

Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Financial Statements

For the Years Ended January 31, 2024 and 2023

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	
For the Year Ended January 31, 2024	5
For the Year Ended January 31, 2023	6
Statements of Functional Expenses	
For the Year Ended January 31, 2024	7
For the Year Ended January 31, 2023	8
Statements of Cash Flows	9
Notes to Financial Statements	10 – 17
Combining Schedules:	
Combining Schedule of Financial Position	18
Combining Schedule of Activities	19
Other Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	20
Schedule of Expenditures of Federal Awards	21 – 22
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	23 – 24
Report on Compliance For Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance	25 – 27
Summary Schedule of Prior Audit Findings	28
Schedule of Findings and Questioned Costs	28
Schedules for Louisiana Legislative Auditor:	
Summary Schedule of Prior Audit Findings	29
Summary Schedule of Current Year Audit Findings	29

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Caddo Community Action Agency, Inc. (a nonprofit organization), which comprise the statements of financial position as of January 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Caddo Community Action Agency, Inc. (a nonprofit organization) as of January 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Governmental Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Caddo Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Caddo Community Action Agency, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Caddo Community Action Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Caddo Community Action Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary 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 pages 18-20 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 21-22, 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 GAAS. 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, 2024, on our consideration of the 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, 2024

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statements of Financial Position
January 31, 2024 and 2023

Assets	2024	2023
Current assets:		
Cash	\$ 88,166	\$ 539,840
Grant receivables	948,022	1,212,716
Prepaid expenses	308,839	88,824
Total current assets	<u>1,345,027</u>	<u>1,841,380</u>
Non-current assets		
Operating lease right-of-use assets	328,923	445,303
Property and equipment, net	5,499,503	5,759,415
Total non-current assets	<u>5,828,426</u>	<u>6,204,718</u>
Total Assets	<u>\$ 7,173,453</u>	<u>\$ 8,046,098</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 1,048,008	\$ 1,012,259
Accrued liabilities	183,723	667,590
Line of credit	45,000	25,000
Right-of-use operating lease liabilities, current	127,370	136,957
Total current liabilities	<u>1,404,101</u>	<u>1,841,806</u>
Right-of-use operating lease liabilities, less current portion	201,553	328,923
Total liabilities	<u>1,605,654</u>	<u>2,170,729</u>
Net assets:		
Without donor restrictions	5,518,237	5,827,695
With donor restrictions	49,562	47,674
Total net assets	<u>5,567,799</u>	<u>5,875,369</u>
Total Liabilities and Net Assets	<u>\$ 7,173,453</u>	<u>\$ 8,046,098</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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contractual revenue - grants	\$ 23,216,522	\$ 1,906	\$ 23,218,428
Miscellaneous revenues	6,045		6,045
Net assets released from restrictions:			
Satisfaction of restrictions	18	(18)	
Total revenues	<u>23,222,585</u>	<u>1,888</u>	<u>23,224,473</u>
Expenses:			
Program expenses			
Head Start program	14,412,149		14,412,149
Child care food program	949,435		949,435
Community services	783,355		783,355
Low-income home energy assistance program	4,922,799		4,922,799
Other general services	45,392		45,392
Total program expenses	<u>21,113,130</u>		<u>21,113,130</u>
General and administrative expense	<u>2,418,913</u>		<u>2,418,913</u>
Total expenses	<u>23,532,043</u>		<u>23,532,043</u>
Changes in net assets	(309,458)	1,888	(307,570)
Net assets as of beginning of year	<u>5,827,695</u>	<u>47,674</u>	<u>5,875,369</u>
Net assets as of end of year	<u>\$ 5,518,237</u>	<u>\$ 49,562</u>	<u>\$ 5,567,799</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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Contractual revenue - grants	\$ 24,112,443	\$	\$ 24,112,443
Miscellaneous revenues	11,171		11,171
Net assets released from restrictions:			
Satisfaction of restrictions	600	(600)	
Total revenues	<u>24,124,214</u>	<u>(600)</u>	<u>24,123,614</u>
Expenses:			
Program expenses			
Head Start program	13,668,614		13,668,614
Child care food program	865,800		865,800
Community services	1,643,911		1,643,911
Weatherization assistance	339,825		339,825
Low-income home energy assistance program	4,917,781		4,917,781
Other general services	59,868		59,868
Total program expenses	<u>21,495,799</u>		<u>21,495,799</u>
General and administrative expense	<u>2,640,763</u>		<u>2,640,763</u>
Total expenses	<u>24,136,562</u>		<u>24,136,562</u>
Changes in net assets	(12,348)	(600)	(12,948)
Net assets as of beginning of year	<u>5,840,043</u>	<u>48,274</u>	<u>5,888,317</u>
Net assets as of end of year	<u><u>\$ 5,827,695</u></u>	<u><u>\$ 47,674</u></u>	<u><u>\$ 5,875,369</u></u>

