

**EVANGELINE COMMUNITY
ACTION AGENCY, INC.
Ville Platte, Louisiana**

**Financial Report
Year Ended January 31, 2022**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
FINANCIAL STATEMENTS	
Statement of financial position	5
Statement of activities	6
Statement of functional expenses	7
Statement of cash flows	8
Notes to financial statements	9-13
SUPPLEMENTAL INFORMATION	
Combining statement of financial position	16-17
Schedule of grant revenue	18
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditor's 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>	20-21
Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	22-24
Schedule of expenditures of federal awards	25
Notes to schedule of expenditures of federal awards	26
Schedule of findings and questioned costs	27-28
Schedule of prior year findings	29

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

Ms. Carleen Bellard, Executive Director, and
Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Evangeline 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Evangeline Community Action Agency, Inc. as of January 31, 2022, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Evangeline Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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 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 the Evangeline 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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 the Evangeline 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 the Evangeline 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 schedule of expenditures of federal awards, on page 25, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the financial information listed as “Supplemental Information,” on page 16 - 18, are presented for purposes of additional analysis and are 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 28, 2022, on our consideration of the Evangeline 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 the Evangeline 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 the Evangeline Community Action Agency Inc.’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 28, 2022

FINANCIAL STATEMENTS

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Financial Position
January 31, 2022

ASSETS

Current assets:	
Cash	\$ 129,354
Grants receivable	<u>2,231</u>
Total assets	<u>\$ 131,585</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 1,847
Accrued salaries and related benefits	10,308
Due to federal agencies	34,073
Deferred revenue	<u>26,707</u>
Total current liabilities	<u>72,935</u>
Net assets:	
Without donor restrictions	30,860
With donor restrictions	<u>27,790</u>
Total net assets	<u>58,650</u>
Total liabilities and net assets	<u>\$ 131,585</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Activities
For the Year Ended January 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Government grants	\$ -	\$ 1,366,900	\$ 1,366,900
Local grants and donations	19,464	-	19,464
Donated services and facilities	-	43,015	43,015
Miscellaneous income	7,507	-	7,507
Net assets released from restrictions	<u>1,847,182</u>	<u>(1,847,182)</u>	<u>-</u>
Total revenues and other support	<u>1,874,153</u>	<u>(437,267)</u>	<u>1,436,886</u>
 Expenses:			
Program services -			
Energy assistance grants	59,934	-	59,934
Local grants	36,245	-	36,245
Food services program	48,029	-	48,029
Head Start program	<u>831,516</u>	<u>-</u>	<u>831,516</u>
Total program services	975,724	-	975,724
Supporting services -			
Management and general	<u>271,557</u>	<u>-</u>	<u>271,557</u>
Total expenses	<u>1,247,281</u>	<u>-</u>	<u>1,247,281</u>
Change in net assets	626,872	(437,267)	189,605
 Other changes in net assets			
Transfer of Head Start program to new grantee	<u>(608,994)</u>	<u>-</u>	<u>(608,994)</u>
Adjusted change in net assets	17,878	(437,267)	(419,389)
Net assets, beginning	<u>12,982</u>	<u>465,057</u>	<u>478,039</u>
Net assets, ending	<u>\$ 30,860</u>	<u>\$ 27,790</u>	<u>\$ 58,650</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Functional Expenses
For the Year Ended January 31, 2022

	Program Services				Support	Totals	
	Energy Assistance Grants	Local Grants	Food Services Program	Head Start Program	Total Program Services		Management and General
Salaries	\$ 40,046	\$ -	\$ 2,023	\$ 510,631	\$ 552,700	\$ 151,107	\$ 703,807
Payroll taxes	3,192	-	587	54,108	57,887	14,467	72,354
Retirement	120	-	-	3,493	3,613	180	3,793
Total salaries and related expenses	43,358	-	2,610	568,232	614,200	165,754	779,954
Contributed services and facility costs	-	-	-	43,015	43,015	-	43,015
Dues	-	-	-	-	-	1,677	1,677
Energy assistance	1,950	-	-	-	1,950	2,539	4,489
Food and nutrition	-	33,095	44,354	13	77,462	40,069	117,531
Insurance	3,236	-	-	40,964	44,200	11,709	55,909
Interest expense	-	-	-	6,672	6,672	-	6,672
Medical and dental	-	-	-	3,800	3,800	3,300	7,100
Miscellaneous	-	1,327	-	10,502	11,829	15	11,844
Other occupancy	-	-	-	54,514	54,514	-	54,514
Printing and advertising	65	-	-	519	584	1,488	2,072
Professional fees	384	-	1,065	16,301	17,750	1,550	19,300
Rent	1,400	-	-	5,750	7,150	11,155	18,305
Repairs and maintenance	2,561	-	-	8,802	11,363	2,487	13,850
Seminars and workshops	1,692	-	-	2,173	3,865	286	4,151
Supplies and materials	1,293	1,606	-	7,287	10,186	24,456	34,642
Telephone	2,098	217	-	8,169	10,484	2,505	12,989
Travel	513	-	-	8,246	8,759	-	8,759
Utilities	1,384	-	-	8,401	9,785	2,567	12,352
Total expenses before depreciation	59,934	36,245	48,029	793,360	937,568	271,557	1,209,125
Depreciation expense	-	-	-	38,156	38,156	-	38,156
Total expenses	<u>\$ 59,934</u>	<u>\$ 36,245</u>	<u>\$ 48,029</u>	<u>\$ 831,516</u>	<u>\$ 975,724</u>	<u>\$ 271,557</u>	<u>\$ 1,247,281</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Cash Flows
For the Year Ended January 31, 2022

