

Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Financial Statements

For the Years Ended January 31, 2004 and 2003
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 8/4/04

Caddo Community Action Agency, Inc.
Shreveport, Louisiana

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Caddo Community Action Agency, Inc., as of January 31, 2004 and 2003, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Caddo 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Caddo Community Action Agency, Inc., as of January 31, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2004 on our consideration of Caddo Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Caddo 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 of Caddo Community Action Agency, Inc. 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 schedules shown on pages 15-16, are presented for the purpose of additional analysis and are not a required part of the financial statements of Caddo 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 Prepared for Grants and Contracts Analysis" in the table of contents and shown on pages 19-25 are presented for the purpose of providing various funding sources of Caddo 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 Caddo 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 and shown on pages 19-25 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 are fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook & Morehart
Certified Public Accountants
July 16, 2004

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Statements of Financial Position
 January 31, 2004 and 2003

Assets	<u>2004</u>	<u>2003</u>
Current assets:		
Cash	\$ 166,852	\$ 443,305
Grant receivables	582,120	515,989
Other receivables		7,757
Prepaid insurance	82,778	73,672
Due from other funds	47,293	53,099
Total current assets	<u>879,043</u>	<u>1,093,822</u>
Property and Equipment:		
Property and equipment	7,435,148	7,317,273
Accumulated depreciation	(2,098,176)	(1,727,834)
Net property and equipment	<u>5,336,972</u>	<u>5,589,439</u>
Total Assets	<u><u>\$ 6,216,015</u></u>	<u><u>\$ 6,683,261</u></u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 287,606	\$ 580,104
Accrued liabilities	311,372	334,922
Due to other funds	47,293	53,099
Other liability, current portion	12,000	12,000
Note payable, current portion	21,441	7,563
Refundable advances	43,634	56,303
Total current liabilities	<u>723,346</u>	<u>1,043,991</u>
Other liability, less current portion	26,090	38,090
Note payable, less current portion	406,534	292,437
Total liabilities	<u>1,155,970</u>	<u>1,374,518</u>
Net assets:		
Unrestricted:		
Operating	705	(80,333)
Designated for use in programs	94,187	93,439
Fixed assets	4,908,996	5,289,439
Unrestricted net assets	<u>5,003,888</u>	<u>5,302,545</u>
Temporarily restricted	<u>56,157</u>	<u>6,198</u>
Total net assets	<u>5,060,045</u>	<u>5,308,743</u>
Total Liabilities and Net Assets	<u><u>\$ 6,216,015</u></u>	<u><u>\$ 6,683,261</u></u>

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended January 31, 2004

	Unrestricted	Temporarily Restricted	Total
Revenues and reclassifications:			
Contractual revenue - grants	\$ 10,820,246	\$ 48,862	\$ 10,869,108
Miscellaneous revenues	91,260	30,000	121,260
Net assets released from restrictions:			
Satisfaction of restrictions	28,903	(28,903)	
Total revenues and reclassifications	10,940,409	49,959	10,990,368
 Expenses:			
Head Start program	8,866,435		8,866,435
Child care food program	875,463		875,463
Community services	803,762		803,762
Weatherization assistance	375,997		375,997
Home energy assistance	144,163		144,163
Water assistance	23,540		23,540
Summer food service	25,411		25,411
Emergency food and shelter	33,002		33,002
Other general services	91,293		91,293
Total expenses	11,239,066	49,959	11,239,066
 Changes in net assets	(298,657)	49,959	(248,698)
 Net assets as of beginning of year	5,302,545	6,198	5,308,743
 Net assets as of end of year	\$ 5,003,888	\$ 56,157	\$ 5,060,045

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended January 31, 2003

	Unrestricted	Temporarily Restricted	Total
Revenues and reclassifications:			
Contractual revenue - grants	\$ 12,509,057	\$	\$ 12,509,057
Miscellaneous revenues	79,006	12,000	91,006
Net assets released from restrictions:			
Satisfaction of restrictions	24,291	(24,291)	
Total revenues and reclassifications	12,612,354	(12,291)	12,600,063
Expenses:			
Head Start program	8,668,362		8,668,362
Child care food program	801,862		801,862
Community services	816,639		816,639
Weatherization assistance	323,718		323,718
Home energy assistance	1,120,059		1,120,059
Water assistance	3,595		3,595
Summer food service	27,673		27,673
Emergency food and shelter	33,594		33,594
Other general services	114,445		114,445
Total expenses	11,909,947		11,909,947
Changes in net assets	702,407	(12,291)	690,116
Net assets as of beginning of year	4,600,138	18,489	4,618,627
Net assets as of end of year	\$ 5,302,545	\$ 6,198	\$ 5,308,743

