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**Quad Area Community Action Agency, Inc.
Hammond, Louisiana**

Financial Statements With Auditors' Report

**As of and for the Years Ended December 31, 1999 and 1998
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUL 12 2000**

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Hammond, Louisiana
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Independent Auditors' Report

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

We have audited the accompanying statements of financial position of Quad Area Community Action Agency, Inc. (a nonprofit organization) as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Quad Area Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

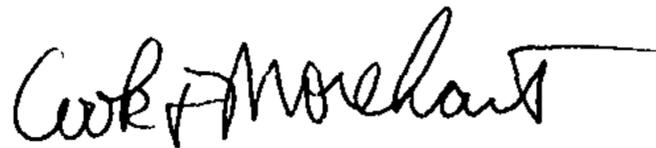
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quad Area Community Action Agency, Inc. as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 26, 2000 on our consideration of Quad Area Community Action Agency, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Quad Area Community Action Agency, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplemental information schedules shown on pages 16–19, are presented for the purpose of additional analysis and are not a required part of the financial statements of Quad Area Community Action Agency, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying supplemental schedules, listed as "Supplemental Information Schedules For Grants and Contracts Analysis" in the table of contents and shown on pages 21–35, are presented for the purpose of providing various funding sources of Quad Area Community Action Agency, Inc. additional individual grant and contract analysis and are not a required part of the financial statements. The information is prepared on a prescribed basis of the various funding sources of Quad Area Community Action Agency, Inc., and certain schedules are for periods other than the organization's fiscal year. These schedules are not presented in accordance with generally accepted accounting principles. Accordingly, the schedules mentioned previously on pages 21–35 are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion they are fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook and Morehart
Certified Public Accountants
May 26, 2000

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Financial Position
December 31, 1999 and 1998

Assets	<u>1999</u>	<u>1998</u>
Current assets:		
Cash	\$ 92,452	\$ 19,617
Grant receivables	59,755	180,537
Other receivables	2,391	19,482
Due from other funds	<u>224,757</u>	<u>159,643</u>
Total current assets	379,355	379,279
Property and equipment	2,389,191	690,284
Accumulated depreciation	<u>(337,606)</u>	<u>(301,752)</u>
Net property and equipment	<u>2,051,585</u>	<u>388,532</u>
Total Assets	<u>\$ 2,430,940</u>	<u>\$ 767,811</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 709	\$ 124,696
Accrued liabilities	19,448	41,789
Due to other funds	224,757	159,643
Current portion of long-term debt	181,405	8,884
Refundable advances	<u>100,596</u>	<u>62,795</u>
Total current liabilities	<u>526,915</u>	<u>397,807</u>
Long-term debt	<u>1,557,517</u>	<u>19,318</u>
Total liabilities	<u>2,084,432</u>	<u>417,125</u>
Net assets:		
Unrestricted:		
Operating	(67,156)	(9,645)
Fixed assets	<u>413,664</u>	<u>360,331</u>
Total net assets	<u>346,508</u>	<u>350,686</u>
Total liabilities and Net Assets	<u>\$ 2,430,940</u>	<u>\$ 767,811</u>

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Activities
For the Years Ended December 31, 1999 and 1998

	Unrestricted	
Revenues and Other Support:	1999	1998
Contractual revenue - grants	\$ 3,721,438	\$ 3,954,209
Fees earned	65,471	58,100
Miscellaneous revenues	181,769	136,344
Total revenues and other support	3,968,678	4,148,653
Expenses:		
Home energy assistance	592,604	1,231,285
Community services	807,329	832,061
Weatherization assistance	165,480	191,450
Head start program	937,233	706,793
<i>Child Nutrition</i>	102,429	89,957
Summer child care services	157,500	240,853
Family Preservation		6,167
Foster grandparents program	354,897	278,241
Retired senior volunteer program	53,615	46,349
Commodities distribution	89,245	83,791
Emergency assistance	39,850	32,091
Drug-free and literacy education	58,548	64,862
Emergency shelter grants	22,087	19,087
Medicaid application services	124,528	104,980
Welfare to work program	224,486	
General services	243,025	159,445
Total expenses	3,972,856	4,087,412
Changes in net assets	(4,178)	61,241
Net assets, beginning of year	350,686	289,445
Net assets, end of year	\$ 346,508	\$ 350,686

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 1999 and 1998

Operating Activities	1999	1998
Change in net assets	\$ (4,178)	\$ 61,241
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	91,303	66,244
Loss on retirement of property and equipment	5,024	
(Increase) decrease in operating assets:		
<i>Grant receivables</i>	120,782	(120,253)
Other receivables	17,091	15,360
Increase (decrease) in operating liabilities:		
Accounts payable	(123,987)	113,373
Accrued liabilities	(22,341)	19,303
Refundable advances	37,801	(26,350)
Net cash provided by operating activities	121,495	128,918
 Investing Activities		
Payments for property and equipment	(51,287)	(147,327)
Net cash used in investing activities	(51,287)	(147,327)
 Financing Activities		
Proceeds from notes payable	101,000	23,420
Repayments of long-term debt	(98,373)	(23,069)
Net cash provided by (used in) financing activities	2,627	351
 Net increase (decrease) in cash	72,835	(18,058)
 Cash as of beginning of year	19,617	37,675
 Cash as of end of year	\$ 92,452	\$ 19,617
 Supplemental disclosures:		
Cash paid for interest was \$30,548 in 1999 and \$2,449 in 1998.		
 Non-cash investing and financing transaction:		
Acquisition of vehicle		
Cost of vehicle, net of trade-in	\$ 30,409	\$ 17,737
Gain on trade-in		(4,237)
Vehicle loan	30,409	(13,500)
 Acquisition of property		
Cost of property	1,677,685	
Loan proceeds	1,677,685	

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

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Quad Area Community Action Agency, Inc. (QACAA) is a private nonprofit corporation incorporated under the laws of the State of Louisiana. QACAA is governed by a Board of Directors from the different parishes that QACAA serves. QACAA operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in the following parishes of Louisiana: Ascension, East Feliciana, West Feliciana, Livingston, St. Helena, Tangipahoa, and Washington. The following programs, with their approximate percentage of total revenues indicated, are administered by QACAA:

Home Energy Assistance (15%) – Operates a program designed to assist low income households in offsetting the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

Community Services Block Grant (20%) – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Department of Labor.