Cash flows from operating activities:	
Change in net assets	\$ 189,605
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	38,156
Change in operating assets:	
Grants receivable	135,424
Change in operating liabilities:	
Accounts payable	(81,805)
Accrued salaries and related benefits	(60,324)
Due to federal agencies	34,073
Deferred revenue	<u>26,707</u>
Net cash provided by operating activities	281,836
Cash flows from capital and related financing activities:	
Payment on long term debt	<u>(217,144)</u>
Net change in cash and cash equivalents	64,692
Cash and cash equivalents, beginning	<u>64,662</u>
Cash and cash equivalents, ending	<u>\$ 129,354</u>
Supplemental disclosures:	
Interest paid	<u>\$ 6,672</u>

The accompanying notes are an integral part of this statement

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Evangeline Community Action Agency, Inc. (Agency) is a non-profit organization, which was organized on February 25, 1965, and which shall continue in existence for a period of 99 years from that date unless dissolved earlier. The Agency receives grants from federal and state governments to conduct various community service programs and its primary purpose is to better the conditions under which people in the Evangeline Parish area live.

B. Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions represent expendable funds available for operations which are not otherwise limited by donor restrictions. Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Agency may spend the funds. When a restriction expires, 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.

C. Cash and cash equivalents

The Evangeline Community Action Agency, Inc. considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Fixed Assets and Depreciation

Property and equipment are recorded at cost at the date of acquisition. Depreciation of equipment and buildings is calculated on the straight-line method over an estimated useful life of 5-40 years. The Agency maintains a threshold of \$5,000 or more for capitalizing assets.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

E. Functional Expenses

The costs of program and supporting services are summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs, including salaries and related benefits, have been allocated among the programs and supporting services benefited. The allocation between functions for salaries and benefits is based on time and effort. Expenses are charged to each program based on direct expenditures incurred.

F. Compensated Absences

Vacation and sick leave are recorded as expenses of the period in which paid. Sick leave is accumulated at 1 1/2 day's pay per month but is not payable upon termination or resignation. Annual leave accumulates at the rate of 1 1/2 days per month after the first three months. Upon termination or resignation, a maximum of nine days can be paid to the employee. Also, only nine days can be carried over from year to year. Any liability Evangeline Community Action Agency, Inc. might have in this regard at January 31, 2022, is considered immaterial; therefore, no liability has been recorded in the financial statements.

G. Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. Accounting principles generally accepted in the United States of America require the Agency's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Agency has undertaken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Agency, and has concluded that as of January 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Agency is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they are filed.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

The following reflects the Agency's financial assets as of January 31, 2022, reduced by amounts not available for general use because of contractual restrictions within one year of the statement of financial position date:

Financial assets at January 31, 2022	\$ 131,585
Less those unavailable for general expenditure within one year, due to contractual restrictions -	
Restricted by donor with time or purpose restrictions	<u>(63,901)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 67,684</u>

As part of the Agency's liquidity management, the Agency maintains sufficient cash balances throughout the year through receipt of grants from Federal, State, and local agencies to support the Agency's objective to better the conditions under which people in the Evangeline Parish live through education, food programs, and utility assistance.

(3) Grants Receivable

Grant receivable at January 31, 2022 consists of funds due from the U.S. Department of Health and Human Services - Community Block Grant program, in the amount of \$2,231.