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Statements of Cash Flows
 For the Years Ended January 31, 2004 and 2003

	2004	2003
Operating activities		
Changes in net assets	\$ (248,698)	\$ 690,116
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	370,342	322,511
(Increase) decrease in operating activities:		
Grant receivables	(66,131)	524,937
Other receivables	7,757	(11,371)
Prepaid insurance	(9,106)	(73,672)
Increase (decrease) in operating liabilities:		
Accounts payable	(292,498)	122,365
Accrued liabilities	(23,550)	119,568
Other liabilities	(12,000)	(12,000)
Refundable advances	(12,669)	(414,179)
Net cash provided by (used in) operating activities	(286,553)	1,268,275
Investing Activities		
Payments for property and equipment	(117,875)	(1,082,898)
Net cash used in investing activities	(117,875)	(1,082,898)
Financing Activities		
Proceeds from loan	140,000	
Payments on loan	(12,025)	
Net cash provided by financing activities	127,975	
Net increase (decrease) in cash	(276,453)	185,377
Cash as of beginning of year	443,305	257,928
Cash as of end of year	\$ 166,852	\$ 443,305
Supplemental disclosure:		
Cash paid for interest in 2004 was \$19,028.		
Noncash investing and financing transaction:		
Acquisition of property		
Proceeds from construction loan		300,000
Cost of construction in progress		(300,000)

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2004 and 2003

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Caddo Community Action Agency, Inc., (CCAA) is a private non-profit organization incorporated under the laws of the State of Louisiana. CCAA is governed by a Board of Directors composed of members from Caddo Parish. CCAA operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Caddo Parish, Louisiana, with Weatherization Services also provided in Rapides and Lincoln parishes. CCAA administers the following programs, shown with their approximate percentage of revenues for the year ended January 31, 2004:

Head Start Program (78%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided through federal funds from the U. S. Department of Health and Human Services.

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

Community Services Block Grant (7%) – Administers various programs to fulfill responsibilities and provide assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

Weatherization Assistance Program (3%) – Provides assistance to weatherize (insulate) the dwellings of low-income persons, particularly the elderly and handicapped low-income in order to conserve needed energy and aid those persons least able to afford higher utility costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

Home Energy Assistance Program (1%) – Provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

Shreveport Water Assistance Program (1%) – Provides assistance to hardship families in paying their water bills. Funding is provided by a contract with the City of Shreveport.

Summer Food Service Program (1%) – Provides a food service program for needy children during the summer months when area schools are closed for the summer. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2004 and 2003
(Continued)

Emergency Food and Shelter Program (1%) – Provides funding to purchase food and shelter for people in emergency situations. Funding is provided by federal funds from the U.S. Federal Emergency Management Agency.

B. Basis of Accounting

The financial statements of CCAA 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 Tax Status

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

E. Use of Estimates

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

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, CCAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. CCAA had no cash equivalents at January 31, 2004 or January 31, 2003.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2004 and 2003
(Continued)

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. The Federal Government has a reversionary interest in property purchased with federal funds; its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency. CCAA has adopted a policy to capitalize all items with a unit cost of \$1,000 or greater.

H. Retirement Obligations

Effective January, 1999, CCAA began offering a 401(K) plan for its employees. Employees with at least one year of service may contribute a portion of their gross wages ranging from 1% to 15% (not to exceed \$7,000) to the plan. CCAA will match the employees' contributions at \$.25 on the dollar up to 4% of the employees gross wages. The amount contributed to the plan for the years ended January 31, 2004 and 2003 was \$16,255 and \$16,820, respectively.

I. 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.*

J. Expense Allocation

The costs of providing various programs and other 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.

