

**Delta Community Action Association, Inc.
Tallulah, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 2022 and 2021

Delta Community Action Association, Inc.
Tallulah, Louisiana

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expense	
For the Year Ended June 30, 2022	6
For the Year Ended June 30, 2021	7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 14
Other Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	15
Schedule of Expenditures of Federal Awards	16 – 17
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	18 – 19
Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance	20 - 22
Summary Schedule of Prior Audit Findings	23
Schedule of Findings and Questioned Costs	23
Schedule of Audit Findings for Louisiana Legislative Auditor	24

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Delta Community Action Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 Delta Community Action Association, Inc. (a nonprofit organization) as of June 30, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delta Community Action Association, 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 Delta Community Action Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Delta Community Action Association, 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 Delta Community Action Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

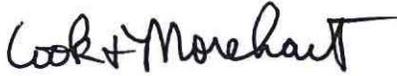
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, on pages 16 - 17, 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. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards, and the other supplementary information are 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 December 27, 2022, on our consideration of the Delta Community Action Association, 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 Delta Community Action Association, 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 Delta Community Action Association, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 27, 2022

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statements of Financial Position
June 30, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 246,645	\$ 283,872
Grant receivables	437,983	828,363
Total current assets	<u>684,628</u>	<u>1,112,235</u>
Property and Equipment:		
Property and equipment	4,254,683	4,254,683
Accumulated depreciation	(2,889,714)	(2,684,795)
Total property and equipment	<u>1,364,969</u>	<u>1,569,888</u>
Total Assets	<u>\$ 2,049,597</u>	<u>\$ 2,682,123</u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 311,062	\$ 770,194
Accrued liabilities	119,300	109,193
Refundable advance	28,402	11,546
Total current liabilities	<u>458,764</u>	<u>890,933</u>
Net assets:		
Without donor restrictions	1,590,833	1,791,190
Total net assets	<u>1,590,833</u>	<u>1,791,190</u>
 Total Liabilities and Net Assets	<u>\$ 2,049,597</u>	<u>\$ 2,682,123</u>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	
	2022	2021
Revenues and Other Support:		
Contractual revenue - grants	\$ 7,576,624	\$ 8,134,913
Miscellaneous revenues	340	124
Total revenues and other support	7,576,964	8,135,037
Expenses:		
Program expenses		
Head Start and Early Head Start programs	4,438,097	4,374,391
Child care food program	321,672	274,577
Community services block grant	141,916	236,996
Low-income home energy assistance	932,114	518,530
Family day care services	679,719	672,337
Early childhood network	35,524	63,340
General	449,100	253,426
General and Administrative expenses	779,179	745,928
Total expenses	7,777,321	7,139,525
Changes in net assets	(200,357)	995,512
Net assets as of beginning of year	1,791,190	795,678
Net assets as of end of year	\$ 1,590,833	\$ 1,791,190

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services									
	Head Start and Early Head Start	Child Care Food Program	Community Services Block Grant	Low-Income Home Energy Assistance	Family Day Care Services	Early Childhood Network	General Services	Total Program	General and Administrative	Total 2022
Salaries	\$ 2,204,918	\$ 148,575	\$ 82,720	\$	\$ 34,367	\$	\$ 30,723	\$ 2,501,303	\$ 433,961	\$ 2,935,264
Fringe benefits	602,531	49,281	13,550		21,309		2,019	688,690	103,957	792,647
Travel	768		42		5,124			5,934	4,702	10,636
Equipment	10,519				1,208			11,727	77	11,804
Occupancy	276,941				2,813		1,500	281,254	36,279	317,533
Telephone and postage	206,875				5,431			212,306	11,284	223,590
Insurance	74,864				432			75,296	2,462	77,758
Vehicle operation	176,766							176,766		176,766
Supplies	324,266	1,624			7,218	290	70,561	403,959	56,051	460,010
Professional services	31,543					2,656	30,500	64,699	32,279	96,978
Contractual payments						32,578	298,445	331,023	15,040	346,063
Food and related supplies	110,104	116,152						226,256		226,256
Miscellaneous	264,313	6,040	12,604		761		15,352	299,070	31,857	330,927
Client assistance payments			33,000	932,114	601,056			1,566,170		1,566,170
Depreciation	153,689							153,689	51,230	204,919
Total Expenses	\$ 4,438,097	\$ 321,672	\$ 141,916	\$ 932,114	\$ 679,719	\$ 35,524	\$ 449,100	\$ 6,998,142	\$ 779,179	\$ 7,777,321