(4) Concentration of Credit Risk

The Agency maintains cash account balances at financial institutions, which at times may exceed federally insured limits. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At January 31, 2022, the Agency's bank balances were fully secured and therefore, not exposed to custodial credit risk.

(5) Due To and From Other Funds

Individual program balances of due to and from other funds at January 31, 2022 are as follows. The following balances have been eliminated in the statement of financial position.

	Due from other funds	Due to other funds
Clearing Accounts	\$ 10,308	\$ 520
CSBG	1,635	10,180
Headstart	34,073	-
Local Grants	-	34,073
Energy Assistance	<u>1,399</u>	<u>2,642</u>
	<u>\$ 47,415</u>	<u>\$ 47,415</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(6) Operating Leases

The Evangeline Community Action Agency, Inc. leases various buildings under operating leases expiring in various years. The minimum annual commitments under these operating leases are considered to be immaterial.

(7) Retirement

Employees of the Evangeline Community Action Agency, Inc. have the option of participating in a defined contribution retirement plan. The Agency's contributions are equal to 4.2% of the annual salary of participating employees. During the year ended January 31, 2022, the Agency's contribution to the plan totaled \$3,793.

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions at January 31, 2022 in the amount of \$27,790 are restricted for specific purposes of the Energy Assistance Program.

(9) Net Assets Released from Restrictions

Detail of net assets released from restrictions for the year ended January 31, 2022 follows:

Purpose restrictions accomplished:	
Energy Assistance Grants	\$ 59,934
Food Services Program	48,030
Local grants	27,150
Head Start Program	1,440,511
Community Services Block Grant	<u>271,557</u>
	<u>\$ 1,847,182</u>

(10) Compensation Paid to Members of the Board of Directors

Members of the Board of Directors of Evangeline Community Action Agency, Inc. receive no compensation and are reimbursed only for expenses incurred relating to the Agency's business, which must have appropriate supporting documentation.

(11) Due to Federal Agencies

Due to Federal Agencies in the amount of \$34,073, at January 31, 2022, consists of funds owed to the Head Start program federal grantor for refunds of insurance premiums received after the Head Start program was moved to a new grantee.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(12) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments paid to the Executive Director, Carleen Bellard, for the year ended January 31, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 75,026
Payroll taxes	5,779
Benefits - insurance	4,230
Retirement	350
	<u>\$ 85,385</u>

(13) Contributed Facilities

Contributed facilities represent the estimated fair rental value of office and storage space for Head Start and are reflected in the financial statements at fair value, which amounted to \$43,015 for the year ended January 31, 2022.

(14) Commitments and Contingencies

The Agency's major source of revenue is grants from federal and state governmental entities. The use of these funds is restricted to the purpose set forth in the individual grant agreements. Such grant agreements are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of Evangeline Community Action Agency, Inc., such disallowances, if any, will not be significant.

There is no pending litigation against the Evangeline Community Action Agency, Inc. at January 31, 2022.

(15) Subsequent Events

Beginning July 1, 2021, the Evangeline Community Action Agency, Inc. was no longer the Head Start Grantee for the Evangeline Parish Head Start Program. The Agency will continue operations utilizing its existing programs such as the Community Services Block Grant Program, Energy Assistance Grants, and local grants. The financial effect of this event on the continuing operations of the Agency cannot be determined at this time.

The Agency has evaluated subsequent events through July 28, 2022, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

INDIVIDUAL PROGRAMS/FUNDS

Clearing Accounts

The clearing accounts which are used for the disbursement of accounts payable and payroll checks for all programs.

Food Services Program

To account for receipt and expenditure of federal grant funds passed through the Louisiana Department of Education for meals for needy children at Head Start locations.

Community Service Block Grant

To account for the receipt and subsequent use of federal grant funds passed through the Louisiana Department of Labor to be used for administrative and other budgeted purposes.

Head Start Program

To account for the receipt and expenditure of funds received from the U.S. Department of Health & Human Services which provides educational, psychological, nutritional, medical, dental, and social services to needy pre-school children in the area.

Energy Assistance Grants

To account for the receipt and subsequent use of federal grant funds passed through the Louisiana Housing Finance Agency to be used for the payment of home energy bills for qualifying residents of the area.

