

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

**Financial Statements**

**For the Years Ended January 31, 2022 and 2021**

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

*Certified Public Accountants*

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

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

TELEPHONE (318) 222-5415

FAX (318) 222-5441

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

MEMBER  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Caddo Community Action Agency, Inc. (a nonprofit organization), which comprise the statements of financial position as of January 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Caddo Community Action Agency, Inc. (a nonprofit organization) as of January 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Caddo Community Action Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Caddo Community Action Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information schedules shown on page 18-20 are presented for the purpose of additional analysis and are not a required part of the financial statements of Caddo Community Action Agency, Inc. The accompanying schedule of expenditures of federal awards, shown on pages 21-22, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2022, on our consideration of the Caddo Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Caddo Community Action Agency, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caddo Community Action Agency, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
July 27, 2022

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Statements of Financial Position  
January 31, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash	\$ 258,328	\$ 609,376
Grant receivables	1,517,586	1,543,361
Accounts receivable - other		60,788
Prepaid insurance	148,915	28,982
Total current assets	1,924,829	2,242,507
Property and Equipment:		
Property and equipment	15,842,271	15,705,121
Accumulated depreciation	(10,050,653)	(9,498,167)
Net property and equipment	5,791,618	6,206,954
Total Assets	\$ 7,716,447	\$ 8,449,461
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 799,609	\$ 1,303,217
Accrued liabilities	955,388	769,369
Line of credit	45,000	45,000
Capital lease, current portion	16,702	63,289
Total current liabilities	1,816,699	2,180,875
Capital lease, less current portion		11,341
Total liabilities	1,816,699	2,192,216
Net assets:		
Without donor restrictions	5,851,474	6,211,849
With donor restrictions	48,274	45,396
Total net assets	5,899,748	6,257,245
Total Liabilities and Net Assets	\$ 7,716,447	\$ 8,449,461

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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
Contractual revenue - grants	\$ 20,786,380	\$ 48,274	\$ 20,834,654
Miscellaneous revenues	14,195		14,195
Net assets released from restrictions:			
Satisfaction of restrictions	45,396	(45,396)	
<b>Total revenues</b>	<u>20,845,971</u>	<u>2,878</u>	<u>20,848,849</u>
 <b>Expenses:</b>			
Program expenses			
Head Start program	13,282,200		13,282,200
Child care food program	834,060		834,060
Community services	948,700		948,700
Weatherization assistance	712,270		712,270
Low-income home energy assistance program	2,611,840		2,611,840
Emergency food and shelter	18,400		18,400
Other general services	488,651		488,651
<b>Total program expenses</b>	<u>18,896,121</u>		<u>18,896,121</u>
General and administrative expense	<u>2,310,225</u>		<u>2,310,225</u>
<b>Total expenses</b>	<u>21,206,346</u>		<u>21,206,346</u>
Changes in net assets	(360,375)	2,878	(357,497)
Net assets as of beginning of year	<u>6,211,849</u>	<u>45,396</u>	<u>6,257,245</u>
Net assets as of end of year	<u>\$ 5,851,474</u>	<u>\$ 48,274</u>	<u>\$ 5,899,748</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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues:</b>			
Contractual revenue - grants	\$ 19,701,231	\$ 45,396	\$ 19,746,627
Miscellaneous revenues	6,792		6,792
Net assets released from restrictions:			
Satisfaction of restrictions	45,364	(45,364)	
Total revenues	19,753,387	32	19,753,419
<b>Expenses:</b>			
Program expenses			
Head Start program	13,389,399		13,389,399
Child care food program	393,808		393,808
Community services	800,457		800,457
Weatherization assistance	519,920		519,920
Low-income home energy assistance program	2,278,837		2,278,837
Emergency food and shelter	6,819		6,819
Other general services	123,134		123,134
Total program expenses	17,512,374		17,512,374
General and administrative expense	2,053,876		2,053,876
Total expenses	19,566,250		19,566,250
Changes in net assets	187,137	32	187,169
Net assets as of beginning of year	6,024,712	45,364	6,070,076
Net assets as of end of year	\$ 6,211,849	\$ 45,396	\$ 6,257,245

The accompanying notes are an integral part of this statement.



Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Statement of Functional Expenses  
For the Year Ended January 31, 2022

	Program Services							Total Program	General and Administrative	Total 2022
	Head Start	Child Care Food Program	Community Service	Weatherization Assistance	Low-Income Home Energy Assistance	Other General Services	Emergency Food and Shelter			
Salaries	\$ 6,440,031	\$ 464,346	\$ 492,588	\$ 117,054	\$	\$ 412,500	\$	\$ 7,926,519	\$ 1,270,979	\$ 9,197,498
Fringe Benefits	1,954,203	132,450	110,870	39,603				2,237,126	510,567	2,747,693
Travel	2,692	3,000						5,692	219	5,911
Equipment	326,670	41,245	7,486	1,243				376,644	24,224	400,868
Occupancy	541,654		75,868					617,522	52,140	669,662
Telephone	208,120		9,464					217,584	55,552	273,136
Insurance	225,866		17,850	3,753				247,469	19,218	266,687
Vehicle operation	138,224		1,169	10,741				150,134	1,845	151,979
Supplies	1,026,922	80,710	124,325	182,828				1,414,785	48,934	1,463,719
Professional services	688,652			356,581				1,045,233	20,442	1,065,675
Food and related supplies	300,511	112,309						412,820		412,820
Miscellaneous	897,534		18,203	467				916,204	298,084	1,214,288
Client assistance payments			90,877		2,611,840	35,041	18,400	2,756,158		2,756,158
Interest expense						4,572		4,572		4,572
Depreciation expense	531,121					36,538		567,659	8,021	575,680
<b>Total Expenses</b>	<b>\$ 13,282,200</b>	<b>\$ 834,060</b>	<b>\$ 948,700</b>	<b>\$ 712,270</b>	<b>\$ 2,611,840</b>	<b>\$ 488,651</b>	<b>\$ 18,400</b>	<b>\$ 18,896,121</b>	<b>\$ 2,310,225</b>	<b>\$ 21,206,346</b>

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

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Statement of Functional Expenses  
For the Year Ended January 31, 2021

	Program Services							Total Program	General and Administrative	Total 2021
	Head Start	Child Care Food Program	Community Service	Weatherization Assistance	Low-Income Home Energy Assistance	Other General Services	Emergency Food and Shelter			
Salaries	\$ 7,120,416	\$ 215,881	\$ 476,367	\$ 117,991	\$	\$ 9,110	\$	\$ 7,939,765	\$ 1,252,676	\$ 9,192,441
Fringe Benefits	1,660,155	99,102	98,577	30,869		778		1,889,481	380,332	2,269,813
Travel	5,282							5,282		5,282
Equipment	190,665	37,070	3,293			574		231,602	6,355	237,957
Occupancy	366,990		24,644			2,150		393,784	73,200	466,984
Telephone	143,319		8,834			1,485		153,638	38,556	192,194
Insurance	241,295		21,250	4,069				266,614	16,286	282,900
Vehicle operation	133,245		688	4,623				138,556	1,544	140,100
Supplies	1,705,975	41,755	15,825	127,771		106		1,891,432	53,575	1,945,007
Professional services	653,438		3,500	234,597		303		891,838	15,507	907,345
Food and related supplies	294,907							294,907		294,907
Miscellaneous	402,882		3,591			1,570		408,043	205,870	613,913
Client assistance payments			143,888		2,278,837	40,567	6,819	2,470,111		2,470,111
Interest expense						9,965		9,965		9,965
Depreciation expense	470,830					56,526		527,356	9,975	537,331
<b>Total Expenses</b>	<b>\$ 13,389,399</b>	<b>\$ 393,808</b>	<b>\$ 800,457</b>	<b>\$ 519,920</b>	<b>\$ 2,278,837</b>	<b>\$ 123,134</b>	<b>\$ 6,819</b>	<b>\$ 17,512,374</b>	<b>\$ 2,053,876</b>	<b>\$ 19,566,250</b>