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2021

Program Services

	Head Start and Early Head Start	Child Care Food Program	Community Services Block Grant	Low-Income Home Energy Assistance	Family Day Care Services	Early Childhood Network	General Services	Total Program	General and Administrative	Total 2021
Salaries	\$ 2,178,384	\$ 162,280	\$ 92,201	\$	\$ 31,683	\$	\$	\$ 2,464,548	\$ 431,674	\$ 2,896,222
Fringe benefits	573,718	59,292	20,911		19,370			673,291	109,693	782,984
Travel			373		4,518			4,891	354	5,245
Equipment	21,296				2,952			24,248	188	24,436
Occupancy	360,322				2,588			362,910	33,450	396,360
Telephone and postage	125,927	63			5,266			131,256	4,645	135,901
Insurance	77,576				364			77,940	3,381	81,321
Vehicle operation	153,108							153,108		153,108
Supplies	365,007	1,269			1,258	1,322		368,856	86,542	455,398
Professional services	28,866					2,768		31,634	31,976	63,610
Grant expense						59,250		59,250		59,250
Food and related supplies	168,491	47,087						215,578		215,578
Miscellaneous	241,883	4,586	16,563		505		1,336	264,873	17,421	282,294
Client assistance payments			106,948	518,530	603,833		252,090	1,481,401		1,481,401
Depreciation	79,813							79,813	26,604	106,417
Total Expenses	\$ 4,374,391	\$ 274,577	\$ 236,996	\$ 518,530	\$ 672,337	\$ 63,340	\$ 253,426	\$ 6,393,597	\$ 745,928	\$ 7,139,525

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Operating activities		
Changes in net assets	\$ (200,357)	\$ 995,512
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	204,919	106,417
(Increase) decrease in operating assets:		
Grant receivables	390,380	(510,187)
Increase (decrease) in operating liabilities:		
Accounts payable	(459,132)	299,053
Accrued liabilities	10,107	9,806
Refundable advance	16,856	11,546
	(37,227)	912,147
Investing activities		
Payments for property and equipment		(868,469)
		(868,469)
Net increase (decrease) in cash	(37,227)	43,678
Cash as of beginning of year	283,872	240,194
Cash as of end of year	\$ 246,645	\$ 283,872
Supplemental disclosure		
Non-cash investing and financing activities:		
Acquisition of equipment		
Cost of equipment	\$	\$ 1,089,378
Trade account payable		(220,909)
Cash payments for equipment	\$	\$ 868,469

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

(1) Summary of Significant Accounting Policies

A. Nature of Activities

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

Head Start and Early Head Start Program (63%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

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

Community Services Block Grant (3%) – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Workforce Commission.

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

Family Day Care Services (9%) – Provides a food service program for children in private nonprofit centers of approximately 109 homes. Funding is provided by federal funds passed through the Louisiana Department of Education.

Ready Start Community Networks (1%) – Implement new strategies to increase access to and improve the quality of early childhood care and education programs. Funding is provided by federal and state funds passed through the Louisiana Department of Education.

Early Childhood Network (5%) – Provides technology support to prepare our youngest learners for kindergarten. Funding is provided by federal and state funds passed through the Louisiana Department of Education.

B. Basis of Accounting

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

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its 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:

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

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 Delta'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 Delta 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. Delta 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

Delta is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to Delta's tax-exempt purpose would be subject to taxation as unrelated business income. There was no unrelated business income for the years ended June 30, 2022 and 2021. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2022, 2021, 2020, and 2019 are subject to examination by the IRS, generally 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 the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

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

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. Delta has adopted a policy to capitalize all items with a unit cost of \$1,000 or greater.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

H. 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 of 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.

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expense. 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.

