\$ 7,428	\$ 393,803	\$ 8,435,509	\$ 7,481,975

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Combining Schedule of Activities
 For the Year Ended January 31, 2019
 (With Comparative Totals for 2018)

	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Water Assistance	Other General Services	Total 2019	Total 2018
Revenues									
Contractual revenue - grants	\$ 12,387,019	\$ 1,300,026	\$ 875,405	\$ 523,269	\$ 2,344,743	\$ 13,063	\$ 526,000	\$ 17,969,525	\$ 16,357,395
Miscellaneous revenues				6,000			101,506	107,506	98,982
Total revenues	12,387,019	1,300,026	875,405	529,269	2,344,743	13,063	627,506	18,077,031	16,456,377
Expenses									
Program									
Salaries	6,284,390	430,959	396,715	132,854			8,486	7,253,404	7,202,480
Fringe benefits	1,481,976	101,754	103,974	29,897			729	1,718,330	1,825,501
Travel	13,859		1,351					15,210	37,310
Equipment	191,592	58,471	207	3			188	250,461	218,001
Occupancy	364,984		20,811	5			645	386,445	414,609
Telephone	114,264		7,261				1,056	122,581	126,004
Insurance	187,906		14,641	5,128				207,675	206,470
Vehicle operation	197,860		7,551	19,284				224,695	286,882
Supplies	426,608	68,171	4,776	95,148			483	595,186	416,708
Professional services	762,829		295	143,976				907,100	864,060
Food and related supplies	79,648	492,613						572,261	583,920
Miscellaneous	504,893		4,618	47,472			13,189	570,172	414,640
Client assistance payments			46,174		2,130,597		550,400	2,727,171	2,037,563
Interest expense	2,015						15,459	17,474	14,821
Depreciation	450,024						56,525	506,549	496,129
Total program	11,062,848	1,151,968	608,374	473,767	2,130,597		647,160	16,074,714	15,145,098
General and Administrative									
Salaries	687,344	115,566	175,950	35,974	174,596			1,189,430	1,107,601
Fringe benefits	214,319	32,492	41,256	9,496	27,992			325,555	216,065
Travel			963	530	849			2,342	1,857
Equipment					400			497	14,835
Occupancy	67,093		7,276					74,369	61,759
Telephone	20,164		8,811	12,011	7,609			48,595	46,701
Insurance			9,036		2,014			11,050	14,192
Vehicle operation			2,282					2,282	4,854
Supplies	16,785		4,977	2,318	29,765	416		54,261	29,459
Professional services			4,568	1,000	5,777			11,345	20,275
Miscellaneous	38,634		6,686	1,329	10,490	21,285		78,424	64,880
Depreciation							9,975	9,975	8,360
Total general and administrative	1,044,339	148,058	261,805	62,658	259,492	21,798	9,975	1,808,125	1,590,838
Total expenses	12,107,187	1,300,026	870,179	536,425	2,390,089	21,798	657,135	17,882,839	16,735,936
Change in net assets	279,832		5,226	(7,156)	(45,346)	(8,735)	(29,629)	194,192	(279,559)
Net assets, beginning of year	5,979,306			28,517	83,703	17,361	58,826	6,167,713	6,447,272
Transfers	(47,406)		(5,226)	(3,329)	(7,336)	(1,198)	64,495		
Net assets, end of year	\$ 6,211,732	\$	\$	\$ 18,032	\$ 31,021	\$ 7,428	\$ 93,692	\$ 6,361,905	\$ 6,167,713

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended January 31, 2019

Agency Head: Laurance Guidry, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 170,243
Benefits - insurance	6,247
Benefits - retirement	3,405
Cell phone	577
Reimbursements	15

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended January 31, 2019

<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	\$	\$ 1,300,026
<u>U.S. Department of Energy</u>				
Pass through Louisiana Housing Corporation: Weatherization Assistance for Low-Income Persons (FY 06-30-18)	81.042	N/A		29,380
Weatherization Assistance for Low-Income Persons (FY 06-30-19)	81.042	N/A		59,719
Total Department of Energy				<u>89,099</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	Unknown		<u>12,000</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Caddo Parish Commission: Head Start	93.600	06CH010435-02	224,527	12,359,319
477 Cluster Passed through Louisiana Workforce Commission: Community Services Block Grant	93.569	2017N0036 & 2018N0036		886,181
Total 477 Cluster				<u>886,181</u>
Pass through Louisiana Housing Corporation: Home Energy Assistance Program	93.568	N/A		2,397,425
Weatherization Assistance for Low-Income Persons (FY 06-30-18)	93.568	N/A		206,402
Weatherization Assistance for Low-Income Persons (FY 06-30-19)	93.568	N/A		227,794
Total Department of Health and Human Services			<u>224,527</u>	<u>16,077,121</u>
Total Federal Expenditures			<u>\$ 224,527</u>	<u>\$ 17,478,246</u>

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

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2019

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, 2019. 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

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Caddo Community Action Agency Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Caddo Community Action Agency, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Caddo Community Action Agency, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo Community Action Agency, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
July 29, 2019

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA
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MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
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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 Caddo Community Action Agency Inc.'s major federal program for the year ended January 31, 2019. Caddo Community Action Agency, 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 Caddo Community Action Agency, 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 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, 2019.

Report on Internal Control Over Compliance

Management of Caddo Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Caddo Community Action Agency, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness Caddo Community Action Agency, Inc.'s internal control over compliance.

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

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

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



Cook & Morehart
Certified Public Accountants
July 29, 2019

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
January 31, 2019

There were no findings or questioned costs for the prior year audit for the year ended January 31, 2018.

Schedule of Findings and Questioned Costs
January 31, 2019

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknessess 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 weaknessess identified :

_____ yes v no

Significant deficiencies identified :

_____ yes v none reported

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

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

_____ yes v no

Identification of major federal programs :

CFDA# 93.600 - 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.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2019

There were no findings or questioned costs for the prior year audit ended January 31, 2018

Summary Schedule of Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2019

There are no findings or questioned costs for the current year audit period ended January 31, 2019.

COOK & MOREHART

Certified Public Accountants

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TELEPHONE (318) 222-5415 FAX (318) 222-5441

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MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Caddo Community Action Agency, Inc. (a nonprofit organization), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures Year 2 (SAUPs) for the fiscal period February 1, 2018 through January 31, 2019. The Caddo Community Action Agency, Inc.'s (CCAA) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

Board (or Finance Committee, if applicable)

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

Bank Reconciliations

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

Collections

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

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

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Monthly statements selected for testing were reviewed and approved in writing by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

There were no finance charges or late fees on the statements selected for testing, except as noted below:

Exception: Of the 5 credit cards tested, 2 of the statements were assessed finance charges totaling \$80.97.

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Transactions selected for testing were supported by an original itemized receipt that identified precisely what was purchased, contained written documentation of the business purpose, and documentation of the individuals participating in meals, as applicable.

Travel and Expense Reimbursement

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

None of the contracts selected for testing were subject to the Louisiana Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

The contracts selected for testing did not require board approval.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

The contracts selected for testing were not amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

For the invoices selected for testing, invoices agreed to the contract terms, and the related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

Ethics (excluding nonprofits)

Not applicable to nonprofit organizations.

Debt Service (excluding nonprofits)

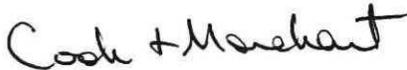
Not applicable to nonprofit organizations.

Other

Testing not required for this area for the fiscal period February 1, 2018 through January 31, 2019, due to no exceptions being noted in prior year.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Cook & Morehart
Certified Public Accountants
January 29, 2019