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Delta Community Action Association, Inc.
Tulahoma, Louisiana

Financial Statements

As of and for the Year Ended June 30, 1968 and 1967
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 auditor, or reviewed, 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: MAY 2 3 1968

Delta Community Action Association, Inc.
Tallulah, Louisiana

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Independent Auditor's Report

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

We have audited the accompanying statements of financial position of Delta Community Action Association, Inc., as of June 30, 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Delta Community Action Association, 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 Delta Community Action Association, Inc. as of June 30, 1998 and 1997 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 our report dated October 9, 1998 on our consideration of Delta Community Action Association, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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 115, *Audit 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 accounting schedules on pages 10 and 13 are presented for the purpose of additional analysis and are not a required part of the financial statements of Delta Community Action Association, 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 15 - 24, are presented for the purpose of providing various funding sources of Delta Community Action Association, Inc. additional/defined 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 Delta Community Action Association, Inc., and certain schedules are for periods other than Delta's audit year. These schedules are not presented in accordance with generally accepted accounting principles. Accordingly, these schedules 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 Monahan
Certified Public Accountants
October 9, 1999

Delta Community Action Association, Inc.
Tulalata, Louisiana
Statements of Financial Position
June 30, 1968 and 1967

	1968	1967
Assets		
Current assets:		
Cash	\$ 185,812	\$ 178,274
Grant receivables	382,137	324,081
Other receivables	485	-
Due from other funds	42,839	38,682
Total current assets	611,273	541,037
Property and equipment:		
Property and equipment	778,334	873,888
Accumulated depreciation	(448,010)	(439,112)
Total property and equipment	330,324	434,776
Total Assets	\$ 941,597	\$ 975,813
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 154,517	\$ 155,888
Accrued liabilities	28,680	27,201
Other liabilities	4,676	-
Due to other funds	42,628	39,892
Refundable advances	278,823	144,888
Total current liabilities	509,544	367,869
Net assets:		
Unrestricted:		
Operating	181,448	104,887
Fixed assets	331,324	340,776
Total net assets	512,772	445,663
Total Liabilities and Net Assets	\$ 941,597	\$ 975,813

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statements of Activities
For the Years Ended June 30, 1998 and 1997

	<u>Unaudited</u> <u>1998</u>	<u>Unaudited</u> <u>1997</u>
Revenues and Other Support:		
Contractual revenue - grants	\$ 2,603,708	\$ 2,762,486
Miscellaneous revenues	4,518	18,888
	<u>2,608,226</u>	<u>2,781,374</u>
Total revenues and other support:		
	<u>2,608,226</u>	<u>2,781,374</u>
Expenses:		
Head Start program	1,867,481	1,957,811
Child care food program	158,048	135,458
Summer child care	233,188	58,713
Community services block grant	179,188	89,959
Home energy assistance	175,638	87,858
Family day care services	803,523	578,828
Delta recovery program	147,063	148,778
Migrant education	316,778	488,838
Even Start	9,263	56,937
Mental health program	12,184	8,934
Commodities distribution	5,802	3,163
Family preservation	-	408,183
General services	30,878	54,133
	<u>2,618,818</u>	<u>2,748,188</u>
Total expenses		
	<u>2,618,818</u>	<u>2,748,188</u>
Change in net assets	1 12,892	23,286
Net assets, as of beginning of year	485,465	472,296
	<u>1 422,772</u>	<u>1 445,482</u>
Net assets as of end of year		

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

Delta Community Action Association, Inc.
Tulsa, Oklahoma
Statements of Cash Flows
For the Years Ended June 30, 1988 and 1987

	<u>1988</u>	<u>1987</u>
Operating activities		
Change in net assets	\$ 12,682	\$ 21,260
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	57,184	75,867
Increase (decrease) in operating assets:		
Grant receivables	(158,000)	(116,760)
Other receivables	(485)	-
Increase (decrease) in operating liabilities:		
Accounts payable	59,020	48,940
Accrued liabilities	1,585	24,585
Refundable advances	115,179	1,880
Other liabilities	4,575	-
Net cash provided by its operating activities	<u>38,230</u>	<u>58,230</u>
Investing Activities		
Payments for property and equipment	(57,180)	(75,211)
Net cash used in investing activities	<u>(57,180)</u>	<u>(75,211)</u>
Net (decrease) in cash	18,480	(16,981)
Cash as of beginning of year	178,304	196,287
Cash as of end of year	<u>1 196,784</u>	<u>179,306</u>

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

Delta Community Action Association, Inc.
Tulahoma, Louisiana
Notes to Financial Statements
June 30, 1989 and 1987

11) Summary of Significant Accounting Policies

4. Nature of Activities

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

Head Start Program (38%) - Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

Child Care Food Program (2%) - Provides a food service program in coordination with the Head Start Program. Funding is provided by state funds from ESDA passed through the Louisiana State Board of Education.