(2) Concentrations of Credit Risk

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

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 2022 and 2021, Delta had no significant concentrations of credit risk in relation to grant receivables.

Delta maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2022, total cash balances held at financial institutions was \$884,584. Of this amount, \$661,715 was insured by FDIC, and the remaining \$222,869 was unsecured. At June 30, 2021, total cash balances held at financial institutions was \$881,753. Of this amount, \$606,665 was insured by FDIC, and the remaining \$275,088 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 June 30, 2022 and 2021, but received after that date. Management has determined that the allowance for bad debts is not material.

(4) Contractual Revenue – Grants

During the years ended June 30, 2022 and 2021, Delta received contractual revenue from federal and state grants in the amount of \$7,576,624 and \$8,134,913, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(5) Liquidity and Availability of Financial Assets

Delta 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. Delta has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets at year-end:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 246,645	\$ 283,872
Grant receivables	<u>437,983</u>	<u>828,363</u>
Total financial assets	684,628	1,112,235
Less amounts not available to be used within one year:		
Less designated assets which are designated for program use	(<u>52,536</u>)	(<u>48,170</u>)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 632,092</u>	<u>\$ 1,064,065</u>

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 6, 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, Delta operates with a balanced budget and anticipates covering general expenditures using the income generated from contractual agreements with governmental agencies. The Statement of Cash Flows identifies the sources and uses of Delta's cash and shows negative cash generated by operations of \$(37,227) for fiscal year ending June 30, 2022, and positive cash generated by operations of \$912,147 for fiscal years ending June 30, 2021.

(6) Net Assets

Net assets at June 30, 2022 and 2021, consisted of the following:

Net Assets Without Donor Restrictions:	<u>2022</u>	<u>2021</u>
Undesignated	\$ 173,328	\$ 173,132
Net investment in property and equipment	1,364,969	1,569,888
Designated for Low-income home energy assistance program	6,597	7,580
Designated for Child and Adult Care Food Program (FDCH)	<u>45,939</u>	<u>40,590</u>
Total net assets without donor restrictions	<u>1,590,833</u>	<u>1,791,190</u>
Total Net Assets	<u>\$1,590,833</u>	<u>\$ 1,791,190</u>

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(7) Property and Equipment

Property and equipment consisted of the following at June 30, 2022:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Land	N/A	\$	\$ 15,000	\$ 15,000
Buildings	7-20 years	881,660		881,660
Leasehold improvement	7-20 years	249,278		249,278
Furniture and equipment	5-10 years	700,228		700,228
Vehicles	5 years	2,258,726		2,258,726
Assets not in operation		149,791		149,791
Accumulated depreciation		<u>(2,889,714)</u>		<u>(2,889,714)</u>
Net investment in property and equipment		<u>\$ 1,349,969</u>	<u>\$ 15,000</u>	<u>\$ 1,364,969</u>

Depreciation expense for the year ended June 30, 2022 was \$204,919.

Property and equipment consisted of the following at June 30, 2021:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Land	N/A	\$	\$ 15,000	\$ 15,000
Buildings	7-20 years	881,660		881,660
Leasehold improvement	7-20 years	249,278		249,278
Furniture and equipment	5-10 years	700,228		700,228
Vehicles	5 years	2,258,726		2,258,726
Assets not in operation		149,791		149,791
Accumulated depreciation		<u>(2,684,795)</u>		<u>(2,684,795)</u>
Net investment in property and equipment		<u>\$ 1,554,888</u>	<u>\$ 15,000</u>	<u>\$ 1,569,888</u>

Depreciation expense for the year ended June 30, 2021 was \$106,417.

(8) Retirement Plan

Delta participates in a tax deferred annuity 403(b) plan whereby an amount equal to 5% of the salary of eligible employees is contributed to purchase annuity contracts with an insurance company. The annuities are in the employee's name upon funding. The amount contributed for the years ended June 30, 2022 and 2021 was \$62,593 and \$66,652, respectively.