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2004 and 2003
 (Continued)

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of January 31, 2004 and 2003, CCAA had no significant concentrations of credit risk in relation to grant receivables.

CCAA maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At January 31, 2004, total cash balances held at financial institutions was \$460,404. Of this amount, \$101,578 was secured by FDIC, \$245,523 was collateralized by pledged securities, and the remaining \$113,303 was unsecured. At January 31, 2003, total cash balances held at financial institutions was \$727,912. Of this amount, \$100,990 was secured by FDIC, \$410,972 was collateralized by pledged securities, and the remaining \$215,950 was unsecured.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at January 31, 2004 and 2003, but received after that date.

(4) Due To and From Other Funds

The following schedule represents amounts due to and due from other funds at January 31, 2004 and 2003:

	2004		2003	
Fund	Due From Other Funds	Due To Other Funds	Due From Other Funds	Due To Other Funds
Unrestricted	\$ 19,685	\$ 27,608	\$ 19,685	\$ 27,608
Restricted Funds:				
Water Assistance Program	7,700	-	7,700	-
Community Services Block Grant	-	-	-	5,806
Weatherization Assistance Program	-	19,685	-	19,685
Home Energy Assistance Program	19,908	-	25,714	-
	\$ 47,293	\$ 47,293	\$ 53,099	\$ 53,099

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2004 and 2003
 (Continued)

(5) Property and Equipment

Property and equipment consisted of the following at January 31, 2004:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15 - 30 years	\$ 5,147,978	\$ 82,493	\$ 5,230,471
Land		135,200	60,000	195,200
Furniture, fixtures, equipment	5 - 10 years	978,531	27,942	1,006,473
Vehicles	5 years	1,003,004	-	1,003,004
Accumulated depreciation		<u>(2,073,075)</u>	<u>(25,101)</u>	<u>(2,098,176)</u>
Net investment in property and equipment		<u>\$ 5,191,638</u>	<u>\$ 145,334</u>	<u>\$ 5,336,972</u>

Property and equipment consisted of the following at January 31, 2003:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15 - 30 years	\$ 3,843,998	\$ 82,493	\$ 3,926,491
Land		135,200	60,000	195,200
Construction in progress		1,205,348	-	1,205,348
Furniture, fixtures, equipment	5 - 10 years	966,371	20,859	987,230
Vehicles	5 years	1,003,004	-	1,003,004
Accumulated depreciation		<u>(1,715,772)</u>	<u>(12,062)</u>	<u>(1,727,834)</u>
Net investment in property and equipment		<u>\$ 5,438,149</u>	<u>\$ 151,290</u>	<u>\$ 5,589,439</u>

Depreciation expense was \$370,342 and \$322,511 for the years ended January 31, 2004 and 2003, respectively.

(6) Refundable Advances

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

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2004 and 2003
 (Continued)

(7) **Accrued Liabilities**

Accrued liabilities at January 31, 2004 and 2003 consisted of the following:

	<u>2004</u>	<u>2003</u>
Accrued payroll	\$ 160,633	\$ 155,950
Accrued leave	72,409	91,522
Accrued interest	1,266	-
Payroll taxes payable	77,064	87,450
	<u>\$ 311,372</u>	<u>\$ 334,922</u>

(8) **Unrestricted, Operating Net Assets**

Included in unrestricted, operating net assets are the following program balances:

	<u>2004</u>	<u>2003</u>
Head Start Program	\$ (4,064)	\$ (9,064)
Weatherization	(2,589)	(473)
Liheap	-	(221)
Water Assistance	27,205	31,699
Summer Food Service	(637)	(1,209)
General Services	(19,210)	(101,065)
	<u>\$ 705</u>	<u>\$ (80,333)</u>

The deficit balances listed above will be eliminated as unrestricted funds become available.

(9) **Designated Net Assets**

The designated net assets at January 31, 2004 and 2003, consisted of \$94,187 and \$93,439, respectively, designated for construction costs associated with a new Head Start and Community Center.