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

Home Energy Assistance (5%) - Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

Family Day Care Services (21%) - Provides a food service program for children in private nonprofit centers of approximately 130 homes. Funding is provided by state funds passed through the Louisiana Department of Education.

Delta Recovery Program (5%) - Provides substance abuse treatment and education for eligible participants. Funding is provided by state funds passed through the Louisiana Department of Health and Hospitals, Division of Alcohol and Drug Abuse.

Migrant Education and Consultant (12%) - Provides assistance, such as housing, to establish/improve program designed to meet the special educational needs of migratory children of migratory agricultural workers or migratory fishers. Funding is provided by federal funds passed through the Louisiana Department of Education.

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.

(Continued)

Delta Community Action Association, Inc.
Tulahoma, Louisiana
Notes to Financial Statements
June 30, 1989 and 1987
(Continued)

Summer Child Care Program (SFC) - Provides quality child care during the summer months to children identified by the Head Start program. The children are not over 12 years of age except for children with disabilities. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

Mental Health Program (MHP) - Provides assistance to mentally ill persons in securing or maintaining housing of their choice through the provision of a flexible range of support. Funding is provided by federal funds passed through the Louisiana Department of Health and Hospitals.

B. Basis of Accounting

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

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements 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 Tax Status

Delta is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Delta's tax-exempt purposes must be subject to taxation as unrelated business income. There was no unrelated business income for the years ended June 30, 1989 and 1987.

E. Use of Estimates

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

F. Cash and Cash Equivalents

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

(Continued)

Delta Community Action Association, Inc.
Tulahoma, Louisiana
Notes to Financial Statements
June 30, 1988 and 1987
(Continued)

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using 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 reversibility of any proceeds therefrom is subject to federal regulations.

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.

(7) Concentrations of Credit Risk

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

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 1988, Delta had no significant concentrations of credit risk in relation to grant receivables.

Delta maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 1988 total cash balances held at financial institutions was \$287,843. Of this amount, 1237,851 was covered by FDIC and the remaining 145,781 was fully insured by pledged securities. At June 30, 1987 total cash balances held at financial institutions was 4260,197. Of this amount, 4291,858 was covered by FDIC and the remaining 477,967 was collateralized by pledged securities.

(Continued)

Daly Community Action Association, Inc.
Tululah, Indiana
Notes to Financial Statements
June 30, 1988 and 1987
(Continued)

(3) Grant Reimburses

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 1988 and 1987, but received as of those dates.

(4) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at June 30, 1988:

<u>Fund</u>	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Services	\$ 8,824	\$ 3,841
Head Start Program (due from EACFP - USOA)	12,824	-
Child and Adult Care Food Program	-	30,853
Community Services Block Grant	1,812	4,884
Family Day - Care Home Program	200	-
Summer Child Care Program	18,249	-
Mental Health Program	-	3,012
Low-Income Home Energy Assistance Program	<u>1,510</u>	<u>911</u>
	<u>\$ 42,628</u>	<u>\$ 42,628</u>

The following schedule represents amounts due to and due from other funds at June 30, 1987:

<u>Fund</u>	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Services	\$ 8,187	\$ 18,230
Head Start Program (due from EACFP - USOA)	3,681	185
Child and Adult Care Food Program	3,654	8,681
Community Services Block Grant	852	8,891
Family Day - Care Home Program	-	183
Migrant Education	12,432	-
Summer Child Care Program	105	-
Even Start	-	12,432
Mental Health Program	-	1,812
Low-Income Home Energy Assistance Program	<u>5,821</u>	<u>-</u>
	<u>\$ 39,622</u>	<u>\$ 39,622</u>

(Continued)

Delta Community Action Association, Inc.
Tululink, Louisiana
Notes to Financial Statements
June 30, 1988 and 1987
(Continued)

B) Property and Equipment

Property and equipment consisted of the following at June 30, 1988:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings	28-38 years	\$ 232,205	\$ --	\$ 232,205
Furniture and equipment	5-10 years	184,238	2,834	187,072
Vehicles	5 years	280,878	--	280,878
Accumulated depreciation		(287,518)	(1,493)	(289,011)
Net investment in property and equipment		<u>\$ 308,803</u>	<u>\$ 1,341</u>	<u>\$ 310,144</u>

Depreciation expense for the year ended June 30, 1988 was 167,194.

Property and equipment consisted of the following at June 30, 1987:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings	30-38 years	\$ 232,412	\$ --	\$ 232,412
Furniture and equipment	5-10 years	184,858	2,834	187,692
Vehicles	5 years	340,814	--	340,814
Accumulated depreciation		(328,188)	(933)	(329,121)
Net investment in property and equipment		<u>\$ 329,896</u>	<u>\$ 1,901</u>	<u>\$ 331,797</u>

Depreciation expense for the year ended June 30, 1987 was 178,967.