Weatherization Assistance (4%) – Weatherizes (insulates) the dwellings of low-income persons, particularly the elderly and handicapped low-income persons, in order to aid those persons least able to afford higher energy costs and to conserve needed energy. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

Head Start Program (25%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

Child Nutrition (3%) – Operates a Child and Adult Care Food Program in coordination with the Head Start Program and the Summer Child Care Program. Funding is provided by federal funds passed through the Louisiana Department of Education.

Summer Child Care Services (4%) – Provides quality child care during the summer months to children identified by the Head Start Program. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

Foster Grandparents Program (9%) – Sets up projects which provide one-on-one help to children with special needs or exceptional needs in health, education, welfare and related settings. Foster grandparents must be low-income persons at least 60 years of age. Funding is provided by federal funds from the U.S. Agency The Corporation For National Service.

RSVP Program (1%) – Provides opportunities for retired persons to volunteer their services in order to remain physically and mentally active. Funding is provided by federal funds from the U.S. Agency The Corporation For National Service.

Commodities Distribution (2%) – Provides distribution of U.S.D.A. donated commodities to eligible persons in the community. Funding is provided by federal funds passed through the Louisiana Department of Agriculture and Forestry.

Emergency Assistance (1%) – Provides emergency food and shelter in areas of high need through-out the community to persons based upon their unemployment or poverty status. Funding is provided by federal funds passed through a local United Way Agency.

Drug-Free and Literacy Education (1%) – Operates a program in which at-risk youth will learn about the effects of drugs and alcohol use, the reason why drugs and alcohol are harmful, and ways to resist pressure to abuse drugs and alcohol, and develop programs and activities to meet the needs of welfare to work and undereducated non adolescent adult students to help prepare them for entering the work force. Funding is provided by federal funds passed through the Louisiana Department of Education.

Emergency Shelter Grants Program (.5%) – Provides funds to meet costs for building rehabilitation, operational/maintenance expenses, and essential services in connection with emergency shelter of homeless persons, as well as costs of eligible homeless prevention activities through two Emergency Shelter Grants funded with federal HUD funds passed through the Parishes of Ascension and Tangipahoa, State of Louisiana.

Medicaid Application Services (2%) – Provides the service to eligible individuals of processing their Medicaid applications. Funding is provided by a unit rate contract with the Louisiana Department of Health and Hospitals.

Welfare to Work Program (6%) - Provides services related to job readiness, employment activities, case management, job placement, supportive services and post-placement services to needy individuals within the service delivery area. Funding is provided by federal funds passed through the Louisiana Department of Labor.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

General Services (5%) – Provides payment of necessary agency expenses not specifically attributable to a grant/contract operated by the agency. Funding is provided by various donations and by management and development fees earned through the operation of three apartment complexes.

B. Basis of Accounting

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

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Taxes

QACAA is a nonprofit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to QACAA's tax-exempt purpose is subject to taxation as unrelated business income. QACAA had no such income for this audit period.

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, QACAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. QACAA had no cash equivalents during 1999 or 1998.

G. Property and Equipment

Acquisitions of buildings, equipment, and improvements in excess of \$500 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Capitalized assets

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

The Federal Government has a reversionary interest in property purchased with federal funds; its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency.

H. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) Concentrations of Credit Risk

QACAA maintains its temporary cash investments with financial institutions that are insured by the FDIC up to \$100,000 at each bank. At December 31, 1999 and 1998 there were no amounts that were not FDIC insured or collateralized by pledged securities.

Concentrations of credit risk with respect to grants receivable were limited due to the balance being comprised of amounts due from governmental agencies under contractual terms. As of December 31, 1999 and 1998, QACAA had no significant concentrations of credit risk in relation to grants receivable.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

(3) Grants Receivable

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 1999 and 1998, but not received until after that date.

(4) Due To and Due From Other Funds

Fund	1999		1998	
	Due From Other Funds	Due To Other Funds	Due From Other Funds	Due To Other Funds
Unrestricted	\$ 204,704	\$ 87,884	\$ 149,506	\$ 109,612
Restricted Funds:				
Child and Adult Care Food Program	-	898	11	-
Weatherization Assistance	-	9,496		7,320
Self-Help Housing	10,000	-	-	-
Summer Child Care	-	-	-	1,797
Drug-Free and Literacy Education	-	20,431	-	12,567
Emergency Shelter Grants Program	-	6,887	-	3,692
Medicaid Application Services	10,053	99,161	10,126	24,655
	<u>\$ 224,757</u>	<u>\$ 224,757</u>	<u>\$ 159,643</u>	<u>\$ 159,643</u>

(5) Refundable Advances

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

(6) Unrestricted Operating Net Assets

Unrestricted operating net assets at December 31, 1999 and 1998, are detailed by individual program as follows:

	1999	1998
Emergency Shelter Grants Program	\$ (3,402)	\$
Medicaid Application Services	(68,696)	(4,626)
General Services	4,942	(5,019)
	<u>\$ (67,156)</u>	<u>\$ (9,645)</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

(7) Property and Equipment

An analysis of the property and equipment at December 31, 1999 is as follows:

	Estimated Depreciable <u>Life</u>	Purchased With Federal <u>Funds</u>	Purchased With Non-Federal <u>Funds</u>	<u>Total</u>
Buildings and Improvements	20 – 30 years	\$ 682,251	\$ 881,325	\$ 1,563,576
Land		31,500	341,500	373,000
Furniture and equipment	5 – 7 years	259,616	15,046	274,662
Vehicles	5 years	97,119	80,834	177,953
Accumulated depreciation		<u>(300,143)</u>	<u>(37,463)</u>	<u>(337,606)</u>
Net investment in plant		<u>\$ 770,343</u>	<u>\$1,281,242</u>	<u>\$ 2,051,585</u>

Depreciation expense for the year ended December 31, 1999 was \$91,303.