(10) **Restrictions on Net Assets**

Temporarily restricted assets consisted of the following at January 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Playground equipment grant	\$ 41,100	\$ -
CPC-Emergency Aid program	15,057	6,198
	<u>\$ 56,157</u>	<u>\$ 6,198</u>

(Continued)

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Notes to Financial Statements
 January 31, 2004 and 2003
 (Continued)

(11) Contractual Revenue – Grants

During the years ended January 31, 2004 and 2003, CCAA received contractual revenue from federal and state grants in the amount of \$10,869,108 and \$12,509,057, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(12) Contingency

The U.S. Department of Health and Human Services had requested repayment of \$39,064, which represents an over-expenditure of funds from a prior grant period. The liability for this amount has not been recorded due to CCAA requesting to transfer–deposit \$5,000 a year of non-federal funds into the Head Start bank account to resolve this obligation. CCAA transferred \$5,000 from the nonfederal funds to the Head Start account during each of the years ended January 31, 2004 and 2003. The balance of the over expenditure as of January 31, 2004 and 2003 is \$4,064 and \$9,064, respectively.

(13) Leases

The agency leases several buildings and certain equipment under operating leases. The rental costs on these items for the years ended January 31, 2004 and 2003, were \$184,425 and \$196,127, respectively. There are no commitments under lease agreements having initial or remaining non-cancellable terms in excess of one year.

(14) Other Liability

This balance represents an amount due pursuant to a repayment agreement dated January 10, 2001 between Caddo Community Action Agency, Inc. and the State of Louisiana, Department of Social Services, Office of Community Services. The agreement was made in regards to disallowed cost associated with the Agency's Weatherization Assistance Program. The agreement calls for repayment of \$75,090 by making monthly payments of \$1,000. The agency made payments totaling \$12,000 during the year ended January 31, 2004, and \$12,000 during the year ended January 31, 2003. The balance owed at January 31, 2004 is \$38,090.

Future scheduled maturities are as follows:

<u>Year ending January 31,</u>	<u>Amount</u>
2005	\$ 12,000
2006	12,000
2007	12,000
2008	2,090
	<u>\$ 38,090</u>

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2004 and 2003
(Continued)

(15) Note Payable

CCAA has a note with a balance of \$427,975, at January 31, 2004, that is secured by land and building and payable to a local bank in monthly installments of \$3,381 including interest at an annual rate of 4.5%.

The future scheduled maturities of long-term debt are as follows:

<u>Year ending January 31</u>	<u>Amount</u>
2005	\$ 21,441
2006	22,477
2007	23,525
2008	24,622
2009	25,770
Thereafter	<u>310,140</u>
	<u>\$ 427,975</u>

Total interest expense incurred on this loan for the year ended January 31, 2004 was \$18,716. CCAA made a principal payment of \$386,209 on this loan on June 10, 2004.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Financial Position
January 31, 2004

Assets	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Water Assistance	Summer Food Service	Emergency Food and Shelter	Other General Services	Total
Current assets:										
Cash	\$	\$	\$ 2,522	\$ (1,877)	\$ 19,750	\$ 19,729	\$ (637)	\$ 1,205	\$ 126,160	\$ 166,852
Grant receivables	364,606	94,730	42,789	65,850	3,992			10,153		582,120
Prepaid insurance	82,778									82,778
Due from other funds					19,908	7,700			19,685	47,293
Total current assets	447,384	94,730	45,311	63,973	43,650	27,429	(637)	1,205	155,998	879,043
Property and equipment:										
Property and equipment	7,229,128		30,295	1,992	3,299				170,434	7,435,148
Accumulated depreciation	(2,039,250)		(28,863)	(1,992)	(2,970)				(25,101)	(2,098,176)
Net property & equipment	5,189,878		1,432		329				145,333	5,336,972
Total Assets	\$ 5,637,262	\$ 94,730	\$ 46,743	\$ 63,973	\$ 43,979	\$ 27,429	\$ (637)	\$ 1,205	\$ 301,331	\$ 6,216,015
Liabilities and Net Assets										
Current liabilities:										
Accounts payable	\$ 147,763	\$ 94,730	\$ 3,241	\$ 41,712	\$ 48	\$	\$	\$	\$ 112	\$ 287,606
Accrued liabilities	261,794		42,070	5,165	1,965	224			154	311,372
Due to other funds				19,685					27,608	47,293
Other liabilities									12,000	12,000
Note payable, current portion	21,441							1,205		21,441
Refundable advances	792				41,637					43,634
Total current liabilities	431,790	94,730	45,311	66,562	43,650	224		1,205	39,874	723,346
Other liability									26,090	26,090
Note payable, less current portion	406,534									406,534
Net assets:										
Unrestricted:										
Operating	(4,064)			(2,589)		27,205	(637)		(19,210)	705
Designated									94,187	94,187
Fixed assets	4,761,902		1,432		329				145,333	4,908,996
Unrestricted net assets	4,757,838		1,432	(2,589)	329	27,205	(637)		220,310	5,003,888
Temporarily restricted	41,100								15,057	56,157
Total net assets	4,798,938		1,432	(2,589)	329	27,205	(637)		235,367	5,060,045
Total Liabilities and Net Assets	\$ 5,637,262	\$ 94,730	\$ 46,743	\$ 63,973	\$ 43,979	\$ 27,429	\$ (637)	\$ 1,205	\$ 301,331	\$ 6,216,015