C) Refundable Advances

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

(Continued)

Delta Community Action Association, Inc.
Tulahoma, Louisiana
Notes to Financial Statements
June 30, 1989 and 1987
(Continued)

17) **Contractual Revenue - Grants**

During the years ended June 30, 1989 and 1987, Delta received contractual revenue from federal and state grants in the amount of \$2,800,785 and \$3,150,485, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

18) **Retirement Plan**

Delta participates in a tax deferred annuity plan whereby an amount equal to 5% of the salary of eligible employees is contributed to purchase annuity contracts with an insurance company. The annuities are in the employee's name upon funding. The contribution rate increased from 4% at June 30, 1987 to 5% effective July 1, 1987. The amount contributed for the years ended June 30, 1989 and 1987 was \$31,328 and \$21,881, respectively.

19) **Commodities Distribution**

The expenses shown as commodity distribution represent certain costs to distribute the commodities. The value of the commodities distributed during the years ended June 30, 1989 and 1987 was approximately 426,308 and 515,895, respectively. The value of the commodities distributed is not reflected in the accompanying financial statements.

20) **Leases**

Delta leases certain buildings and equipment under operating leases. Rent of costs on those leases for the years ended June 30, 1989 and 1987, were as follows:

	1989	1987
Buildings	\$ 38,700	\$ 38,012
Equipment	15,887	12,598
	\$ 54,587	\$ 50,610

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

For the Year Ending <u>June 30,</u>	
1989	\$ 11,858
2080	4,273
2081	4,273
Total minimum future rentals	\$ 20,404

Bluebonnet American Insurance Inc.
 United States
 Company Division of American Insurance
 10 DeWitt Street, New York, N.Y.

	Net First Expense	Directors Fees	Interest Expense	Community Service Expenses	Real Estate Expenses	Real Estate Income	Real Estate Income	Real Estate Income	Real Estate Income	Real Estate Income	Real Estate Income	Real Estate Income	Real Estate Income
First year	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Second year	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Third year	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Fourth year	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Fifth year	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Sixth year	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Seventh year	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Eighth year	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Ninth year	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800
Tenth year	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Eleventh year	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200
Twelfth year	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Thirteenth year	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600
Fourteenth year	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Fifteenth year	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Sixteenth year	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200
Seventeenth year	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400
Eighteenth year	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Nineteenth year	22,800	22,800	22,800	22,800	22,800	22,800	22,800	22,800	22,800	22,800	22,800	22,800	22,800
Twentieth year	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Twenty-first year	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200
Twenty-second year	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400
Twenty-third year	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600
Twenty-fourth year	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800
Twenty-fifth year	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Twenty-sixth year	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200
Twenty-seventh year	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400
Twenty-eighth year	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600
Twenty-ninth year	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800
Thirtieth year	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Thirty-first year	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200
Thirty-second year	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400
Thirty-third year	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600
Thirty-fourth year	40,800	40,800	40,800	40,800	40,800	40,800	40,800	40,800	40,800	40,800	40,800	40,800	40,800
Thirty-fifth year	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Thirty-sixth year	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200
Thirty-seventh year	44,400	44,400	44,400	44,400	44,400	44,400	44,400	44,400	44,400	44,400	44,400	44,400	44,400
Thirty-eighth year	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600
Thirty-ninth year	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800
Fortieth year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Forty-first year	49,200	49,200	49,200	49,200	49,200	49,200	49,200	49,200	49,200	49,200	49,200	49,200	49,200
Forty-second year	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400
Forty-third year	51,600	51,600	51,600	51,600	51,600	51,600	51,600	51,600	51,600	51,600	51,600	51,600	51,600
Forty-fourth year	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Forty-fifth year	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Forty-sixth year	55,200	55,200	55,200	55,200	55,200	55,200	55,200	55,200	55,200	55,200	55,200	55,200	55,200
Forty-seventh year	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400	56,400
Forty-eighth year	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Forty-ninth year	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
Fiftieth year	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000

The Company's 2016 Annual Report
 Management's Discussion and Analysis
 Financial Performance and Analysis
 For the Year Ended June 30, 2016