An analysis of the property and equipment at December 31, 1998 is as follows:

	Estimated Depreciable <u>Life</u>	Purchased With Federal <u>Funds</u>	Purchased With Non-Federal <u>Funds</u>	<u>Total</u>
Buildings and Improvements	20 – 30 years	\$ 265,428	\$ –	\$ 265,428
Furniture and equipment	5 – 7 years	260,821	16,491	277,312
Vehicles	5 years	97,119	50,425	147,544
Accumulated depreciation		<u>(281,511)</u>	<u>(20,241)</u>	<u>(301,752)</u>
Net investment in plant		<u>\$ 341,857</u>	<u>\$ 46,675</u>	<u>\$ 388,532</u>

Depreciation expense for the year ended December 31, 1998 was \$66,244.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

(8) Long-term Debt

Long-term debt at December 31, 1999 and 1998 consisted of the following:

	<u>1999</u>	<u>1998</u>
Note payable to a bank, due in monthly installments of \$327.42 including interest at 7.50%, secured by a vehicle; final payment due August 20, 2001	\$ 6,134	\$ 9,467
Note payable to a bank, due in monthly installments of \$579.59 including interest at 8.65%, secured by a vehicle; final payment due January, 2002	13,183	18,735
Note payable to a vendor, due in monthly installments of \$645.45 including interest at .9%, secured by a vehicle; final payment due July, 2003	26,677	
Note payable to a bank, due in monthly installments of \$2,588.70 including interest at 8.75%, secured by a pledge of collateral mortgage note; final payment due August, 2002	199,914	
Note payable to a bank, due in monthly installments of \$3,021.06 including interest at 8.75%, secured by building; final payment due March, 2009	171,376	
Note payable to a bank, due in monthly installments of \$10,228.20 including interest at 8.0%, secured by real estate; final payment due October, 2004. Loan is also guaranteed by the U.S. Department of Agriculture for \$1,080,000 under a loan note guarantee.	1,220,638	

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

Note payable to a bank, interest of 8.25% due in
monthly installments; principal due on demand;
secured by real estate; payment due June, 2000

101,000

Total Debt	1,738,922	28,202
Less current installments on long-term debt	(181,405)	(8,884)
Non-current portion of long-term debt	\$ 1,557,517	\$ 19,318

Approximate maturities of long-term debt are summarized as follows:

For the Year Ending December 31,	Approximate Amount
2000	\$ 181,405
2001	85,334
2002	236,495
2003	66,382
2004	1,133,690
2005 and after	35,616
	\$ 1,738,922

Interest expense on these notes for the years ended December 31, 1999 and 1998 was \$30,548 and \$2,449.

(9) Retirement Obligations

QACAA participates in a tax deferred thrift retirement plan whereby an amount up to 5% of the salary of eligible employees is contributed to interest earning accounts or mutual funds. The funds are in the employee's name upon funding. The amounts contributed for the years ended December 31, 1999 and 1998 were \$63,994 and \$56,179.

(10) Contractual Revenue – Grants

During the year ended December 31, 1999 and 1998, QACAA received contractual revenue from federal and state grants in the amount of \$3,721,438 and \$3,954,209, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

(11) Leases

The agency leases certain buildings and equipment under operating leases. There are no purchase options or renewal terms contained in these leases. They can each be renewed based on the mutual agreement of both parties. Rental costs on these items for the years ended December 31, 1999 and 1998, were as follows:

	1999	1998
Buildings	\$ 79,585	\$ 80,852
Equipment	15,486	26,767
	\$ 95,071	\$ 107,619

There are no commitments under lease agreements having lease terms in excess of one year .

(12) Commodities Distribution

The expenses shown as commodities distribution represent certain costs to distribute the commodities. The value of the commodities distributed was approximately \$476,991 during January 1, 1999 through December 31, 1999 and \$324,255 during January 1, 1998 through December 31, 1998. The value of the commodities distributed is not reflected in the accompanying financial statements.

(13) Partnership Investments

QACAA serves as the Managing General Partner for Livingston Housing 1994 Partners, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-two unit apartment complex in Livingston, Louisiana known as Cedar Ridge Apartments; permanent financing provided with funds from the Home Affordable Rental Housing Program through regulatory agreements with Louisiana Housing Finance Agency.

QACAA serves as the Managing General Partner for Hammond Housing 1994 Partners, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-eight unit apartment complex in Hammond, Louisiana known as Hammond Square Apartments; permanent financing provided with funds from the Home Affordable Rental Housing Program through regulatory agreements with Louisiana Housing Finance Agency.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998
(Continued)

QACAA serves as the Managing General Partner for Jackson Place Apartments, a Louisiana Partnership in *Commendam*, organized and operated for the construction, ownership and management of a forty unit apartment complex in Jackson, Louisiana known as Jackson Place Apartments; permanent financing provided with funds from the Home Affordable Rental Housing Program through regulatory agreements with Louisiana Housing Financing Agency.