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

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Statements of Cash Flows  
For the Years Ended January 31, 2022 and 2021

	2022	2021
Operating activities		
Changes in net assets	\$ (357,497)	\$ 187,169
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	575,680	537,331
Gain on disposal of assets	(8,641)	
(Increase) decrease in operating activities:		
Grant receivables	25,775	(358,254)
Accounts receivable - other	60,788	(60,788)
Prepaid insurance	(119,933)	21,734
Increase (decrease) in operating liabilities:		
Accounts payable	(503,608)	(262,437)
Accrued liabilities	186,019	301,824
Net cash provided by (used in) operating activities	(141,417)	366,579
Investing Activities		
Payments for property and equipment	(166,229)	
Insurance proceeds from fixed asset	14,526	
Net cash (used in) investing activities	(151,703)	
Financing Activities		
Advances on line of credit		45,000
Repayments on line of credit		(75,000)
Payments on capital lease	(57,928)	(61,152)
Net cash (used in) financing activities	(57,928)	(91,152)
Net increase (decrease) in cash	(351,048)	275,427
Cash as of beginning of year	609,376	333,949
Cash as of end of year	\$ 258,328	\$ 609,376
Supplemental disclosure:		
Cash paid for interest during the years ended January 31, 2022 and 2021 was \$4,572 and \$9,965, respectively.		
Non-cash investing and financing activities:		
Acquisition of equipment		
Cost of equipment	\$	\$ 710,015
Trade account payable		(710,015)
Cash down payment for equipment	\$	\$

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2022 and 2021

(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, 2022:

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

**Child Care Food Program (5%)** – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

**Community Services Block Grant (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 Louisiana Workforce Commission.

**Weatherization Assistance Program (5%)** – Provides assistance to weatherize (insulate) the dwellings of low-income persons, particularly the elderly and handicapped low-income in order to conserve needed energy and aid those persons least able to afford higher utility costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

**Home Energy Assistance Program (14%)** – Provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

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

B. Basis of Accounting

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

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2022 and 2021  
(Continued)

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of CCAA's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CCAA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. CCAA has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

D. Income Tax Status

CCAA is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to CCAA's tax-exempt purpose is subject to taxation as unrelated business income. CCAA had no such income for this audit period. CCAA's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended January 31, 2019, 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

E. Use of Estimates

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

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, CCAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. CCAA had no cash equivalents at January 31, 2022 or January 31, 2021.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2022 and 2021  
(Continued)

G. Property and Equipment

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

H. Retirement Obligations

CCAA offers a 401(k) profit sharing plan for its employees. Employees with at least three months of service may contribute a portion of their gross wages up to a dollar limit which is set by law. Each year CCAA determines the percentage of an employee's compensation it will contribute to the plan. The contribution rate was changed from 6% for the year ended January 31, 2021, to 9% for the year ended January 31, 2022. The amount contributed to the plan for the years ended January 31, 2022 and 2021 was \$717,447 and \$509,954, respectively.

I. Contributions

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

J. Functional Allocation of Expense

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit. Facility related expenses are allocated to each function based upon square footage utilized by the function.

K. Compensated Absences

Employees may accrue annual leave up to 21 days. Employees can carry over a maximum of 40 hours at the end of the fiscal year. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 40 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

(Continued)

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2022 and 2021  
 (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, 2022 and 2021, CCAA had no significant concentrations of credit risk in relation to grant receivables.

CCAA maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At January 31, 2022, total cash balances held at financial institutions was \$489,700. Of this amount, \$251,843 was secured by FDIC, and the remaining \$237,857 was not collateralized. At January 31, 2021, total cash balances held at financial institutions was \$1,329,191. Of this amount, \$252,106 was secured by FDIC, \$933,347 was collateralized by pledged securities, and the remaining \$143,738 was not collateralized.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at January 31, 2022 and 2021, but received after those dates.