	Cost/Co Share	Share Change	Security Benefit Reduction	Share Expense Increase	Share Income Reduction	Share Income Increase	Share Income	Share Income	Share Income	Share Income
Adjusted Income	1,120,217	(20,796)	(11,179)	(12,243)	(85,743)	(18,114)	(1,102,100)	(1,102,100)	(1,102,100)	(1,102,100)
	(1,102,100)	(20,796)	(11,179)	(12,243)	(85,743)	(18,114)	(1,102,100)	(1,102,100)	(1,102,100)	(1,102,100)
Income	88,123	(18,813)	(1,244)	-	(6,678)	(8,155)	(88,123)	(88,123)	(88,123)	(88,123)
Expenses	(1,190,243)	(20,796)	(12,428)	(12,243)	(85,743)	(18,114)	(1,190,243)	(1,190,243)	(1,190,243)	(1,190,243)
Income	1,190,243	(20,796)	(12,428)	(12,243)	(85,743)	(18,114)	(1,190,243)	(1,190,243)	(1,190,243)	(1,190,243)
Expenses	(1,190,243)	(20,796)	(12,428)	(12,243)	(85,743)	(18,114)	(1,190,243)	(1,190,243)	(1,190,243)	(1,190,243)
Income	1,190,243	(20,796)	(12,428)	(12,243)	(85,743)	(18,114)	(1,190,243)	(1,190,243)	(1,190,243)	(1,190,243)
Expenses	(1,190,243)	(20,796)	(12,428)	(12,243)	(85,743)	(18,114)	(1,190,243)	(1,190,243)	(1,190,243)	(1,190,243)

**Supplemental Information Schedules Prepared
for Grants and Contracts Analysis**

Galia Community Action Association, Inc.
Tulsa, Oklahoma
Head Start Grant No. 80CB000307
Schedule of Revenue, Expenditures and Changes in Fund Balance
For the Contract Period July 1, 1987 to June 30, 1988

	<u>Approved Budget</u>	<u>Actual</u>	<u>DOB Balance Current Year</u>
Revenue:			
Amount awarded this budget period	\$ 1,237,881	\$ 1,237,881	
Amount reprogrammed from prior budget period	285	388	
Total Head Start Grant revenues	<u>1,237,886</u>	<u>1,237,889</u>	
Grantee's contribution	<u>308,082</u>	<u>288,228</u>	
Total revenues	<u>1,534,968</u>	<u>1,496,729</u>	
Expenses:			
Personnel	818,880	587,575	12,885
Fringe benefits	158,088	181,342	(5,244)
Travel	13,000	11,832	1,168
Equipment	175,440	55,040	118,394
Supplies	65,504	31,546	17,958
Other	217,528	285,819	13,695
Head Start grant expenses	<u>1,237,886</u>	<u>1,022,819</u>	<u>165,858</u>
Grantee's share	<u>388,832</u>	<u>288,228</u>	
Total expenses	<u>\$ 1,624,858</u>	<u>1,341,130</u>	
Revenue over expenses		<u>\$ 155,659</u>	
Fund balances, July 1, 1987		\$ -	
EOCB000307 excess		765,056	
Fund balances, June 30, 1988		<u>\$ 919,858</u>	

Galia Community Action Association, Inc.
 Tallulah, Louisiana
 Child and Adult Care Food Program
 Head Start Food Service
 Louisiana Department of Education
 Schedule of Revenues and Expenditures
 For the Contract Period: October 1, 1996 to September 30, 1997

Revenue:

Contract revenue	\$	134,318
		134,318
Total revenue		134,318

Expenditures:

Salaries	\$	83,892
Fringe benefits		15,820
Other administrative costs		2,852
Non food supplies		890
Food service costs		47,874
		134,318
Total expenditures		134,318

Excess revenue (expenditures)

-

Fund balance, October 1, 1996

-

Fund balance, September 30, 1997

\$ -

Delta Community Action Association, Inc.
 Thibodaux, Louisiana
 Common Child Care Program
 DCA No. 355-700328
 Louisiana Department of Social Services
 Office of Family Support
 Schedule of Revenues and Expenditures
 For the Contract Period: July 1, 1987 to June 30, 1988

Revenues:

Contract revenue	\$ 200,000
Total revenue	<u>200,000</u>

Expenditures:

Salaries	185,057
Fringe benefits	20,610
Travel	2,819
Operating services	10,207
Supplies	3,129
Equipment	3,135
Other	13,080
Total expenditures	<u>237,135</u>

Excess revenue (expenditures)	(37,135)
Fund balance, July 1, 1987	41,189
Fund balance, June 30, 1988	<u>\$ 4,054</u>

Delta Community Action Association, Inc.
 Tallulah, Louisiana
 Community Services Block Grant
 Department of Labor
 Contract No. 81N0008
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Contract Period: January 1, 1987 to December 31, 1987