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Activities
For the Year Ended January 31, 2004

	Head Start Program	Child Care Food Program	Community Service	Weather-ization Assistance	Home Energy Assistance	Water Assistance	Summer Food Service	Emergency Food and Shelter	Other General Services	Total
Revenues										
Contractual revenue - grants	\$ 8,596,048	\$ 875,463	\$ 801,712	\$ 373,881	\$ 144,024	\$ 18,995	\$ 25,983	\$ 33,002	\$	\$ 10,868,108
Miscellaneous revenues						51				121,260
Total revenues	8,596,048	875,463	801,712	373,881	144,024	19,046	25,983	33,002	121,209	10,990,368
Expenses										
Salaries	5,438,126	515,467	554,257	82,450	40,865	8,872	9,269		20,600	6,670,906
Fringe benefits	902,086	93,496	106,092	17,980	7,645	1,140	1,162		2,732	1,132,333
Travel	48,392		1,172	284	1,006					50,854
Equipment	13,420	17,459	6,044	942	1,973	373			1,267	41,478
Occupancy	435,938		31,077	161					6,147	473,323
Telephone	48,560		19,597	2,910	4,538				12,539	88,144
Insurance	170,619		12,319	6,835	919					190,692
Vehicle operation	241,817		6,109	11,277			659		993	260,855
Supplies	195,465	36,922	9,465	160,582	3,689	2,745	14,321		2,517	425,706
Professional services	485,430		2,618	80,026	2,483	86			323	570,966
Food and related supplies	240,536	210,637						86	37,529	451,173
Miscellaneous	264,732	1,482	6,124	12,550	417	10,324				333,244
Client assistance payments			46,838		80,268			32,916		160,022
Interest expense	19,028									19,028
Depreciation	361,286		2,050		360				6,646	370,342
Total expenses	8,866,435	875,463	803,762	375,997	144,163	23,540	25,411	33,002	91,293	11,239,066
Change in net assets	(270,387)		(2,050)	(2,116)	(139)	(4,494)	572		28,916	(248,698)
Net assets, beginning of year	5,064,325		3,482	(473)	468	31,699	(1,209)		210,451	5,308,743
Transfers	5,000								(5,000)	
Net assets, end of year	\$ 4,798,938	\$	\$ 1,432	\$ (2,589)	\$ 329	\$ 27,205	\$ (637)	\$	\$ 235,367	\$ 5,060,045