(4) Contractual Revenue – Grants

During the years ended January 31, 2022 and 2021, CCAA received contractual revenue from federal, state, and local grants in the amount of \$20,834,654 and \$19,746,627, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(5) Operating Leases

The agency leases several buildings and certain equipment under operating leases. The rental costs on these items for the years ended January 31, 2022 and 2021 were \$110,561 and \$100,540, respectively. The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending <u>January 31,</u>	
2023	\$ 80,768
2024	80,768
2025	63,274
2026	40,040
2027	<u>7,679</u>
	<u>\$ 272,529</u>

(Continued)

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2022 and 2021  
 (Continued)

(6) Property and Equipment

Property and equipment consisted of the following at January 31, 2022:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 9,355,353	\$ 82,493	\$ 9,437,846
Land		361,891		361,891
Furniture, fixtures, equipment	5-10 years	3,378,455	317,595	3,696,050
Vehicles	5 years	2,231,988	54,496	2,286,484
Idle Property			60,000	60,000
Accumulated depreciation		(9,679,636)	(371,017)	(10,050,653)
Net investment in property and equipment		<u>\$ 5,648,051</u>	<u>\$ 143,567</u>	<u>\$ 5,791,618</u>

Property and equipment consisted of the following at January 31, 2021:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 9,355,353	\$ 82,493	\$ 9,437,846
Land		361,891		361,891
Furniture, fixtures, equipment	5-10 years	3,288,408	317,595	3,606,003
Vehicles	5 years	2,185,953	53,428	2,239,381
Idle Property			60,000	60,000
Accumulated depreciation		(9,148,515)	(349,652)	(9,498,167)
Net investment in property and equipment		<u>\$ 6,043,090</u>	<u>\$ 163,864</u>	<u>\$ 6,206,954</u>

Depreciation expense was \$575,680 and \$537,331 for the years ended January 31, 2022 and 2021, respectively.

(7) Accrued Liabilities

Accrued liabilities at January 31, 2022 and 2021 consisted of the following:

	2022	2021
Accrued payroll	\$ 277,044	\$ 285,508
Accrued leave	7,275	18,894
Payroll taxes and retirement payable	671,069	464,967
	<u>\$ 955,388</u>	<u>\$ 769,369</u>

(Continued)



Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 January 31, 2022 and 2021  
 (Continued)

(8) Liquidity and Availability of Financial Assets

CCAA monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. CCAA has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	2021	2021
Financial assets at year-end:		
Cash and cash equivalents	\$ 258,328	\$ 609,376
Grant receivables	1,517,586	1,543,361
Receivables - other		60,788
Total financial assets	1,775,914	2,213,525
Less amounts not available to be used within one year:		
Net assets with donor restrictions	( 48,274)	( 45,396)
Less designated net assets which are designated for program use	( 38,553)	( 46,827)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,689,087	\$ 2,121,302

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

In addition to financial assets available to meet general expenditures over the year, CCAA operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of CCAA's cash and shows negative cash generated by operations of \$(141,417) for fiscal year ending January 31, 2022, and positive cash generated by operations of \$366,579 for fiscal years ending January 31, 2021. CCAA also has a \$500,000 line of credit available to meet cash flow needs.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2022 and 2021  
(Continued)

(9) Capital Leases - Equipment

Caddo Community Action Agency, Inc. leased several copiers during the years ended January 31, 2022 and 2021 under capital leases. The leases qualified as capital leases for accounting purposes. The assets were depreciated over their estimated productive lives. Depreciation of assets under these capital leases was included in depreciation expense for the years ended January 31, 2022 and 2021. Interest has been imputed at a rate of 3.44%, and Caddo Community Action Agency, Inc. will make monthly payments through 2023.