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over- Under Budget</u>
Revenues:			
Contract revenue		\$ 105,712	
Total revenue		<u>105,712</u>	
Expenditures:			
Administration:			
Salaries	\$ 59,400	58,383	\$ 1,017
Fringe benefits	18,365	18,795	(430)
Travel	8,800	4,690	4,110
Other support costs	26,892	18,580	8,312
Total administration	<u>114,257</u>	<u>99,998</u>	<u>14,259</u>
Program Activities:			
Salaries	12,039	11,710	329
Fringe benefits	8,944	682	8,262
Travel	1,580	-	1,580
Equipment purchases	580	-	580
Other support costs	2,680	-	2,680
Activities	3,080	2,563	417
Total program activities	<u>28,383</u>	<u>14,624</u>	<u>13,759</u>
Commodity food and nutrition	2,740	958	1,782
Total expenditures	<u>\$ 143,480</u>	<u>105,712</u>	<u>\$ 37,768</u>
Excess revenues (expenditures)		-	
Fund balance, January 1, 1987		(802)	
Fund balance, December 31, 1987		<u>\$ 802</u>	

Delta Community Justice Association, Inc.
 Thibodaux, Louisiana
 Low-Income Home Energy Assistance Program
 Louisiana Department of Social Services
 Office of Community Services
 CFARS No. 614756

Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Contract Period: January 1, 1987 to December 31, 1987

Revenue:

Contract revenue \$ 1,110,400

Expenditures:

Administrative costs	\$	7,508	10,885	\$	(4,887)
Services		180,503	180,500		3,003
		<u>1,115,000</u>	<u>1,115,001</u>		<u>\$ 1,998</u>

Total expenditures

1,115,000

1,115,001

\$ 1,998

Excess revenue (expenditures)

1 5,891

Fund balance, beginning January 1, 1987

11,387

Fund balance, ending December 31, 1987

18,278

Delta Community Action Association, Inc.
 Lakechar, Louisiana
 Family Day Care Home Program
 Louisiana Department of Education
 Schedule of Revenues and Expenditures
 For the Contract Period: October 1, 1998 to September 30, 1997

Revenues:

Contract revenue	4	508,000
		508,000
Total revenue		508,000

Expenditures

Salaries		62,608
Fringe benefits		75,808
Travel		1,762
Supplies and postage		4,332
Rent and utilities		6,748
Telephone		4,218
Equipment		2,987
Auto		1,170
Other costs		983
Provider payments		432,473
		508,000
Total expenditures		508,000

Excess revenue expended \$

Delta Community Action Association, Inc.
 Tallahassee, Louisiana
 Delta Recovery Center
 DHS Contract No. 20-1890255
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Contract Period: July 1, 1997 to June 30, 1998

	<u>Budget</u>	<u>Actual</u>		Actual (Over) Under Budget
Revenues:				
Contract revenue		\$ 145,023	0	
DWI fines		447		
Total revenues		<u>145,023</u>		
Expenditures:				
Salaries	\$ 108,440	99,038	+	8,404
Fringe benefits	17,075	15,540		1,532
Travel	3,090	3,008		-
Operating services	18,371	75,138		1,141
Supplies	1,280	1,308		-
Professional services	<u>18,890</u>	<u>30,114</u>		<u>89</u>
Total federal expenditures	<u>\$ 148,166</u>	<u>145,123</u>	+	<u>3,283</u>
Miscellaneous non-federal expenses		1,360		
Total expenditures		<u>146,483</u>		
Excess revenue (expenditures)		+	840	
Fund balance, July 1, 1997		<u>26,781</u>		
Fund balance, June 30, 1998		<u>\$ 24,831</u>		

Delta Community Action Association, Inc.

Tulahoma, Louisiana

Migrant Education Program

Project No. FF-607-0800-33-01

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Contract Period: October 1, 1986 to September 30, 1987

Revenue

Grant revenue	\$ 44,287
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Expenditures:

Salaries	\$ 4,247
Fringe benefits	43
Travel	12,228
Contracted services	22,200
Supplies	5,274
Miscellaneous	152

Total expenditures	<u>44,304</u>
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Excess revenue (expenditures)	-
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Fund balance, October 1, 1986	12,264
-------------------------------	--------

Transfer to Migrant Education	(12,264)
-------------------------------	-----------

Fund balance, September 30, 1987	<u>\$ -</u>
----------------------------------	-------------

Delta Community Action Association, Inc.
 Tallulah, Louisiana
 Mental Health Program
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Period: July 1, 1997 to June 30, 1998

Revenue:

Contract revenue	\$ 34,208
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Expenditures:

Salaries	5,873
Fringe benefits	1,888
Travel	787
Supplies	681
Client meals	429
Other	1,187

Total expenditures	13,184
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Excess revenue (expenditures)	21,024
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Fund balance, July 1, 1997	-
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Fund balance, June 30, 1998	\$ 21,024
-----------------------------	-----------

Delta Community Justice Association, Inc.
 Tallulah, Louisiana
 Temporary Emergency Food Assistance Program
 Commodities Program
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Period: July 1, 1997 to June 30, 1998