QACAA entered into Management Sub-Contracts with Calhoun Property Management, Inc., in which they will co-manage all Partnerships. QACAA's ownership percentage of all partnerships is .5%.

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Financial Position
December 31, 1999
(With Comparative Totals for 1998)

	Home Energy Assistance	Community Services	Weatherization Assistance	Head Start Program	Child Nutrition	Summer Child Care Services	Foster Grandparents Program	Retired Senior Volunteer Program
Assets								
Current assets:								
Cash	\$	\$	\$	\$	\$	\$	\$	\$
Grant receivables					288		7,159	15,550
Other receivables					14,183			
Due from other funds								
Total current assets			9,964	52,279	14,471		7,159	15,550
Property and equipment	572	77,436		962,858			5,419	5,688
Accumulated depreciation	(572)	(48,904)		(236,606)			(2,833)	(5,688)
Net property and equipment		28,532		726,252			2,586	
Total Assets	\$	\$ 28,532	\$ 9,964	\$ 778,531	\$ 14,471	\$	\$ 9,745	\$ 15,550
Liabilities and Net Assets								
Current liabilities								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Accrued liabilities								
Due to other funds			9,496		898			
Current portion long-term debt				37,031				
Refundable advances			468	52,279	13,573		7,159	15,550
Total current liabilities			9,964	89,310	14,471		7,159	15,550
Long-term debt				334,259				
Net assets:								
Unrestricted:								
Operating								
Fixed assets		28,532		354,962			2,586	
Total net assets		28,532		354,962			2,586	
Total Liabilities and Net Assets	\$	\$ 28,532	\$ 9,964	\$ 778,531	\$ 14,471	\$	\$ 9,745	\$ 15,550

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Financial Position
December 31, 1999
(With Comparative Totals for 1998)

	Commodities Distribution	Emergency Assistance	Drug-Free & Literacy Education	Emergency Shelter				Welfare to Work Program	Self-Help Housing	General Services	Total	
				Emergency Grants Program	Medicaid Application Services	1999	1998					
Assets												
Current assets:												
Cash	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Grant receivables			21,374	408	624	624	624	10,000	6,180	92,452	19,617	
Other receivables				3,786					2,391	59,755	180,537	
Due from other funds					10,053			10,000	204,704	2,391	19,482	
Total current assets			21,374	4,194	30,465	624	624	10,000	213,275	224,757	159,643	
Property and equipment			14,798	1,716	2,446	1,999			1,316,259	2,389,191	690,284	
Accumulated depreciation			(4,439)	(1,001)	(348)	(100)			(37,115)	(337,606)	(301,752)	
Net property and equipment			10,359	715	2,098	1,899			1,279,144	2,051,585	388,532	
Total Assets	\$	\$	\$ 31,733	\$ 4,909	\$ 32,563	\$ 2,523	\$ 2,523	\$ 10,000	\$ 1,492,419	\$ 2,430,940	\$ 767,811	
Liabilities and Net Assets												
Current liabilities												
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Accrued liabilities				709					19,448	709	124,696	
Due to other funds			20,431	6,887	99,161				87,884	19,448	41,789	
Current portion long-term debt									144,374	224,757	159,643	
Refundable advances			943			624		10,000		181,405	8,884	
Total current liabilities			21,374	7,596	99,161	624	624	10,000	251,706	100,596	62,795	
Long-term debt									1,223,258	1,557,517	19,318	
Net assets:												
Unrestricted:												
Operating				(3,402)	(68,696)				4,942	(67,156)	(9,645)	
Fixed assets			10,359	715	2,098	1,899			12,513	413,664	360,331	
Total net assets			10,359	(2,687)	(66,598)	1,899	1,899		17,455	346,508	350,686	
Total Liabilities and Net Assets	\$	\$	\$ 31,733	\$ 4,909	\$ 32,563	\$ 2,523	\$ 2,523	\$ 10,000	\$ 1,492,419	\$ 2,430,940	\$ 767,811	

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 1999
(With Comparative Totals for 1998)

	Home Energy Assistance	Community Services	Weatherization Assistance	Head Start Program	Child Nutrition	Summer Child Care Services	Foster Grandparents Program	Retired Senior Volunteer Program
Revenues and Other Support:								
Contractual revenue-grant fees earned	\$ 592,604	\$ 811,435	\$ 165,480	\$ 990,494	\$ 102,429	\$ 157,500	\$ 355,816	\$ 53,615
Miscellaneous revenues				215				
Total revenues and other support	592,604	811,435	165,480	990,709	102,429	157,500	355,816	53,615
Expenses								
Salaries	23,054	495,479	82,946	444,499	30,723	89,838	60,716	30,950
Fringe benefits	2,460	96,611	17,128	83,678	4,270	13,242	9,400	6,513
Travel	1,863	25,000	3,554	44,620			2,611	1,754
Space costs	7,398	62,290	5,571	155,481		8,181	4,800	3,000
Telephone	1,936	31,753	2,406	5,967		1,519	4,197	1,481
Insurance	170	5,246	1,795	9,979				
Equipment expenses	677	15,385	3,339	6,020		2,473	904	310
Supplies	1,286	14,589	42,906	87,962	513	5,020	2,996	370
Professional services and contract labor	2,500	8,000	5,835	17,101		7,500	2,434	1,500
Food and related supplies		1,767		19,733	66,923	9,503		
Miscellaneous		12,608		7,342		20,224		198
Field trips								
Volunteer expenses							266,264	7,539
Client assistance payments	551,260	28,000						
Interest expense								
Depreciation expense		10,601		54,851			575	
Total expenses	592,604	807,329	165,480	937,233	102,429	157,500	354,897	53,615
Changes in net assets		4,106		53,476			919	
Net assets, beginning of year		24,426		301,486			1,667	
Net assets, end of year	\$	\$ 28,532	\$	\$ 354,962	\$	\$	\$ 2,586	\$