	<u>2022</u>	<u>2021</u>
Copiers	\$ 297,983	\$ 297,983
Less: accumulated depreciation	<u>( 265,493)</u>	<u>( 227,618)</u>
Property held under capital leases, net	<u>\$ 32,490</u>	<u>\$ 70,365</u>

Minimum future lease payments under capital leases as of January 31, 2022 are as follows:

Year Ending <u>January 31,</u> 2022	
	<u>\$ 17,003</u>
Total minimum lease payments	\$ 17,003
Less amounts representing interest	<u>( 301)</u>
Present value of minimum lease payments	16,702
Less current portion	<u>( 16,702)</u>
	<u>\$</u>

(10) Net Assets

Net assets at January 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 38,005	\$ 32,698
Net investment in property and equipment	5,774,916	6,132,324
Designated for Weatherization program	13,436	7,030
Designated for Low-income home energy assistance program		12,000
Designated for Emergency aid	<u>25,117</u>	<u>27,797</u>
Total net assets without donor restrictions	<u>5,851,474</u>	<u>6,211,849</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for Low-income home energy assistance program	43,150	31,373
Restricted for FEMA program	<u>5,124</u>	<u>14,023</u>
Total net assets with donor restrictions	<u>48,274</u>	<u>45,396</u>
Total Net Assets	<u>\$ 5,899,748</u>	<u>\$ 6,257,245</u>

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2022 and 2021  
(Continued)

(11) Line of Credit

Caddo Community Action Agency, Inc. entered into an agreement for a revolving line of credit in October, 2017 for \$500,000 with an interest rate of 2.93% over prime. Interest rate at January 31, 2022 and 2021 was 6.18% and 6.18%, respectively. At January 31, 2022 and 2021, the balance on the line of credit was \$45,000 and \$45,000, respectively. Interest expense incurred under the line of credit for the years ended January 31, 2022 and 2021 was \$2,603 and \$6,245, respectively. Collateral for the line of credit is certain real estate owned by the agency.

(12) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(13) Subsequent Events

CCAA purchased air purifiers totaling \$429,600 subsequent to the year ended January 31, 2022.

Subsequent events have been evaluated through July 27, 2022, the date the financial statements were available to be issued.

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Combining Schedule of Financial Position  
 January 31, 2022  
 (With Comparative Totals for 2021)

	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Low-Income Home Energy Assistance	Water Assistance	Other General Services	Total	
								2022	2021
<b>Assets</b>									
Current assets:									
Cash	\$ 108,800	\$	\$ 4,528	\$ 25,469	\$ 28,300	\$ 21,028	\$ 70,203	\$ 258,328	\$ 609,376
Grant receivables	1,212,282	158,652	36,274	68,424	41,954			1,517,586	1,543,361
Accounts receivable - other									60,788
Prepaid insurance	148,915							148,915	28,982
Due from other funds							45,000	45,000	45,000
<b>Total current assets</b>	<b>1,469,997</b>	<b>158,652</b>	<b>40,802</b>	<b>93,893</b>	<b>70,254</b>	<b>21,028</b>	<b>115,203</b>	<b>1,969,829</b>	<b>2,287,507</b>
Property and equipment:									
Property and equipment	15,108,798		14,717	176,924	21,666		520,166	15,842,271	15,705,121
Accumulated depreciation	(9,460,748)		(14,717)	(176,924)	(21,666)		(376,598)	(10,050,653)	(9,498,167)
<b>Net property &amp; equipment</b>	<b>5,648,050</b>						<b>143,568</b>	<b>5,791,618</b>	<b>6,206,954</b>
<b>Total Assets</b>	<b>\$ 7,118,047</b>	<b>\$ 158,652</b>	<b>\$ 40,802</b>	<b>\$ 93,893</b>	<b>\$ 70,254</b>	<b>\$ 21,028</b>	<b>\$ 258,771</b>	<b>\$ 7,761,447</b>	<b>\$ 8,494,461</b>
<b>Liabilities and Net Assets</b>									
Current liabilities:									
Accounts payable	\$ 596,355	\$ 158,652	\$ 4,035	\$ 39,236	\$ 939	\$	\$ 392	\$ 799,609	\$ 1,303,217
Accrued liabilities	873,642		36,767	15,206	6,165		23,608	955,388	769,369
Due to other funds				25,000	20,000			45,000	45,000
Line of credit							45,000	45,000	45,000
Current portion of capital lease							16,702	16,702	63,289
<b>Total current liabilities</b>	<b>1,469,997</b>	<b>158,652</b>	<b>40,802</b>	<b>79,442</b>	<b>27,104</b>		<b>85,702</b>	<b>1,861,699</b>	<b>2,225,875</b>
Capital lease, less current portion									11,341
Net assets:									
Without donor restrictions	5,648,050			14,451		21,028	167,945	5,851,474	6,211,849
With donor restrictions					43,150		5,124	48,274	45,396
<b>Total net assets</b>	<b>5,648,050</b>			<b>14,451</b>	<b>43,150</b>	<b>21,028</b>	<b>173,069</b>	<b>5,899,748</b>	<b>6,257,245</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,118,047</b>	<b>\$ 158,652</b>	<b>\$ 40,802</b>	<b>\$ 93,893</b>	<b>\$ 70,254</b>	<b>\$ 21,028</b>	<b>\$ 258,771</b>	<b>\$ 7,761,447</b>	<b>\$ 8,494,461</b>