Revenues:

Contract revenue	\$ 3,511
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Expenditures:

Salaries	4,787
fringe benefits	585
Travel	426
Supplies	247
Other	2,025

Total expenditures	8,065
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Excess revenue (expended)	(4,554)
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Fund balance, July 1, 1997	6,295
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Fund balance, June 30, 1998	1,741
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State Community Action Associations, Inc.
 Atlanta, Georgia
 Schedule of Disbursements of Federal Awards
 For the Year 1988-June 30, 1988

Federal Agency / Program Title	Federal FY88 Number	Fiscal Year-Through Contract Number	Expenditures
U.S. Department of Health and Human Services Food Stamp Program Food Stamp (Fy 8-28-88)	90-890	6628-00001	1,271,018
Funded through Louisiana Department of Development and Training Community Services Block Grant (Fy 12-31-87) Community Services Block Grant (Fy 12-31-88)	90-589 90-588	87802-00 88002-00	81,568 88,054
Funded through Louisiana Department of Social Services, Office of Community Services Food Stamp Assistance Program - Emergency (Fy 12-31-87) Food Stamp Assistance Program - Emergency (Fy 12-31-88)	90-588 90-588	87470 88002	116,464 23,853
Funded through Louisiana Department of Social Services, Office of Family Support Senior Meal Care Program (Fy 8-28-88)	90-588	28579000	100,569
Funded through Louisiana Department of Health and Hospitals, Office of Mental Health Mental Health Program	90-528	88000	12,364
Funded through Louisiana Department of Health and Hospitals, Division of Mental and Drug Abuse Substance Abuse Center (Fy 8-28-88)	90-892	28160000	146,819
U.S. Department of Education Passed through Louisiana Department of Education Magnet Education Magnet Education Extension (Fy 8-30-85)	84-071 84-070	FY-87 and FY-88 FY-85-ME2-00-81	31,889 8,293

Continued

Delta Community Action Association, Inc.
 Tallahassee, Louisiana
 Schedule of Contributions of Federal Grants
 for the Year Ended June 30, 1995

Federal Grant Title (Program Title)	Federal CFDA Number	Funds Through Specialty Number	Expenditures
U.S. Department of Agriculture			
Food Through Louisiana Department of Education			
Child and Adult Care Food Program (CACFP) (Fy 8-00-87)	10-558	Bellevue	138,400
Child and Adult Care Food Program (CACFP) (Fy 8-00-88)	10-558	Bellevue	627,944
Child and Adult Care Food Program (Head Start) (Fy 8-00-83)	10-558	Bellevue	27,234
Child and Adult Care Food Program (Head Start) (Fy 8-00-88)	10-558	Bellevue	128,000
Food Through Louisiana Department of Agriculture and Forestry			
Temporary Emergency Food Assistance Program	10-558	Bellevue	8,882
Food Distribution - Price of Commodities Distribution	10-558	Bellevue	28,438
Total Federal expenditures			\$ 1,192,858

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

NOTE 2: Reversing entries are reported in the schedule as the fair value of the commodities received and distributed. At June 30, 1995, Delta had no food commodities in inventory.

COOK & MORGENTHAU

Chartered Public Accountants

220 BROADWAY, FIFTH FLOOR, NEW YORK, N.Y. 10038 TEL: 212-677-8000 FAX: 212-677-8001

DELTA COMMUNITY ACTION ASSOCIATION, INC.

NEW ORLEANS, LOUISIANA

FOUR YEAR PERIOD

PERIOD ENDING JUNE 30, 1986

MEMBER OF DELTA STATE
SOCIETY OF ACCOUNTANTS
A DIVISION OF THE
FEDERAL OF ACCOUNTANTS, INC.

OFFICE
NEW ORLEANS, LOUISIANA
220 BROADWAY, FIFTH FLOOR
NEW YORK, N.Y. 10038
TEL: 212-677-8000 FAX: 212-677-8001

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
Delta Community Action Association, Inc.
Tulalata, Louisiana

We have audited the financial statements of Delta Community Action Association, Inc., as of and for the year ended June 30, 1986, and have issued our report thereon dated October 9, 1986. 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 Delta Community Action Association, 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 Delta Community Action Association, 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 test to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting was not necessarily designed to identify 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 reflect 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 Delta Community Action Association, Inc., in a separate management letter dated October 9, 1986.

This report is intended for the information of management, the Board of Directors and federal awarding agencies and pass-through entities. However, this restriction is not intended to limit the distribution of this report.