(Continued)

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(9) Accrued Liabilities

Accrued liabilities consisted of the following:

	2022	2021
Accrued leave payable	\$ 29,351	\$ 29,351
Other payroll related liabilities	89,949	79,842
	\$ 119,300	\$ 109,193

(10) Leases

Delta leases certain buildings and equipment under operating leases. Rental costs on those leases for the years ended June 30, 2022 and 2021 were as follows:

	2022	2021
Buildings	\$ 53,401	\$ 54,703
Equipment	10,406	11,266
	\$ 63,807	\$ 65,969

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

For the Year Ending <u>June 30,</u>		
2023	\$	50,403
2024		43,502
2025		7,501
Total minimum future rentals	\$	101,406

(11) Subsequent events

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2022

Agency Head: M.E. DuQue, Executive Director

<u>Purpose</u>	<u>Amount Paid with Federal Funds</u>
Salary	\$ 89,445
Benefits - retirement	4,472
Benefits - insurance	8,012
Reimbursements	737
Registration fees	250
Per Diem	340

Delta Community Action Association, Inc.
Tallulah, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health and Human Services</u>				
Head Start Cluster				
Direct Program:				
Head Start (Fy 06-30-22)	93.600	06CH0160002	\$	\$ 4,548,534
Covid-19 - Head Start	93.600	06CH0160001C3, 06HE0011661		196,042
Total Head Start Cluster				<u>4,744,576</u>
Passed through the Louisiana Department of Education				
Every Student Succeeds Act/Preschool Development - Ready Start	93.434	Unknown		108,337
Every Student Succeeds Act/Preschool Development B3 Seats	93.434	Unknown		44,728
				<u>153,065</u>
477 Cluster				
Passed through Louisiana Workforce Commission				
Community Services Block Grant	93.569	2021N0038, 2022N0038		153,768
Covid-19 Community Services Block Grant Cares Act	93.569	Unknown		50,875
Total 477 Cluster				<u>204,643</u>
CCDF Cluster				
Passed through the Louisiana Department of Education				
Child Care Development Block Grant -PreK (FY 6-30-22)	93.596	Unknown		5,651
Covid-19 Child Care Development Block Grant -PreK (FY 6-30-22)	93.575			27,985
Child Care Development Block Grant - Ready Start (FY 6-30-22)	93.596			45,622
Covid-19 Child Care Development Block Grant -Ready Start (FY 6-30-22)	93.575			25,134
Covid-19 Child Care Development Block Grant -B3 Seats (FY 6-30-22)	93.575			252,826
Total CCDF Cluster				<u>357,218</u>
Passed through Louisiana Housing Corporation				
Low-Income Household Water Assistance Program	93.499	Unknown		103,292
Passed through Louisiana Housing Corporation				
Low-Income Home Energy Assistance Program	93.568	Unknown		625,232
Covid-19 Low-Income Home Energy Assistance Program Cares Act	93.568	Unknown		318,259
Total Department of Health and Human Services				<u>6,506,285</u>
<u>U.S. Department of Agriculture</u>				
Passed through Louisiana Department of Education				
Child and Adult Care Food Program (Head Start) (Fy 09-30-21)	10.558	Unknown		60,849
Child and Adult Care Food Program (Head Start) (Fy 09-30-22)	10.558	Unknown		215,611
COVID-19 Child and Adult Care Food Program (Head Start)	10.558	Unknown		45,212
Child and Adult Care Food Program (FDCH) (Fy 09-30-21)	10.558	Unknown		196,653
Child and Adult Care Food Program (FDCH) (Fy 09-30-22)	10.558	Unknown		538,518
Covid-19 Child and Adult Care Food Program (FDCH)	10.558	Unknown		5,863
Total Department of Agriculture				<u>1,062,706</u>
Total federal expenditures			\$	<u>\$ 7,568,991</u>

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Delta Community Action Association, Inc. under programs of the federal government for the year ended June 30, 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 Delta Community Action Association, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Delta Community Action Association, Inc.

NOTE 2: Summary of Significant Accounting Policies

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.