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, 2024

	Program Services							
				Low-Income				
	Head Start	Child Care Food Program	Community Service	Home Energy Assistance	Other General Services	Total Program	General and Administrative	Total 2024
Salaries	\$ 7,449,294	\$ 448,507	\$ 515,020	\$	\$	\$ 8,412,821	\$ 1,427,363	\$ 9,840,184
Fringe Benefits	1,956,873	81,301	170,490			2,208,664	537,391	2,746,055
Travel	39,844					39,844	479	40,323
Equipment	162,344	43,055	6,563			211,962	13,847	225,809
Occupancy	549,967		19,321			569,288	55,943	625,231
Telephone	197,129		10,730			207,859	41,568	249,427
Insurance	283,470		7,488			290,958	14,592	305,550
Vehicle operation	188,226		3,680			191,906	4,003	195,909
Supplies	624,155	76,932	9,944			711,031	64,400	775,431
Professional services	704,774					704,774	40,404	745,178
Food and related supplies	320,863	294,093				614,956		614,956
Miscellaneous	1,362,280	5,547	6,935			1,374,762	214,616	1,589,378
Client assistance payments			33,184	4,922,799	37,377	4,993,360		4,993,360
Interest expense					5,265	5,265		5,265
Depreciation expense	572,930				2,750	575,680	4,307	579,987
Total Expenses	<u>\$ 14,412,149</u>	<u>\$ 949,435</u>	<u>\$ 783,355</u>	<u>\$ 4,922,799</u>	<u>\$ 45,392</u>	<u>\$ 21,113,130</u>	<u>\$ 2,418,913</u>	<u>\$ 23,532,043</u>

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

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statement of Functional Expenses
For the Year Ended January 31, 2023

	Program Services								
		Child Care	Community	Weatherization	Low-Income Home Energy	Other			
	Head Start	Food Program	Service	Assistance	Assistance	General Services	Total Program	General and Administrative	Total 2023
Salaries	\$ 7,130,441	\$ 422,758	\$ 501,515	\$ 80,075	\$	\$	\$ 8,134,789	\$ 1,378,487	\$ 9,513,276
Fringe Benefits	1,770,139	105,748	137,566	28,110			2,041,563	804,117	2,845,680
Travel	52,888						52,888	985	53,873
Equipment	259,842	40,235	1,013	392			301,482	32,709	334,191
Occupancy	447,861		20,689				468,550	69,765	538,315
Telephone	195,098		10,237				205,335	45,991	251,326
Insurance	245,839		18,965				264,804	14,736	279,540
Vehicle operation	215,684		5,114	5,546			226,344	2,709	229,053
Supplies	479,075	79,944	33,556	77,322			669,897	54,281	724,178
Professional services	689,562			147,254			836,816	106,463	943,279
Food and related supplies	370,684	217,115		1,126			588,925		588,925
Miscellaneous	1,286,608		5,411			10,291	1,302,310	127,011	1,429,321
Client assistance payments			903,586		4,915,694	25,388	5,844,668		5,844,668
Interest expense						8,204	8,204		8,204
Depreciation expense	524,893		6,259		2,087	15,985	549,224	3,509	552,733
Total Expenses	\$13,668,614	\$ 865,800	\$ 1,643,911	\$ 339,825	\$ 4,917,781	\$ 59,868	\$ 21,495,799	\$ 2,640,763	\$ 24,136,562

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

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended January 31, 2024 and 2023