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended January 31, 2004

<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 Agriculture</u>			
Passed through Louisiana Department of Education:			
Child and Adult Care Food Program (Head Start)	10.558	N/A	\$ 875,463
Child and Adult Care Food Program (Summer Food Service)	10.559	N/A	25,410
Total Department of Agriculture			<u>900,873</u>
<u>U.S. Federal Emergency Management Agency</u>			
Emergency Food and Shelter	83.523	Unknown	33,022
<u>U.S. Department of Health and Human Services</u>			
Passed through Caddo Parish Commission:			
Head Start	93.600	06CH6376/32	8,628,837
Passed through the Louisiana Department of Social Services			
Child Care and Development Block Grant	93.575	Unknown	7,762
Passed through Louisiana Department of Labor:			
Community Services Block Grant	93.569	2002N0036	49,478
Community Services Block Grant	93.569	2003N0036	729,679
Passed through Louisiana Housing Finance Agency			
Home Energy Assistance Program (Fy 9-30-03)	93.568	N/A	118,337
Home Energy Assistance Program (Fy 9-30-04)	93.568	N/A	19,070
Weatherization Assistance for Low-Income Persons (Fy 3-31-03)	93.568	N/A	94,266
Weatherization Assistance for Low-Income Persons (Fy 3-31-04)	93.568	N/A	281,731
Temporary Assistance to Needy Families (Fy 9-30-03)	93.558	N/A	6,397
Total Department of Health and Human Services			<u>9,935,557</u>
Total Federal Expenditures			\$ <u>10,869,452</u>

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

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

Caddo Community Action Agency, Inc.
 Shreveport, Louisiana
 Head Start Grant No. 06CH6376/32
 U.S. Department of Health and Human Services
 Schedule of Revenues, Expenses and Changes in Fund Balance
 For the Contract Period: February 1, 2003 to January 31, 2004

Revenues:	Budget	Actual	COB Balances Current Year
Department of Health & Human Services	\$ 9,015,046	\$ 9,015,046	
Grantee's contribution	2,253,762	2,157,209	
Total revenue	11,268,808	11,172,255	
Expenses:			
Personnel	5,664,987	5,435,937	229,050
Fringe benefits	1,113,856	901,514	212,342
Travel	43,023	37,594	5,429
Equipment	41,034		41,034
Supplies	132,738	205,909	(73,171)
Contractual	501,686	452,994	48,692
Other	1,517,722	1,594,889	(77,167)
	9,015,046	8,628,837	386,209
Grantee's share of inkind contributions	2,253,762	2,157,209	
Total all expenses	\$ 11,268,808	10,786,046	
Revenue over (under) expenses		386,209	
Fund balance, beginning February 1, 2003		(9,064)	
Transfer from General Fund		5,000	
Fund balance, ending January 31, 2004		\$ 382,145	
Fund balance analysis:			
Expenditures over revenues - Nonfederal		\$ (4,064)	
Revenues over expenses grant #06CH6376/32		386,209	
		\$ 382,145	

Caddo Community Action Agency, Inc.
Shreveport Louisiana
Child and Adult Care Food Program
Louisiana Department of Education
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Period: February 1, 2003 to January 31, 2004

Revenue:

Contract revenue	\$ 875,463
	<hr/>
Total revenue	875,463
	<hr/>

Expenses:

Salaries	515,467
Fringe benefit	93,496
Equipment and repairs	17,459
Non food supplies	38,404
Food service costs	210,637
	<hr/>
Total expenses	875,463
	<hr/>

Excess revenue (expenses)

Fund balance, beginning February 1, 2003

Fund balance, ending January 31, 2004

	<hr/>
	\$
	<hr/> <hr/>

Caddo Community Action Agency, Inc.
Shreveport Louisiana
Weatherization Assistance Program
Louisiana Housing Finance Agency
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Contract Period: April 1, 2002 to March 31, 2003

Revenue:

Contract revenue	<u>\$ 347,072</u>
------------------	-------------------

Expenses:

Administrative costs	27,170
Program operations	238,652
Liability insurance	2,280
Financial audit	6,866
Incidental repairs supplies	73,822
Training and technical assistance	<u>399</u>

Total expenses	<u>349,189</u>
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Excess revenue (expenses)	(2,117)
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Fund balance (deficit), beginning April 1, 2002	<u>(472)</u>
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Fund balance (deficit), ending March 31, 2003	<u><u>\$ (2,589)</u></u>
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Caddo Community Action Agency, Inc.
Shreveport Louisiana
Shreveport Water Assistance Program
City of Shreveport
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Contract Period: January 1, 2003 to December 31, 2003

Revenue:

Contract revenue	\$	18,995
Interest		52
		<hr/>
Total revenue		19,047
		<hr/>

Expenses:

Salaries		8,118
Fringe benefit		994
Other expense		13,430
		<hr/>
Total expenses		22,542
		<hr/>