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 1999
(With Comparative Totals for 1998)
(Continued)

	Commodities Distribution	Emergency Assistance	Drug-Free & Literacy Education	Emergency Shelter Grants Program	Medicaid Application Services	Welfare to Work Program	Self-Help Housing	General Services	Total
	1999	1998	1999	1998	1999	1998	1999	1998	1999
Revenues and Other Support:									
Contractual revenue-grant	\$ 89,245	\$ 39,850	\$ 55,589	\$ 18,440	\$ 62,556	\$ 226,385	\$	\$	\$3,954,209
Fees earned								65,471	58,100
Miscellaneous revenues								181,554	136,344
Total revenues and other support	89,245	39,850	55,589	18,440	62,556	226,385	247,025	3,968,678	4,148,653
Expenses									
Salaries	75,481		33,605	4,060	77,359	80,208		74,736	1,548,751
Fringe benefits	13,567		5,740		14,621	17,601		11,216	254,390
Travel	197		1,725		105	2,046		25,602	83,844
Space costs				4,200	6,439			13,747	160,480
Telephone					11,897			7,076	49,347
Insurance					1,188			5,816	31,791
Equipment expenses					4,837	9,089		15,342	66,523
Supplies			11,536		7,734	1,804		3,017	146,494
Professional services and contract labor				500		600		2,893	53,766
Food and related supplies								529	104,538
Miscellaneous		798	2,983	386		2,500		45,169	49,906
Field trips									41,404
Volunteer expenses								273,803	206,928
Client assistance payments		39,052		12,696		110,538		8,542	1,220,494
Interest expense								7,716	2,512
Depreciation expense			2,959	245	348	100		21,624	66,244
Total expenses	89,245	39,850	58,548	22,087	124,528	224,486	243,025	3,972,856	4,087,412
Changes in net assets			(2,959)	(3,647)	(61,972)	1,899	4,000	(4,178)	61,241
Net assets, beginning of year			13,318	960	(4,626)		13,455	350,686	289,445
Net assets, end of year	\$	\$	\$ 10,359	\$ (2,687)	\$ (66,598)	\$ 1,899	\$ 17,455	\$ 346,508	\$ 350,686

**Supplemental Information Schedules
For Grants and Contracts Analysis**

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Low Income Home Energy Assistance Program
 Contract No. 528398

Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Contract Period: January 1, 1999 to December 31, 1999

	Actual	Budget	Actual (Over) Under Budget
Revenues:			
Contract revenue	\$ 592,605		
Expenditures:			
Administrative	41,345	\$ 41,339	\$ (6)
Direct services	551,260	551,178	(82)
	592,605	\$ 592,517	\$ (88)
Excess revenues (expenditures)			
Fund balance, beginning January 1, 1999			
Fund balance, ending December 31, 1999	\$		

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Community Services Block Grant
Contract No. 99N0026
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Contract Period: January 1, 1999 to December 31, 1999

	Actual	Budget	Actual (Over) Under Budget
Revenues:			
Contract revenue	\$ 811,435		
Total revenue			
Expenditures:			
Administration			
Salaries	197,170	\$ 197,170	\$
Fringe benefits	35,004	35,004	
Travel	11,000	11,000	
Other support costs	26,247	26,243	(4)
Total administration	269,421	269,417	(4)
Program Activities:			
Salaries	298,309	298,309	
Fringe benefits	61,607	61,607	
Travel	14,000	14,000	
Equipment purchases	19,246	19,246	
Other support costs	119,085	119,089	4
Activities	28,000	28,000	
Total program activities	540,247	540,251	4
Commodity food and nutrition	1,767	1,767	
Total expenditures	811,435	\$ 811,435	\$
Excess revenues (expenditures)			
Fund balance, January 1, 1999			
Fund Balance, December 31, 1999	\$		

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Weatherization Assistance Program
 Contract No. 515940
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Contract Period: April 1, 1998 to March 31, 1999

Revenue

Contract revenue		\$ 181,231
		181,231
Total revenue		181,231

Expenditures:

Administration		10,867
Liability insurance		1,352
Materials/Program Support		166,980
Financial audit		2,032
		181,231
Total expenditures		181,231

Excess revenue (expenditures)

Fund balance, April 1, 1998

Fund balance, March 31, 1999

\$

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Head Start Grant No. 06CH0402/08
 U.S. Department of Health and Human Services
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Contract Period: December 1, 1998 to November 30, 1999

	Actual	Budget	COB Balances Current Year
Revenues			
Department of Health and Human Services	\$ 852,554	\$ 852,554	
Grantee's contribution	213,139	213,139	
Total revenue	<u>1,065,693</u>	<u>1,065,693</u>	
Expenditures:			
Personnel	436,107	482,443	\$ 46,336
Fringe benefits	81,764	91,543	9,779
Travel	20,825	16,000	(4,825)
Supplies	106,532	32,500	(74,032)
Contractual	7,543	16,500	8,957
Facilities/Construction	96,147	96,147	
Other	103,636	117,421	13,785
	<u>852,554</u>	<u>852,554</u>	
Grantee's share	<u>213,139</u>	<u>213,139</u>	
Total all expenditures	<u>1,065,693</u>	<u>\$ 1,065,693</u>	
Revenue over (under) expenditures			
Fund balance, beginning December 1, 1998			
Fund balance, ending November 30, 1999	<u>\$</u>		

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Child and Adult Care Food Program
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Contract Period: October 1, 1998 to September 30, 1999

Revenue

Contract revenue	\$	102,698
		102,698
Total revenue		102,698

Expenditures:

Salaries		22,403
Fringe benefits		4,183
Supplies - Kitchen		513
Audit		500
Consultant		7,251
Training / Workshops		18
Food purchases		67,830
		102,698
Total expenditures		102,698

Excess revenue (expenditures)

Fund balance, October 1, 1998

Fund balance, September 30, 1999

\$ _____

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Summer Child Care Program
 Contract No. 519947
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Period: January 1, 1999 to December 31, 1999

Revenue

Contract revenue	\$ 157,500
	157,500
Total revenue	157,500

Expenditures:

Salaries	89,838
Fringe benefits	13,242
Supplies	5,020
Equipment rental	5,298
Operating services	9,811
Other expenses	34,291
	157,500
Total expenditures	157,500

Excess revenue (expenditures)

Fund balance, January 1, 1999	_____
Fund balance, December 31, 1999	\$ _____

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Foster Grandparents Program
Contract No. 339WD11/16
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Contract Period: January 1, 1999 to December 31, 1999

Revenue:	Federal	Nonfederal	Total
Contract revenue	\$ 339,793	\$	\$ 339,793
Nonfederal share			
Inkind contributions		37,870	37,870
State revenue		23,182	23,182
Total revenue	<u>339,793</u>	<u>61,052</u>	<u>400,845</u>
Expenditures			
Personnel	60,716		60,716
Fringe benefits	5,105	4,296	9,401
Travel	2,604	7	2,611
Equipment	2,399		2,399
Supplies	2,996		2,996
Rent	1,774	6,026	7,800
Contractual	1,750	684	2,434
Communications	3,867	328	4,195
Total volunteer support expenses	<u>81,211</u>	<u>11,341</u>	<u>92,552</u>
Volunteer stipends	203,982	6,914	210,896
Volunteer travel	30,526	2,609	33,135
Volunteer recognition	7,429	2,760	10,189
Volunteer other	9,486	37,428	46,914
Total volunteer expenses	<u>251,423</u>	<u>49,711</u>	<u>301,134</u>
Total expenditures	<u>332,634</u>	<u>61,052</u>	<u>393,686</u>
Excess revenues (expenditures)	7,159		7,159
Fund balance, January 1, 1999			
Fund balance, December 31, 1999	<u>\$ 7,159</u>	<u>\$</u>	<u>\$ 7,159</u>

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Retired Senior Volunteer Program
Contract No. 340W100/09
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Contract Period: July 1, 1998 to June 30, 1999

Revenue:	Federal	Nonfederal	Total
Contract revenue	\$ 37,978	\$	\$ 37,978
Nonfederal share			
Inkind contributions		3,179	3,179
State revenue		13,464	13,464
	<u>37,978</u>	<u>16,643</u>	<u>54,621</u>
Total revenue			
 Expenditures			
Personnel	29,300	800	30,100
Fringe benefits		6,011	6,011
Travel	1,764	91	1,855
Audit		1,500	1,500
Equipment		311	311
Supplies	46	253	299
Space costs		3,000	3,000
Communications	352	1,088	1,440
Other	198		198
	<u>31,660</u>	<u>13,054</u>	<u>44,714</u>
Total volunteer support expenses			
Volunteer travel	4,956	3,179	8,135
Volunteer other	1,362	410	1,772
	<u>6,318</u>	<u>3,589</u>	<u>9,907</u>
Total volunteer expenses			
Total expenditures	<u>37,978</u>	<u>16,643</u>	<u>54,621</u>
 Excess revenues (expenditures)			
Fund balance, January 1, 1999			
Fund balance, December 31, 1999	<u>\$</u>	<u>\$</u>	<u>\$</u>

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Temporary Emergency Food Assistance Program
 Commodities Distribution
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Period: January 1, 1999 to December 31, 1999

Revenue:

Contract revenue	\$	89,245
		89,245
Total revenue		89,245

Expenditures:

Salaries		75,481
Fringe benefits		13,567
Travel		197
		89,245
Total expenditures		89,245

Excess revenue (expenditures)

Fund balance, January 1, 1999

Fund balance, December 31, 1999

\$

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Emergency Food and Shelter Program
FEMA
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Period: January 1, 1999 to December 31, 1999

Revenue:

Contract revenue	\$ 39,850
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Expenditures:

Administrative Assistance	798
	<u>39,052</u>

Total expenditures	<u>39,850</u>
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Excess revenue (expenditures)

Fund balance, January 1, 1999	<u> </u>
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Fund balance, December 31, 1999	<u><u>\$ </u></u>
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Quad Area Community Action Agency, Inc.
Hammond, Louisiana
The Governor's Safe and Drug-Free Program
Project No. 99-73-12-D

Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Contract Period: July 1, 1998 to June 30, 1999

	Actual	Budget	Actual (Over) Under Budget
Revenues			
Contract revenue	\$ 40,995		
Expenditures:			
Salaries	21,600	\$ 21,600	
Fringe benefits	2,548	2,502	(46)
Travel	2,327	2,320	(7)
Supplies	11,536	11,541	5
Indirect costs	2,984	3,037	53
Total expenditures	40,995	41,000	5
Excess revenues (expenditures)			
Fund balance, beginning January 1, 1999			
Fund balance, ending December 31, 1999	\$		

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Emergency Shelter Grants Program
 Contract No. 525419 - Ascension Parish
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Period: January 1, 1999 to December 31, 1999

Revenue

Contract revenue	\$	7,553
Other revenue		2,187
Matching funds		7,553
		17,293

Expenditures:

Salaries		4,060
Operations		4,200
Homeless prevention		3,942
Grant administration		386
		12,588

Subtotal		12,588
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Matching funds		7,553
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Total expenditures		20,141
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Excess revenues (expenditures)		(2,848)
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Fund balance, beginning January 1, 1999		382
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Fund balance, ending December 31, 1999	\$	(2,466)
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Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Emergency Shelter Grants Program
 Contract No. 524215 - Tangipahoa Parish
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Period: July 1, 1997 to June 30, 1999