	2024	2023
Operating activities		
Changes in net assets	\$ (307,570)	\$ (12,948)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	579,987	552,733
Amortization of lease liability	136,957	127,925
Loss on disposal of assets		64,186
(Increase) decrease in operating activities:		
Grant receivables	264,694	304,870
Prepaid expenses	(220,015)	60,091
Increase (decrease) in operating liabilities:		
Accounts payable	35,749	212,650
Accrued liabilities	(483,867)	(287,798)
Operating lease asset and liabilities	(157,533)	(118,780)
Net cash provided by (used in) operating activities	<u>(151,598)</u>	<u>902,929</u>
Investing Activities		
Payments for property and equipment	<u>(320,076)</u>	<u>(584,715)</u>
Net cash (used in) investing activities	<u>(320,076)</u>	<u>(584,715)</u>
Financing Activities		
Advances on line of credit	20,000	
Repayments on line of credit		(20,000)
Payments on right-of-use finance lease liability		(16,702)
Net cash provided by (used in) financing activities	<u>20,000</u>	<u>(36,702)</u>
Net increase (decrease) in cash	(451,674)	281,512
Cash as of beginning of year	<u>539,840</u>	<u>258,328</u>
Cash as of end of year	<u>\$ 88,166</u>	<u>\$ 539,840</u>

Supplemental disclosure:

Cash paid for interest during the years ended January 31, 2024 and 2023
was \$5,265 and \$8,204, respectively.

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2024 and 2023

(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, 2024:

Head Start Program (67%) – 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 (5%) – 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 (4%) – 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.

Home Energy Assistance Program (23%) – 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 (1%) – 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, 2024 and 2023
(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, 2021, 2022, 2023, and 2024 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 the 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, 2024 or January 31, 2023.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the statement of financial position.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2024 and 2023
(Continued)

H. 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 \$5,000 or greater.

I. Retirement Obligations

CCAA offers a 401(k) profit sharing plan for its employees. Employees with at least three months of service may contribute a portion of their gross wages up to a dollar limit which is set by law. Each year CCAA determines the percentage of an employee's compensation it will contribute to the plan. The contribution rate was 2% for the year ended January 31, 2024 and 9% for the year ended January 31, 2023. The amount contributed to the plan for the years ended January 31, 2024 and 2023 was \$187,775 and \$749,819, respectively.

J. Contributions

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

K. 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.

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.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2024 and 2023
(Continued)

M. Leases

CCAA determines whether to account for its leases as operating or financing leases depending on underlying terms of the lease agreement. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; rather, lease expense for these leases are recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of January 31, 2024 and 2023, 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, 2024, total cash balances held at financial institutions was \$754,316. Of this amount, \$251,294 was secured by FDIC, and the remaining \$503,022 was not collateralized. At January 31, 2023, total cash balances held at financial institutions was \$1,071,827. Of this amount, \$251,579 was secured by FDIC, and the remaining \$820,248 was not collateralized.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at January 31, 2024 and 2023, but received after those dates.

(4) Contractual Revenue – Grants

During the years ended January 31, 2024 and 2023, CCAA received contractual revenue from federal, state, and local grants in the amount of \$23,218,428 and \$24,112,443, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(5) Line of Credit

Caddo Community Action Agency, Inc. entered into an agreement for a revolving line of credit for \$500,000 with an interest rate of 2.93% over prime. Interest rate at January 31, 2024 and 2023 was 11.43% and 10.43%, respectively. At January 31, 2024 and 2023, the balance on the line of credit was \$45,000 and \$25,000, respectively. Interest expense incurred under the line of credit for the years ended January 31, 2024 and 2023 was \$5,265 and \$3,932, respectively. Collateral for the line of credit is certain real estate owned by the agency.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2024 and 2023
(Continued)

(6) Property and Equipment

Property and equipment consisted of the following at January 31, 2024:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 9,055,932	\$ 82,493	\$ 9,138,425
Land		361,891		361,891
Furniture, fixtures, equipment	5-10 years	2,453,123		2,453,123
Vehicles	5 years	2,350,486	54,496	2,404,982
Idle Property		152,041	60,000	212,041
Accumulated depreciation		(8,970,934)	(100,025)	(9,070,959)
Property and equipment, net		<u>\$ 5,402,539</u>	<u>\$ 96,964</u>	<u>\$ 5,499,503</u>

Property and equipment consisted of the following at January 31, 2023:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 9,055,932	\$ 82,493	\$ 9,138,425
Land		361,891		361,891
Construction in process		320,076		320,076
Furniture, fixtures, equipment	5-10 years	1,812,971		1,812,971
Vehicles	5 years	2,350,486	54,496	2,404,982
Idle Property		152,041	60,000	212,041
Accumulated depreciation		(8,392,422)	(98,549)	(8,490,971)
Property and equipment, net		<u>\$ 5,660,975</u>	<u>\$ 98,440</u>	<u>\$ 5,759,415</u>

Depreciation expense was \$579,987 and \$552,733 for the years ended January 31, 2024 and 2023, respectively.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2024 and 2023
(Continued)

(7) 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:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 88,166	\$ 539,840
Grant receivables	<u>948,022</u>	<u>1,212,716</u>
Total financial assets	1,036,188	1,752,556
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(49,562)	(47,674)
Less designated net assets which are designated for program use	<u>(30,218)</u>	<u>(51,591)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 956,408</u>	<u>\$ 1,653,291</u>

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 10, are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, designated amounts could be made available, if necessary.