Excess revenue (expenses)		(3,495)
Fund balance, beginning January 1, 2003		31,717
		<hr/>
Fund balance, ending December 31, 2003	\$	28,222
		<hr/> <hr/>

Caddo Community Action Agency, Inc.
Shreveport Louisiana
Summer Food Service Program
Louisiana Department of Education
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Contract Period: June 2, 2003 to August 1, 2003

Revenue:

Reimbursements - Department of Education	\$ 25,982
---	------------------

Expenses:

Salaries	9,269
Fringe benefit	1,162
Vehicle gas and oil	659
Food purchases	14,257
Other expense	63
	25,410
Total expenses	25,410

Excess revenue (expenses)	572
---------------------------	-----

Fund balance (deficit), beginning June 2, 2003	(1,209)
--	---------

Fund balance (deficit), ending August 1, 2003	<u><u>\$ (637)</u></u>
---	------------------------

Caddo Community Action Agency, Inc.
Shreveport Louisiana
Emergency Food and Shelter Program
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Period: February 1, 2003 to January 31, 2004

Revenue:

Contract revenue	<u>\$ 33,166</u>
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Expenses:

Direct assistance	<u>33,022</u>
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Total expenses	<u>33,022</u>
----------------	---------------

Excess revenue (expenses)	144
---------------------------	-----

Fund balance, beginning February 1, 2003	<u>1,061</u>
--	--------------

Fund balance, ending January 31, 2004	<u><u>\$ 1,205</u></u>
---------------------------------------	------------------------

Caddo Community Action Agency, Inc.
 Shreveport Louisiana
 General Funds
 Schedule of Revenues, Expenses and Changes in Fund Balance
 For the Period: February 1, 2003 to January 31, 2004

Revenue:

Caddo Parish Commission	\$	45,000
Medicaid application fees		1,078
Emergency aid - CPC		30,000
Interest		747
Miscellaneous		44,384
		121,209
Total revenue		121,209

Expenses:

Salaries		20,600
Fringe benefits		2,732
Utilities		5,491
Supplies		2,043
Equipment		25
Telephone		12,539
Vehicle gas and oil		992
Emergency relief and aid expenses		22,521
Miscellaneous		22,704
		89,647
Total expenses		89,647

Excess revenue (expenses)		31,562
Fund balance, beginning February 1, 2003		58,472
Fund balance, ending January 31, 2004	\$	90,034

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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
Caddo Community Action Agency, Inc.
Shreveport, Louisiana

We have audited the financial statements of Caddo Community Action Agency, Inc. as of and for the year ended January 31, 2004, and have issued our report thereon dated July 16, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caddo 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 Caddo 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 other matters involving the internal control over financial reporting which we have reported to management of Caddo Community Action Agency, Inc. in a separate management letter dated July 16, 2004.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Cook & Morehart
Certified Public Accountants
July 16, 2004

COOK & MOREHART

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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
Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Compliance

We have audited the compliance of Caddo 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 January 31, 2004. Caddo Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Caddo Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Caddo Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Caddo Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, Caddo 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 January 31, 2004.

Internal Control Over Compliance

The management of Caddo Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Caddo 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 internal control over compliance in accordance with OMB Circular A-133

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Caddo Community Action Agency, Inc.'s ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-C1.

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 the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

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.



Cook & Morehart
Certified Public Accountants
July 16, 2004

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
January 31, 2004

There were no findings or questioned costs for the prior year audit for the year ended January 31, 2003.

Schedule of Findings and Questioned Costs
January 31, 2004

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Caddo Community Action Agency, Inc.
2. No reportable conditions relating to the audit of the financials statements 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 Caddo Community Action Agency, Inc. were disclosed during the audit.
4. One reportable condition relating to the audit of the major federal award programs is 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. The condition is not reported as a material weakness.
5. The auditor's report on compliance for the major programs expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Caddo Community Action Agency, Inc. are reported in Part C. of this schedule.
7. The programs tested as major programs included: 1) Head Start Program CFDA #93.600; 2) Low-Income Home Energy Assistance and Weatherization Assistance for Low-Income Persons CFDA #93.568; 3) Child and Adult Care Food Program CFDA #10.559; and 4) Community Services Block Grant CFDA #93.569.
8. The threshold for distinguishing Types A and B programs was \$326,084.
9. Caddo Community Action Agency, Inc does not qualify as a low-risk auditee.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
January 31, 2004
(Continued)