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Combining Schedule of Activities  
For the Year Ended January 31, 2022  
(With Comparative Totals for 2021)

	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Low-Income Home Energy Assistance	Water Assistance	Other General Services	Total	
								2022	2021
<b>Revenues</b>									
Contractual revenue - grants	\$ 14,203,572	\$ 1,007,108	\$ 1,314,766	\$ 937,482	\$ 2,871,028	\$ 3,698	\$ 497,000	\$ 20,834,654	\$ 19,746,627
Miscellaneous revenues							14,195	14,195	6,792
<b>Total revenues</b>	<b>14,203,572</b>	<b>1,007,108</b>	<b>1,314,766</b>	<b>937,482</b>	<b>2,871,028</b>	<b>3,698</b>	<b>511,195</b>	<b>20,848,849</b>	<b>19,753,419</b>
<b>Expenses</b>									
<b>Program</b>									
Salaries	6,440,031	464,346	492,588	117,054			412,500	7,926,519	7,939,765
Fringe benefits	1,954,203	132,450	110,870	39,603				2,237,126	1,889,481
Travel	2,692	3,000						5,692	5,282
Equipment	326,670	41,245	7,486	1,243				376,644	231,602
Occupancy	541,654		75,868					617,522	393,784
Telephone	208,120		9,464					217,584	153,638
Insurance	225,866		17,850	3,753				247,469	266,614
Vehicle operation	138,224		1,169	10,741				150,134	138,556
Supplies	1,026,922	80,710	124,325	182,828				1,414,785	1,891,432
Professional services	688,652			356,581				1,045,233	891,838
Food and related supplies	300,511	112,309						412,820	294,907
Miscellaneous	897,534		18,203	467				916,204	408,043
Client assistance payments			90,877		2,611,840		53,441	2,756,158	2,470,111
Interest expense							4,572	4,572	9,965
Depreciation	531,121						36,538	567,659	527,356
<b>Total program</b>	<b>13,282,200</b>	<b>834,060</b>	<b>948,700</b>	<b>712,270</b>	<b>2,611,840</b>		<b>507,051</b>	<b>18,896,121</b>	<b>17,512,374</b>
<b>General and Administrative</b>									
Salaries	722,203	123,947	221,109	17,537	179,140		7,043	1,270,979	1,252,676
Fringe benefits	333,830	49,101	80,794	6,257	39,926		659	510,567	380,332
Travel			3	216				219	
Equipment	24,224							24,224	6,355
Occupancy	42,662		9,478					52,140	73,200
Telephone	36,727		2,663	8,380	5,759		2,023	55,552	38,556
Insurance			15,980		3,238			19,218	16,286
Vehicle operation			1,845					1,845	1,544
Supplies	21,825		4,044	7,228	15,088	603	146	48,934	53,575
Professional services			12,109	3,647	4,208		478	20,442	15,507
Miscellaneous	91,999		13,218	170,720	5,440		16,707	298,084	205,870
Depreciation							8,021	8,021	9,975
<b>Total general and administrative</b>	<b>1,273,470</b>	<b>173,048</b>	<b>361,243</b>	<b>213,985</b>	<b>252,799</b>	<b>603</b>	<b>35,077</b>	<b>2,310,225</b>	<b>2,053,876</b>
<b>Total expenses</b>	<b>14,555,670</b>	<b>1,007,108</b>	<b>1,309,943</b>	<b>926,255</b>	<b>2,864,639</b>	<b>603</b>	<b>542,128</b>	<b>21,206,346</b>	<b>19,566,250</b>
Change in net assets	(352,098)		4,823	11,227	6,389	3,095	(30,933)	(357,497)	187,169
Net assets, beginning of year	6,043,089			7,030	43,373	19,044	144,709	6,257,245	6,070,076
Transfers	(42,941)		(4,823)	(3,806)	(6,612)	(1,111)	59,293		
<b>Net assets, end of year</b>	<b>\$ 5,648,050</b>	<b>\$</b>	<b>\$</b>	<b>\$ 14,451</b>	<b>\$ 43,150</b>	<b>\$ 21,028</b>	<b>\$ 173,069</b>	<b>\$ 5,899,748</b>	<b>\$ 6,257,245</b>