Cook & Merhart

Certified Public Accountants

October 6, 1999

CROWN & MCKEHEARN

Chartered Public Accountants

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CHARLES MCKEHEARN, CMA

CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTANT

REGISTERED PUBLIC ACCOUNTANT

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WANDA G. WARD, CPA
& CHARLOTTE J. SMITH
CHIEF ACCOUNTANTS

ROBERT
WILSON, CMA, CMAA
CHIEF FINANCIAL OFFICER
DORIS M. GIBSON
CHIEF ACCOUNTANT

**State-Law Compliance With Requirements Applicable to Cash
Match Program and Internal Control Peer Compliance in
Accretions With OMB Circular A-133**

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

Compliance

We have audited the compliance of Delta Community Action Association, 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 June 30, 1998. Delta Community Action Association, 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 its requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Delta Community Action Association, Inc.'s management. Our responsibility is to express an opinion on Delta Community Action Association, Inc.'s compliance based on our audit.

We conducted our audit 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. These 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 to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Delta Community Action Association, Inc.'s compliance with these 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 Delta Community Action Association, Inc.'s compliance with these requirements.

In our opinion, Delta Community Action Association, 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 June 30, 1998.

Internal Control Over Compliance

The management of Delta Community Action Association, 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 Delta Community Action Association, 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 internal control over compliance in accordance with BMD Circular 4-135.

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 the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors and federal awarding agencies and pass-through entities. However, this restriction is not intended to limit the distribution of this report.



Cook & Monahan
Certified Public Accountants
October 8, 1998

Delta Community Action Association, Inc.
Fallschuh, Louisiana
Summary Schedule of Prior Audit Findings
June 28, 1998

DEPARTMENT OF HEALTH AND HUMAN SERVICES

1996 - Finding No. 2: Weatherization Assistance Program

Condition: The bid process for obtaining materials was a sole source procurement with no prior approval from the funding source.

Recommendation: The auditors recommended that Delta communicate with the funding source to resolve the allowability of the materials expenditures.

Current Status: Delta Community Action Association, Inc. no longer has the Weatherization Program and considers this finding closed.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

1996 - Finding No. 3: Home Energy Assistance Program

Condition: There were unresolved prior year fund balances due to unexpended funds that had not been returned to the funding source.

Recommendation: It was recommended that Delta communicate with the funding source to resolve the disposition of these funds.

Current Status: These funds were returned February 2, 1998.

Delta Community Action Association, Inc.
Tulahoma, Louisiana
Schedule of Findings and Questioned Costs
June 30, 1999

A. Summary of Audit Results:

1. The auditor's report expresses an unqualified opinion on the financial statements of Delta Community Action Association, 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 Delta Community Action Association, Inc. were detected 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 Delta Community Action Association, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Delta Community Action Association, Inc. reported in Part C of this Schedule.
7. The programs listed as major programs included: 1) Head Start Program (FOA #93.680), 2) Family Preservation Program (FOA #93.696), 3) Migrant Education/Migrant Education (Investment) CBFA #84.811, and 4) Child and Adult Care Food Program (FDCI) and Head Start) CBFA #93.958.
8. The threshold for designating Types A and B programs was 1,000,000.
9. Delta Community Action Association, Inc. met the SOX coverage rule with no reason to make a determination whether the auditor qualifies as a low-risk auditor.

B. Findings – Financial Statements Audit

NONE

C. Findings and Questioned Costs – Major Federal Award Programs Audit

NONE

Bella Community Action Association, Inc.
Tulhatch, Louisiana
Schedule of Prior Audit Findings For Louisiana Legislative Auditor
June 30, 1999

There were no findings in the previous audit for the year ended June 30, 1997.

There were seven management letter comments in the previous audit for the year ended June 30, 1997, as follows:

Prior Year Comment #1 - Fixed Assets - While Bella did implement some additional procedures, this is a comment again in the current year management letter.

Prior Year Comment #2 - Payroll Transactions - While Bella did improve their controls over payroll transactions, it is still not being followed consistently and is a comment again in the current year management letter.

Prior Year Comment #3 - Procurement - The agency has now implemented a purchase order system and they have implemented procurement procedures in accordance with GMA-118 requirements.

Prior Year Comment #4 - Field Checks - This is still a problem and is repeated in the current year management letter.

Prior Year Comment #5 - Approval for Payment - Bella implemented a formalized approval process for expenditures.

Prior Year Comment #6 - Unexp. Expense Funds - The excess funds were returned to the funding source.

Prior Year Comment #7 - DDH Payment Calculations - Procedures were implemented to ensure final approval of a provider's reimbursement before disbursement.

Delta Community Action Association, Inc.
Tulahoma, Louisiana
Schedule of Current Audit Findings For Louisiana Legislative Auditor
June 30, 1998

There were no findings for the year ended June 30, 1998.