B. Findings – Financial Statements Audit - NONE

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

2004-C1 REPORTABLE CONDITION

DEPARTMENT OF HEALTH AND HUMAN SERVICES – Head Start Program CFDA #93.600

Statement of Condition: During our audit, we noted that the agency has a collaborative agreement with another not-for-profit agency to provide early head start services to 20 children. The contractual agreement with the not-for-profit agency does contain a projected budget; however, it does not state whether it is a cost-reimbursement contract or a grant.

We noted that payments made under the collaborative agreement were sometimes made on an advance basis. CCAA did not receive adequate financial information / supporting documentation on a routine, current basis to support the payments made under this agreement.

Criteria: A proper monitoring system should be in place covering all disbursements made under contractual agreements.

Effect of Condition: Supporting documentation was not available to support all payments made under the collaborative agreement.

Recommendation: We recommend that the agency formalize the payment terms of the collaborative agreement and implement control procedures to ensure all payments made under the agreement are adequately supported.

Response: The Agency will formalize the payment terms in the collaborative agreement and develop a monthly reporting requirement to ensure all payments made under the agreement are adequately supported with documentation.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2004

There were no prior year findings or questioned costs for the year ended January 31, 2003.

The prior year management letter comments are addressed below for the year ended January 31, 2003:

Comment #1: TRAVEL PAYMENTS

See repeat comment in current year management letter.

Comment #2: MONITORING OF SUB-CONTRACT

See finding in current year Schedule of Findings and Questioned Costs.

Comment #3: PAYROLL TESTING

Improvement noted.

Comment #4: HEAD START ENROLLMENT

Improvement noted.

Comment #5: HEAD START ELIGIBILITY DETERMINATIONS

See repeat comment in current year management letter.

Comment #6: TANF ELIGIBILITY DETERMINATIONS

See repeat comment in current year management letter.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Corrective Action Plan for Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2004

There was one current year finding for the year ended January 31, 2004, which is disclosed in the accompanying Schedule of Findings and Questioned Costs.

The corrective action plan for the management letter comments for the year ended January 31, 2004 are addressed below:

Comment #1: TRAVEL PAYMENTS

The Agency will establish procedures to ensure any advances given to employees are promptly reconciled to actual expenditures, and any amounts due to the agency will be paid in accordance with the agency travel policy.

Comment #2: ELIGIBILITY DETERMINATIONS

Procedures will be implemented to ensure that annual income levels used in determining eligibility are calculated correctly and documented in applicant files.

COOK & MOREHART

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Management Letter

July 16, 2004

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

Attention: Laurance Guidry, Executive Director

We have audited the financial statements of Caddo Community Action Agency, Inc., (CCAA) for the year ended January 31, 2004, and have issued our report thereon dated July 16, 2004. In planning and performing our audit of the financial statements of Caddo Community Action Agency, 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 the following items were noted involving internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control or operations of CCAA. These comments have been discussed with the appropriate members of management.

Comment #1: TRAVEL PAYMENTS

During our auditing of travel expenditures, we noted that travel advances and reimbursements due to the agency were not promptly reconciled upon return from travel for five travel payments tested.

We recommend that the agency establish procedures to ensure that any advances given to employees are promptly reconciled to actual expenditures, with any amounts due to the agency being promptly paid at that time.

Comment #2: ELIGIBILITY DETERMINATIONS

During our audit, we noted that the agency was not correctly calculating and /or documenting annual income levels used in determining eligibility for applicants of several of the agency's programs. The income calculations did not affect the eligibility of the participants.

We recommend that the agency implement procedures to ensure that annual income levels used in determining eligibility are calculated correctly and documented in applicant files.

We express sincere thanks to CCAA personnel for the cooperation and assistance provided us during our audit. We are available to provide you assistance and consultation with the above mentioned items. This letter is furnished solely for the use of management, Board of Directors and various funding sources.



Cook & Morehart
Certified Public Accountants
July 16, 2004