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended January 31, 2022

Agency Head: Laurance Guidry, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 178,753
Benefits - insurance	8,216
Benefits - retirement	3,575
Cell phone	717

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended January 31, 2022

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Pass through Louisiana Department of Education:				
Child and Adult Care Food Program (Head Start)	10.558	Unknown	\$	862,287
Covid-19- Child and Adult Care Food Program (Head Start)				144,821
Total Department of Agriculture				<u>1,007,108</u>
<u>U.S. Department of Energy</u>				
Pass through Louisiana Housing Corporation:				
Weatherization Assistance for Low-Income Persons (FY 06-30-2021)	81.042	Unknown		59,150
Weatherization Assistance for Low-Income Persons (FY 06-30-2022)	81.042	Unknown		121,965
Total Department of Energy				<u>181,115</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	Unknown		18,400
<u>U.S. Department of Health and Human Services</u>				
Head Start Cluster				
Passed through Caddo Parish Commission:				
Head Start	93.600	06CH010435-06	180,759	13,593,347
Covid-19 - Head Start	93.600	06HE00058101C5		247,282
Covid-19 - Head Start ARP	93.600	06HE00058101C6		460,576
Total Head Start Cluster			<u>180,759</u>	<u>14,301,205</u>
477 Cluster				
Passed through Louisiana Workforce Commission:				
Community Services Block Grant	93.569	2021N0036 & 2020N0036		1,047,794
Covid-19 - Community Services Block Grant Cares Act	93.569	2000587575		268,964
Total 477 Cluster				<u>1,316,758</u>
Pass through Louisiana Housing Corporation:				
Low-Income Home Energy Assistance Program	93.568	Unknown		2,207,401
Covid-19- Low-Income Home Energy Assistance Program	93.568	Unknown		663,848
Weatherization Assistance for Low-Income Persons (FY 06-30-2021)	93.568	Unknown		382,220
Weatherization Assistance for Low-Income Persons (FY 06-30-2022)	93.568	Unknown		366,726
Total Department of Health and Human Services			<u>180,759</u>	<u>19,238,158</u>
Total Federal Expenditures			<u>\$ 180,759</u>	<u>\$ 20,444,781</u>

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

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended January 31, 2022

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Caddo Community Action Agency, Inc. under programs of the federal government for the year ended January 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Caddo Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Caddo Community Action Agency, Inc.

NOTE B: Summary of Significant Accounting Policies

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

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



# COOK & MOREHART

*Certified Public Accountants*

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

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

TELEPHONE (318) 222-5415

FAX (318) 222-5441

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

MEMBER  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Caddo Community Action Agency, Inc., (a nonprofit organization), which comprise the statement of financial position as of January 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 27, 2022.