There were six management letter comments for the current audit year ended June 30, 1998. Management's response to these are as follows:

Comment #1 - Held Checks - Delta Community Action Association, Inc. will discontinue in office loans except in extreme emergencies (i.e. payroll, unexpected travel). Loans will be paid back only when funds are available and checks can be immediately deposited into the bank.

Comment #2 - Fixed Assets - Each Program Director will be responsible for conducting a fiscal inventory recap according to each program requirement. Each director will be responsible for entering this information into the database. Delta Community Action Association, Inc. has assigned one person to compile an agency wide master copy of all fixed assets.

Comment #3 - Control Transactions - Delta Community Action Agency, Inc. has put into place controls to assure that proper authorization will be on all time sheets and leave forms. The accounting department will spot check these controls at different times of the year.

Comment #4 - Financial Reports - All Delta Community Action Association, Inc. reports will be prepared and recorded to the general ledger in the computer before being submitted to appropriate program officials.

Comment #5 - Migrant Cash Management - The Delta Community Action Agency Association, Inc. Migrant program is now on a reimbursement method and all expenses must be approved by the state office before reimbursement is made.

Comment #6 - Migrant Education Program - Separate bank accounts have been obtained for each program for each year. Within the accounting department we have set up separate program numbers and codes, that have been established to ensure proper year financial allocation of these funds.

COOK & MOHRHART

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Management Letter

October 5, 1988

Board of Directors
Delta Community Action Association, Inc.
Tulahoma, Louisiana

We have audited the financial statements of Delta Community Action Association, Inc. (Delta), for the year ended June 30, 1988, and have issued our report thereon dated October 5, 1988. In planning and performing our audit of the financial statements of Delta Community Action Association, Inc., 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 certain matters were noted involving internal controls over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control or operations of Delta. These comments have been discussed with the appropriate members of management.

(I) Bank Checks

It came to our attention during our audit that accounting personnel prepares checks that are then signed and subsequently held in accounting and not issued until a later date. These checks were held for various reasons. The most common was a lack of available funds. These held checks caused the in the agency accounts to be out of balance in several instances, as well as other misstatements between funds. These were all corrected with void adjusting entries.

We recommend that procedures be put in place to ensure that no checks are prepared until funds are available to issue them. Also, procedures should be established to eliminate any other circumstances that would require the preparation of checks that are not to be issued immediately.

(II) Fixed Assets

Delta does not have procedures in place to ensure that an agency-wide fixed asset inventory is conducted at least once every two years. They do have listings of assets acquired by each program, but these listings are not current and are not updated for new additions or retirements. They also have not adopted a formal capitalization policy.

We recommend that Delta implement adopt a capitalization policy for the agency and implement procedures to ensure that a complete fixed asset inventory is done at least once every two years. We also recommend that specific personnel be assigned the duties of updating the fixed asset records on a timely basis.

III. Payroll Transactions

During our testing of payroll transactions, we noted the following problems:

- Several timesheets and leave requests examined, had no approval by a supervisor.
- Several payroll transactions were examined and they were not always approved by the Executive Director.

We recommend that procedures be implemented that ensure a payroll check is not processed for an employee without a timesheet approved by the designated supervisor, and that no leave time be paid without a leave slip approved by the designated individual. We also recommend that the accounting department not process a payroll transaction without a pay rate authorization form approved in writing.

IV. Financial Reports

During our compliance testing, we noted that the financial reports for the Head Start Program and the CDBG program could not be reconciled back to the agency's general ledgers. The differences did not affect the closouts on these programs. We recommend that all financial reports be prepared from or reconciled to the agency's general ledgers to ensure the accuracy of the information reported.

V. Migrant Cash Management

During our compliance testing for the Migrant Education Program, we noted that there is no formal process for requesting contract funds designed to keep cash on hand to a minimum. Therefore, the cash balances held in this bank account throughout the year appear to be excessive. We recommend that written procedures be developed to ensure that all cash requests are based on documented expenses, or estimates of expenses, while considering the amount of cash already in the bank account to cover these expenses.

VI. Migrant Education Program

The Migrant Education Program allows expenses to be paid out of two different years contract funds for 3 months of the year, when the old contract is ending and the new contract is beginning. The expenses during this period are not coded adequately to distinguish which contract year they are for. Due to this, there is no way for the general ledger to reflect total expenses by each contract year. Also, the final closout reports filed are not prepared from or able to be reconciled to the general ledgers. There is no written documentation supporting the amounts reported on the closout reports.

We recommend that the expenses be coded properly to allow a correct posting to the general ledgers, and that the final closout reports be prepared from the agency's general ledgers.

We express sincere thanks to Brita personnel for the cooperation and assistance provided so during our audit. We are available to provide you assistance and consultation in the implementation of the above mentioned items. This letter is furnished solely for the use of management and the Board of Directors and is not intended to be used for any other purpose.



Cook & Mosher

Certified Public Accountants