In addition to financial assets available to meet general expenditures over the year, CCAA operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of CCAA's cash and shows negative cash generated by operations of (\$151,598) for year ending January 31, 2024, and positive cash generated by operations of \$902,929 for year ending January 31, 2023. CCAA also has a \$500,000 line of credit available to meet cash flow needs.

(8) Accrued Liabilities

Accrued liabilities at January 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Accrued payroll	\$ 127,256	\$ 97,830
Accrued leave	13,615	13,584
Payroll taxes and retirement payable	<u>42,852</u>	<u>556,176</u>
Total	<u>\$ 183,723</u>	<u>\$ 667,590</u>

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2024 and 2023
(Continued)

(9) Right-of-Use Operating Leases

CCAA leases certain equipment under long-term, non-cancellable operating leases. The leases expire at various dates through 2028. The discount rate of 7.68% represents the risk-free discount rate using a period comparable with that of the individual lease term.

The right-of-use operating assets and operating lease liabilities at January 31, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Lease Assets		
Operating lease right-of-use assets	<u>\$ 328,923</u>	<u>\$ 445,303</u>
Lease Liabilities		
Operating lease liabilities as January 31	\$ 328,923	\$ 465,880
Less current portion	<u>(127,370)</u>	<u>(136,957)</u>
Operating lease liabilities	<u>\$ 201,553</u>	<u>\$ 328,923</u>
Total lease costs were as follows:		
Operating lease costs	\$ 167,982	\$ 153,141
Short-term lease costs	<u>30,100</u>	<u>43,800</u>
Total lease costs	<u>\$ 198,082</u>	<u>\$ 196,941</u>
Weighted-average remaining lease term – months	<u>33</u>	<u>42</u>
Weighted-average discount rate	<u>7.68%</u>	<u>7.68%</u>

Future minimum payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>January 31,</u>	<u>Principle</u>
2025	\$ 148,054
2026	123,414
2027	79,297
2028	<u>14,842</u>
Total lease payments	365,607
Less: imputed interest	<u>(36,684)</u>
Present value of lease liability	<u>\$ 328,923</u>

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2024 and 2023
(Continued)

(10) Net Assets

Net assets at January 31, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ (11,484)	\$ 37,266
Net investment in property and equipment	5,499,503	5,738,838
Designated for Emergency aid	<u>30,218</u>	<u>51,591</u>
Total net assets without donor restrictions	<u>5,518,237</u>	<u>5,827,695</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for Low-income home energy assistance program	45,056	43,150
Restricted for FEMA program	<u>4,506</u>	<u>4,524</u>
Total net assets with donor restrictions	<u>49,562</u>	<u>47,674</u>
Total Net Assets	<u>\$ 5,567,799</u>	<u>\$ 5,875,369</u>

(11) Subsequent Events

In March 2024, CCAA approved a purchase order for approximately \$142,100 for repairs to a building.

Subsequent events have been evaluated through July 29, 2024, the date the financial statements were available to be issued.

(12) Contingency

CCAA is the defendant in a lawsuit of which the ultimate outcome is unknown at this time. The amount of any damages awarded in excess of the agency's current insurance coverage cannot be reasonably estimated at this time.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Financial Position
January 31, 2024
(With Comparative Totals for 2023)