### Report on Internal Control Over Financial Reporting

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

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

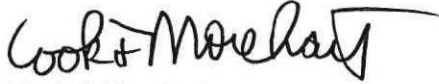
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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



Cook & Morehart  
Certified Public Accountants  
July 27, 2022

**COOK & MOREHART**

*Certified Public Accountants*

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

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

TELEPHONE (318) 222-5415

FAX (318) 222-5441

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

MEMBER  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Caddo Community Action Agency, Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Caddo Community Action Agency, Inc.'s major federal programs for the year ended January 31, 2022. Caddo Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Caddo Community Action Agency, Inc. complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended January 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

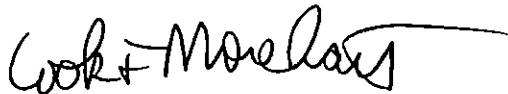
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

with governance.

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

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

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

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

Cook & Morehart  
Certified Public Accountants  
July 27, 2022

Caddo Community Action Agency, Inc.  
 Shreveport, Louisiana  
 Summary Schedule of Prior Audit Findings  
 January 31, 2022

There were no findings or questioned costs for the prior year audit for the year ended January 31, 2021.

Schedule of Findings and Questioned Costs  
 January 31, 2022

**A. Summary of Audit Results**

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified :	_____	yes	_____	no
Significant deficiencies identified :	_____	yes	_____	none reported

Noncompliance material to financial statements noted :

_____	yes	_____	no
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Federal Awards

Internal control over major programs :

Material weaknesses identified :	_____	yes	_____	no
Significant deficiencies identified :	_____	yes	_____	none reported

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

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

_____	yes	_____	no
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Identification of major federal programs :

CFDA# 93.600 - Head Start Program

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

Auditee qualified as low risk :	_____	yes	_____	no
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**B. Findings – Financial Statements Audit: None.**

**C. Findings and Questioned Costs – Major Federal Award Programs Audit: None.**

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Summary Schedule of Prior Year Audit Findings  
Schedule for Louisiana Legislative Auditor  
January 31, 2022

There were no findings or questioned costs for the prior year audit period ended January 31, 2021

Summary Schedule of Current Year Audit Findings  
Schedule for Louisiana Legislative Auditor  
January 31, 2022

There are no findings or questioned costs for the current year audit period ended January 31, 2022.

# COOK & MOREHART

*Certified Public Accountants*

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

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

TELEPHONE (318) 222-5415

FAX (318) 222-5441

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

MEMBER  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Accountants' Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period February 1, 2021 through January 31, 2022. Caddo Community Action Agency, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Caddo Community Action Agency, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period February 1, 2021 through January 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collection for each type of revenue or agency fund additions.



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

Management provided written policies and procedures addressing all of the above, as applicable.

#### **Board or Finance Committee**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Procedures performed. No exceptions noted.

### ***Bank Reconciliations***

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. No exceptions noted.

### ***Collections (excluding electronic funds transfers)***

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Procedures performed. No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Procedures performed. No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. No exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).  
Management provided the requested information, along with management's representation that the listing is complete.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Procedures performed. No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Procedures performed. No exceptions noted.

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.].
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

Procedures performed. No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)14. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)
- 2) Written documentation of the business/public purpose.
- 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Procedures performed. No exceptions noted.

### ***Travel and Travel - Related Expense Reimbursement (excluding card transactions)***

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

### ***Contracts***

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

### ***Payroll and Personnel***

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
 

Management provided the requested information, along with management's representation that the listing is complete.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Procedures performed. No exceptions noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

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

Procedures performed. No exceptions noted.

19. Obtain management's representation that employer and employee portions of third party payroll-related amounts (payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed by required deadlines.

Procedures performed. No exceptions noted.

### ***Ethics***

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable.

### ***Debt Service***

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Not applicable to nonprofit organizations.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants,



obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable to nonprofit organizations.

#### ***Fraud Notice***

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management provided representation that there was not any misappropriations of public funds and assets during the fiscal period.

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

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

#### ***Information Technology Disaster Recovery/Business Continuity***

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

#### ***Sexual Harassment***

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Not applicable.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Not applicable.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

b) Number of sexual harassment complaints received by the agency;

c) Number of complaints which resulted in a finding that sexual harassment occurred;

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

Not applicable.

We were engaged by Caddo Community Action Agency, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



Cook & Morehart  
Certified Public Accountants  
July 27, 2022