NOTE 3: Indirect Cost Rate

Delta Community Action Association Inc. does not utilize an indirect cost rate.

COOK & MOREHART

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Delta Community Action Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 December 27, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Delta Community Action Association, 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 Delta Community Action Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Delta Community Action Association, 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Community Action Association, 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 27, 2022

COOK & MOREHART

Certified Public Accountants

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Delta Community Action Association, Inc.'s, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Delta Community Action Association, Inc.'s major federal programs for the year ended June 30, 2022. Delta Community Action Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Delta Community Action Association, 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 June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Delta Community Action Association, 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 Delta Community Action Association, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Delta Community Action Association, 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 Delta Community Action Association, 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 Delta Community Action Association, 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 Delta Community Action Association, 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 Delta Community Action Association, 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 Delta Community Action Association, 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.

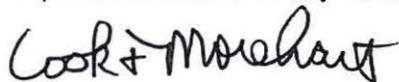
Report on Internal Control Over Compliance

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

Cook & Morehart
Certified Public Accountants
December 27, 2022

Delta Community Action Association, Inc.
Tallulah, Louisiana
Summary Schedule of Prior Audit Findings
June 30, 2022

There were no findings or questioned cost for the prior year audit ending June 30, 2021.

Schedule of Findings and Questioned Costs
June 30, 2022

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

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

Noncompliance material to financial
statements noted :

_____ yes no

Federal Awards

Internal control over major programs :

Material weaknessess 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

Identification of major federal programs :

Federal Assistance Listing # 93.600 - Head Start Program
Federal Assistance Listing #93.568 - Low-income Home Energy Assistance Program
Federal Assistance Listing #93.575/93.596 -Cluster: Child Care Development Block Grant
and Child Care Mandatory and Matching Funds of the Child Care and Development Fund

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

Auditee qualified as low risk : yes _____ no

B. Findings – Financial Statements Audit: None

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

Delta Community Action Association, Inc.
Tallulah, Louisiana
Summary Schedule of Audit Findings for Louisiana Legislative Auditor
June 30, 2022

Summary Schedule of Prior Audit Findings

There were no findings for the prior year ended June 30, 2021.

Summary Schedule for Current Year Audit Findings

There are no current year findings for the year ended June 30, 2022.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Delta Community Action Association, Inc.
Tallulah, 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 July 1, 2021 through June 30, 2022. Delta Community Action Association, Inc.'s (Delta) management is responsible for those C/C areas identified in the SAUPs.

Delta Community Action Association, 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 July 1, 2021 through June 30, 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, with the following exception:

Exception: Management's written policies and procedures addressing Information Technology Disaster Recovery/Business Continuity did not cover all six points.

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. Noted the following exceptions:

Exceptions:

- a. Management has not documented its review of each bank reconciliation.
- b. Management has not documented that it has researched reconciling items that have been outstanding for more than 12 months.

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). 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).
 - 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 followed. 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 followed. 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.

Management provided representation that employer and employee portions of third party payroll-related amounts have been paid, and associated forms have been filed by required deadlines.

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 were 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 Delta 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 Delta Community Action Association, 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 Delta Community Action Association, 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
December 27, 2022



Delta Community Action Association, Inc.

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Tallulah, Louisiana 71284
Phone: 318-574-2130
Fax: 318-574-6161

December 27, 2022

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Delta Community Action Association, Inc. submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended June 30, 2022:

Exception: Management did not provide written policies and procedures addressing Information Technology Disaster Recovery/Business Continuity, for all six points.

Response: Management will update its written policies and procedures to include Information Technology Disaster Recovery/Business Continuity, for all six points.

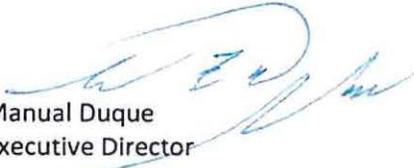
Exception: Management has not documented that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Response: Management will research items that have been outstanding for more than 12 months and will document it's review.

Exception: Management has not documented its review of each bank reconciliation.

Response: Management will document its review of bank reconciliations in the future.

Sincerely,



Manual Duque
Executive Director