	Head Start Program	Child Care Food Program	Community Service	Low-Income Home Energy Assistance	Water Assistance	Other General Services	Total	
							2024	2023
Assets								
Current assets:								
Cash	\$	\$	\$	\$ 14,573	\$ 1,603	\$ 71,990	\$ 88,166	\$ 539,840
Grant receivables	716,759	168,007	3,117	60,139			948,022	1,212,716
Prepaid insurance	284,194		18,332	5,444		869	308,839	88,824
Due from other funds						35,100	35,100	16,551
Total current assets	1,000,953	168,007	21,449	80,156	1,603	107,959	1,380,127	1,857,931
Non-current assets								
Operating lease right-of-use assets						328,923	328,923	445,303
Property and equipment, net	5,402,539					96,964	5,499,503	5,759,415
Total non-current assets	5,402,539					425,887	5,828,426	6,204,718
Total Assets	\$ 6,403,492	\$ 168,007	\$ 21,449	\$ 80,156	\$ 1,603	\$ 533,846	\$ 7,208,553	\$ 8,062,649
Liabilities and Net Assets								
Current liabilities:								
Accounts payable	\$ 872,167	\$ 168,007	\$ 7,834	\$	\$	\$	\$ 1,048,008	\$ 1,012,259
Accrued liabilities	128,786		13,615			41,322	183,723	667,590
Due to other funds				35,100			35,100	16,551
Line of credit						45,000	45,000	25,000
Current portion of right-of-use asset						127,370	127,370	136,957
Total current liabilities	1,000,953	168,007	21,449	35,100		213,692	1,439,201	1,858,357
Right-of-use asset, less current portion						201,553	201,553	328,923
Net assets:								
Without donor restrictions	5,402,539				1,603	114,095	5,518,237	5,827,695
With donor restrictions				45,056		4,506	49,562	47,674
Total net assets	5,402,539			45,056	1,603	118,601	5,567,799	5,875,369
Total Liabilities and Net Assets	\$ 6,403,492	\$ 168,007	\$ 21,449	\$ 80,156	\$ 1,603	\$ 533,846	\$ 7,208,553	\$ 8,062,649

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Activities
For the Year Ended January 31, 2024
(With Comparative Totals for 2023)

	Head Start Program	Child Care Food Program	Community Service	Low-Income Home Energy Assistance	Water Assistance	Other General Services	Total	
							2024	2023
Revenues								
Contractual revenue - grants	\$ 15,661,503	\$ 1,135,662	\$ 1,140,715	\$ 5,255,024	\$ 9,274	\$ 16,250	\$ 23,218,428	\$ 24,112,443
Miscellaneous revenues						6,045	6,045	11,171
Total revenues	15,661,503	1,135,662	1,140,715	5,255,024	9,274	22,295	23,224,473	24,123,614
Expenses								
Program								
Salaries	7,449,294	448,507	515,020				8,412,821	8,134,789
Fringe benefits	1,956,873	81,301	170,490				2,208,664	2,041,563
Travel	39,844						39,844	52,888
Equipment	162,344	43,055	6,563				211,962	301,482
Occupancy	549,967		19,321				569,288	468,550
Telephone	197,129		10,730				207,859	205,335
Insurance	283,470		7,488				290,958	264,804
Vehicle operation	188,226		3,680				191,906	226,344
Supplies	624,155	76,932	9,944				711,031	669,897
Professional services	704,774						704,774	836,816
Food and related supplies	320,863	294,093					614,956	588,925
Miscellaneous	1,362,280	5,547	6,935				1,374,762	1,302,310
Client assistance payments			33,184	4,922,799		37,377	4,993,360	5,844,668
Interest expense						5,265	5,265	8,204
Depreciation	572,930					2,750	575,680	549,224
Total program	14,412,149	949,435	783,355	4,922,799		45,392	21,113,130	21,495,799
General and Administrative								
Salaries	836,257	136,320	204,987	226,381		23,418	1,427,363	1,378,487
Fringe benefits	319,397	49,907	92,817	66,813		8,457	537,391	804,117
Travel			479				479	985
Equipment			5,809	6,975	1,063		13,847	32,709
Occupancy	47,018		8,925				55,943	69,765
Telephone	34,787		3,615	2,625		541	41,568	45,991
Insurance			11,415	3,177			14,592	14,736
Vehicle operation			4,003				4,003	2,709
Supplies	49,474		4,405	10,455	2	64	64,400	54,281
Professional services	27,325		8,914	3,805		360	40,404	106,463
Miscellaneous	179,943		11,280	9,851		13,542	214,616	127,011
Depreciation						4,307	4,307	3,509
Total general and administrative	1,494,201	186,227	356,649	330,082	1,065	50,689	2,418,913	2,640,763
Total expenses	15,906,350	1,135,662	1,140,004	5,252,881	1,065	96,081	23,532,043	24,136,562
Change in net assets	(244,847)		711	2,143	8,209	(73,786)	(307,570)	(12,948)
Net assets, beginning of year	5,655,394			43,150	1,394	175,431	5,875,369	5,888,317
Transfers out	(8,008)		(711)	(237)	(8,000)	16,956		
Net assets, end of year	\$ 5,402,539	\$	\$	\$ 45,056	\$ 1,603	\$ 118,601	\$ 5,567,799	\$ 5,875,369