Revenue

Contract revenue	\$	14,624
Other revenue		2,394
Matching funds		14,624
		14,624
Total revenue		31,642

Expenditures:

Salaries		
Operations		
Homeless prevention		17,018
Grant administration		
		17,018
Subtotal		17,018
Matching funds:		14,624
Total expenditures		31,642

Excess revenues (expenditures)

Fund balance, beginning July 1, 1997

Fund balance, ending June 30, 1999

\$

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Medicaid Program
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Period: January 1, 1999 to December 31, 1999

Revenue:

Grant revenue	\$	<u>62,556</u>
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Expenditures:

Salaries		77,359
Fringe benefits		14,621
Travel		105
Supplies		7,734
Equipment Rental / Repair		7,283
Telephone		11,897
Space		6,439
Insurance		<u>1,188</u>

Total expenditures		<u>126,626</u>
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Excess revenue (expenditures)		(64,070)
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Fund balance, January 1, 1999		<u>(4,625)</u>
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Fund balance, December 31, 1999	\$	<u><u>(68,695)</u></u>
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Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Welfare to Work Program
Contract No. 114-9899
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Contract Period: January 1, 1999 to December 31, 1999

	Actual	Budget	Actual (Over) Under Budget
Revenues:			
Contract revenue	\$ 227,009		
Total revenue	<u>227,009</u>		
Expenditures:			
Administration			
Salaries	17,000	\$ 17,000	\$
Fringe benefits	3,731	3,731	
Office supplies/equipment	3,932	5,000	1,068
Accounting and management costs	600	600	
Total administration	<u>25,263</u>	<u>26,331</u>	<u>1,068</u>
Program Activities:			
Salaries	63,208	63,208	
Fringe benefits	13,870	13,870	
Travel	2,045	5,458	3,413
Facility cost	11,912	11,912	
Participant costs	98,627	131,436	32,809
Equipment	8,960	8,960	
Other	2,500	2,500	
Total program activities	<u>201,122</u>	<u>237,344</u>	<u>36,222</u>
Total expenditures	<u>226,385</u>	<u>\$ 263,675</u>	<u>\$ 37,290</u>
Excess revenues (expenditures)	624		
Fund balance, January 1, 1999			
Fund Balance, December 31, 1999	<u>\$ 624</u>		

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1999

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Programs:			
Head Start (Fy 11-30-99)	93.600	06CH0402/08	\$ 807,425
Head Start (Fy 11-30-00)	93.600	06CH0402/09	99,484
Passed through Louisiana Department of Labor Community Services Block Grant (Fy 12-31-99)	93.569	99N0026	811,435
Passed through Louisiana Department of Social Services, Office of Family Support Summer Child Care Program	93.561	519947	157,500
Passed through Louisiana Department of Social Services, Office of Community Services Home Energy Assistance Program - Energy (Fy 12-31-99) Weatherization Assistance Program (Fy 3-31-99) Weatherization Assistance Program (Fy 3-31-00)	93.568 93.568 93.568	528398 515940 515940	592,605 74,629 90,790
Total U.S. Department of Health and Human Services			<u>2,633,868</u>
<u>The Corporation For National Service</u>			
Direct Programs:			
Foster Grandparent Program (Fy 12-31-99)	94.011	339-W011/16	332,634
Retired Senior Volunteer Program (Fy 6-30-99)	94.002	340W100/09	15,484
Retired Senior Volunteer Program (Fy 6-30-00)	94.002	340W100/10	24,667
Total Corporation For National Service			<u>372,785</u>

(Continued)

Quad Area Community Action Agency, Inc.
 Hammond, Louisiana
 Schedule of Federal Awards
 For the Year Ended December 31, 1999

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through The Ascension Parish Council Emergency Shelter Grants Program (Fy 6-30-99)	14.231	525419 & 547058	9,740
Passed through Tangipahoa Parish Emergency Shelter Grants Program (Fy 6-30-99)	14.231	524215	5,955
Emergency Shelter Grants Program (Fy 6-30-00)	14.231	536049	3,298
<u>Total U.S. Department of Housing and Urban Development</u>			<u>18,993</u>
<u>U.S. Department of Education</u>			
Passed through Louisiana Department of Education Drug Free Schools and Community Act (DFSCA) (Fy 6-30-99)	84.186	28-99-7312-D	28,238
Drug Free Schools and Community Act (DFSCA) (Fy 6-30-00)	84.186	Unknown	11,792
Adult Education	84.002	00-AETECH-12-F, 00-AE-12-GF & 00-AE-12-F	15,560
<u>Total U.S. Department of Education</u>			<u>55,590</u>
<u>U.S. Department of Labor</u>			
Passed through Louisiana Department of Labor Welfare to Work Program (Fy 12-31-99)	17.253	114-9899	226,385
<u>Total U.S. Department of Labor</u>			<u>226,385</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Federal Awards
For the Year Ended December 31, 1999

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Community Facilities Loans & Grants- Loan Guarantee	10.766	22-053-0720796570	1,080,000
Passed through Louisiana Department of Education			
Child Care Food Program (Fy 9-30-99)	10.558	Unknown	91,317
Child Care Food Program (Fy 9-30-00)	10.558	Unknown	11,112
Passed through Louisiana Department of Agriculture and Forestry			
Temporary Emergency Food Assistance Program	10.568	Unknown	89,245
Food Distribution - Value of Commodities Distributed	10.550	Unknown	476,991
Total U.S. Department of Agriculture			<u>1,748,665</u>
<u>Federal Emergency Management Agency</u>			
Passed through a local governing board			
Emergency Food and Shelter (FEMA) (Fy 12-31-99)	83.523	Unknown	39,850
Total Federal Emergency Management Agency			<u>39,850</u>
Total federal expenditures			<u>\$ 5,096,136</u>

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2: Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and distributed. At December 31, 1999, Quad had no food commodities in inventory.