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended January 31, 2024

Agency Head: Laurance Guidry, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 208,184
Benefits - insurance	10,976
Benefits - retirement	17,087
Cell phone	525

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2024

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal 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	Unknown	\$	\$ 1,135,662
Total Department of Agriculture				<u>1,135,662</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	Unknown		<u>16,250</u>
<u>U.S. Department of Health and Human Services</u>				
Head Start Cluster				
Passed through Caddo Parish Commission:				
Head Start	93.600	06CH012150-02	243,746	15,240,797
Covid-19 - Head Start	93.600	06HE00058101C5		64,457
Covid-19 - Head Start ARP	93.600	06HE00058101C6		389,490
Total Head Start Cluster			<u>243,746</u>	<u>15,694,744</u>
477 Cluster				
Passed through Louisiana Workforce Commission:				
Community Services Block Grant	93.569	2023N0036 & 2022N0036		1,146,995
Total 477 Cluster				<u>1,146,995</u>
Pass through Louisiana Housing Corporation:				
Low-Income Home Energy Assistance Program	93.568	Unknown		<u>4,654,354</u>
Pass through Louisiana Housing Corporation:				
Covid-19- Low-Income Household Water Assistance Program	93.499	Unknown		600,445
Total Department of Health and Human Services				<u>22,096,538</u>
Total Federal Expenditures			<u>\$ 243,746</u>	<u>\$ 23,248,450</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, 2024

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, 2024. 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) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Caddo Community Action Agency Inc. does not utilize an indirect cost rate.

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

Independent Auditors' Report

To the Board of Directors
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 (*Government Auditing Standards*), the financial statements of Caddo Community Action Agency, Inc., (a nonprofit organization), which comprise the statement of financial position as of January 31, 2024, 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 July 29, 2024.

Report on Internal Control Over Financial Reporting

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

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

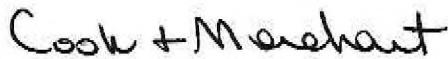
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Cook & Morehart
Certified Public Accountants
July 29, 2024

COOK & MOREHART

Certified Public Accountants

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Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Caddo Community Action Agency, Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Caddo Community Action Agency, Inc.'s major federal programs for the year ended January 31, 2024. Caddo Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Caddo Community Action Agency, Inc. complied in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Caddo Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Caddo Community Action Agency, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Caddo Community Action Agency, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Caddo Community Action Agency, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Caddo Community Action Agency, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Caddo Community Action Agency Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Caddo Community Action Agency Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Caddo Community Action Agency Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2024

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
January 31, 2024

There were no findings or questioned costs for the prior year audit for the year ended January 31, 2023.

Schedule of Findings and Questioned Costs
January 31, 2024

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified :	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified :	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Noncompliance material to financial
statements noted :

<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
------------------------------	--

Federal Awards

Internal control over major programs :

Material weaknesses identified :	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified :	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> 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)

<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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Identification of major federal programs :

AL# 93.600 - Head Start Program
AL# 93.568 - Low-Income Home Energy Assistance Program
AL# 93.569 - Community Service Block Grant

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

Auditee qualified as low risk :	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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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, 2024

There were no findings or questioned costs for the prior year audit period ended January 31, 2023.

Summary Schedule of Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2024

There are no findings or questioned costs for the current year audit period ended January 31, 2024.

COOK & MOREHART

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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 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period February 1, 2023 through January 31, 2024. Caddo Community Action Agency, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Caddo Community Action Agency, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period February 1, 2023 through January 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedures performed. No exceptions noted.

2) **Board or Finance Committee**

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or*

included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedures performed. No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. No exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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
- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures performed. No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

8) Contracts

- A. 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. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. 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.

Procedures performed. No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedures performed. No exceptions noted.

10) Ethics

Not applicable to nonprofit organizations.

11) Debt Service

Not applicable to nonprofit organizations.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management provided representation that there were no misappropriations of public funds or assets during the fiscal period.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedures #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- 1. Hired before June 9, 2020 – Completed the training; and
 - 2. Hired on or after June 9, 2020 – Completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

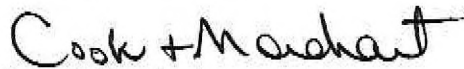
Not applicable to Caddo Community Action Agency, Inc.

We were engaged by Caddo Community Action Agency, Inc., to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of Caddo Community Action Agency, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive, flowing style.

Cook & Morehart
Certified Public Accountants
July 29, 2024