NOTE 3: The Loan guarantee amount represents a 90% Loan Note Guarantee through the United States Department of Agriculture, Rural Development.

COOK & MOREHART

Certified Public Accountants

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

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

We have audited the financial statements of Quad Area Community Action Agency, Inc. as of and for the year ended December 31, 1999, and have issued our report thereon dated May 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Quad Area Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Quad Area Community Action Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted certain other matters involving the internal control over financial reporting that we have reported to the management of Quad Area Community Action Agency, Inc., in a separate management letter dated May 26, 2000.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive style and is followed by a long horizontal line that extends to the right.

Cook & Morehart
Certified Public Accountants
May 26, 2000

COOK & MOREHART

Certified Public Accountants

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Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors
Quad Area Community Action Agency, Inc.
Monroe, Louisiana

Compliance

We have audited the compliance of Quad Area Community Action Agency, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. Quad Area 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Quad Area Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Quad Area Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred 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 Quad Area 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. Our audit does not provide a legal determination on Quad Area Community Action Agency, Inc.'s compliance with those requirements.

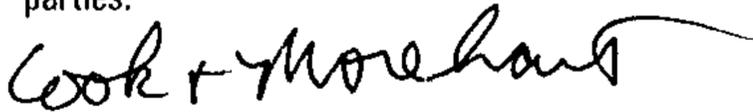
In our opinion, Quad Area Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of Quad Area Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Quad Area Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
May 26, 2000

Quad Area Community Action Program, Inc.
Hammond, Louisiana

Summary Schedule of Prior Audit Findings
December 31, 1999

There were no findings or questioned costs in the audit for the year ended December 31, 1998.

Schedule of Findings and Questioned Costs
December 31, 1999

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Quad Area Community Action Agency, Inc.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Quad Area Community Action Agency, Inc. were disclosed during the audit.
4. No reportable conditions are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Quad Area Community Action Agency, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Quad Area Community Action Agency, Inc. reported in Part C. of this schedule.
7. The programs tested as major programs included: 1) Head Start Program CFDA #93.600, 2) Community Services Block Grant CFDA# 93.569, 3) Home Energy Assistance and Weatherization Programs CFDA# 93.568, 4) Foster Grandparents Program CFDA #94.011, and 5) Community Facilities Loans and Grants-Loan Guarantee CFDA #10.766.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Quad Area Community Action Agency, Inc. qualifies as a low-risk auditee.

B. Findings – Financial Statements Audit: NONE

C. Findings and Questioned Costs – Major Federal Programs Audit NONE

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Summary Schedule of Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 1999 and 1998

Summary Schedule of Prior Audit Findings

There were no management letter comments for the prior year audit for the year ended December 31, 1998.

Corrective Action Plan for Current Year Audit Findings

There were three management letter comments for the current year audit for the year ended December 31, 1999, as noted below:

Cost Allocation Plan

We are in the process of obtaining written approval from all of our funding sources on the payment for our new facility.

Credit Cards

Our credit card policy is changed and our Accountant matched all of the charges. We only use one credit card at this time.

Medicaid Program Deficit

Quad Area is monitoring monthly to eliminate deficit spending. Sometimes it takes 4 months to get a check from the Medicaid office.

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Management Letter

May 26, 2000

Winnie Sibley, Executive Director
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

We have audited the financial statements of Quad Area Community Action Agency, Inc., for the year ended December 31, 1999, and have issued our report thereon dated May 26, 2000. In planning and performing our audit of the financial statements we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

During our audit we noted certain matters involving the internal control over financial reporting that are presented for your consideration. This comment and recommendation has been discussed with the appropriate members of management.

(1) Cost Allocation Plan

The agency purchased a new facility during the year ended December 31, 1999 for its central office. During our testing, we noted that there is no formal written allocation plan for allocating the debt payments of the facility to the various programs/grants operated by Quad. We recommend that the agency develop a formal, written cost allocation plan for this purpose and that approval be obtained from the various funding sources prior to charging any of the debt payments on the new facility to the programs/grants.

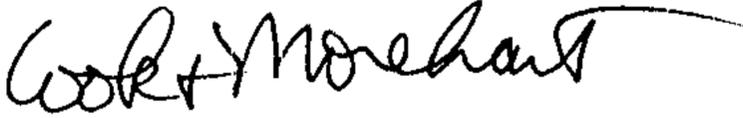
(2) Credit Cards

During our audit, we noted that numerous charges were made on the agency's credit cards. It was difficult to determine the purpose of the charges and if adequate supporting documentation existed for the numerous charges. We recommend that a summation – analysis of all charges be prepared by each personnel utilizing the agency's credit cards detailing the purpose of the charge, and that all supporting documentation be attached to this summation prior to payment of the credit card bill.

(3) Medicaid Program Deficit

During the year ended December 31, 1999, the Medicaid program's expenditures exceeded its revenues by \$64,070, causing an overall deficit in that fund of \$68,695. The agency's overall operating net assets (deficit) at December 31, 1999, was \$(67,156). We recommend that the agency employ better budgeting practices to eliminate deficit spending in the future.

We express our sincere thanks to the personnel of Quad Area Community Action Agency, Inc., for the cooperation and assistance provided us during our examination. We are available to provide you assistance and consultation in the implementation of the above recommendations. This letter is furnished solely for the use of management and is not to be used for any other purpose.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long, sweeping horizontal line extending to the right.

Cook & Morehart
Certified Public Accountants