Local Grants

To account for local funds received for local programs and discretionary spending.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Combining Statement of Financial Position
January 31, 2022

	<u>Clearing Accounts</u>	<u>Food Services Program</u>	<u>Community Services Block Grant</u>
ASSETS			
Current assets:			
Cash	\$ 520	\$ -	\$ 8,083
Grant receivable	-	-	2,231
Due from other funds	<u>10,308</u>	<u>-</u>	<u>1,635</u>
Total assets	<u>10,828</u>	<u>-</u>	<u>11,949</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,769
Accrued salaries and related benefits	10,308	-	-
Due to federal agencies	-	-	-
Deferred revenue	-	-	-
Due to other funds	<u>520</u>	<u>-</u>	<u>10,180</u>
Total current liabilities	<u>10,828</u>	<u>-</u>	<u>11,949</u>
Net assets:			
Without donor restrictions	-	-	-
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 10,828</u>	<u>\$ -</u>	<u>\$ 11,949</u>

<u>Head Start Program</u>	<u>Energy Assistance Grants</u>	<u>Local Grants</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Total</u>
\$ 26,707	\$ 29,111	\$ 64,933	\$ 129,354	\$ -	\$ 129,354
-	-	-	2,231	-	2,231
<u>34,073</u>	<u>1,399</u>	<u>-</u>	<u>47,415</u>	<u>(47,415)</u>	<u>-</u>
<u>60,780</u>	<u>30,510</u>	<u>64,933</u>	<u>179,000</u>	<u>(47,415)</u>	<u>131,585</u>
\$ -	\$ 78	\$ -	\$ 1,847	\$ -	\$ 1,847
-	-	-	10,308	-	10,308
34,073	-	-	34,073	-	34,073
26,707	-	-	26,707	-	26,707
<u>-</u>	<u>2,642</u>	<u>34,073</u>	<u>47,415</u>	<u>(47,415)</u>	<u>-</u>
<u>60,780</u>	<u>2,720</u>	<u>34,073</u>	<u>120,350</u>	<u>(47,415)</u>	<u>72,935</u>
-	-	30,860	30,860	-	30,860
<u>-</u>	<u>27,790</u>	<u>-</u>	<u>27,790</u>	<u>-</u>	<u>27,790</u>
<u>-</u>	<u>27,790</u>	<u>30,860</u>	<u>58,650</u>	<u>-</u>	<u>58,650</u>
<u>\$ 60,780</u>	<u>\$ 30,510</u>	<u>\$ 64,933</u>	<u>\$ 179,000</u>	<u>\$ (47,415)</u>	<u>\$ 131,585</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Grant Revenue
For the Year Ended January 31, 2022

Low-Income Home Energy Assistance	\$ 52,826
Food Services Program	47,877
Community Services Block Grant	271,557
Emergency Food and Shelter National Board Program	27,151
Head Start Program	<u>967,489</u>
	<u>\$ 1,366,900</u>

**INTERNAL CONTROL, COMPLIANCE,
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INDEPENDENT AUDITOR'S 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*

Ms. Carleen Bellard, Executive Director
and Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, 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 Evangeline 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 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Evangeline 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 the Evangeline Community Action Agency Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Evangeline Community Action Agency'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 a 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 the Evangeline 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 organization'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 28, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Ms. Carleen Bellard, Executive Director,
and Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Evangeline Community Action Agency, Inc.'s (a nonprofit organization) 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 the Evangeline Community Action Agency, Inc.'s major federal program for the year ended January 31, 2022. The Evangeline Community Action Agency, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Evangeline Community Action Agency, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended January 31, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Evangeline 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 the Evangeline 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, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Evangeline Community Action Agency, Inc.'s federal programs.

Auditor's 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 the Evangeline 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 generally accepted auditing standards, *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 judgment made by a reasonable user of the report on compliance about the Evangeline Community Action Agency, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment 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 the Evangeline 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 the Evangeline 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 the Evangeline 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 a 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 Auditor's 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 the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 28, 2022

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2022

Federal Grantor/Pass Through Grantor/Program Title	Pass-through Identifying Number	Assistance Listing Number	Expenditures
U.S. Department of Agriculture:			
Passed through Louisiana Dept. of Education - Child and Adult Care Food Program	-	10.558	\$ <u>48,029</u>
U.S. Department of Health and Human Services:			
Passed through Louisiana Department of Labor - 477 Cluster -			
Community Services Block Grant	2021-N0035	93.569	163,305
COVID-19 Community Services Block Grant	2021-N0035	93.569	<u>108,252</u>
Total 477 cluster			<u>271,557</u>
Head Start Cluster -			
Head Start	-	93.600	934,930
COVID-19 Head Start	-	93.600	<u>32,559</u>
Total Head Start cluster			<u>967,489</u>
Passed through Louisiana Housing Finance Agency -			
Low-Income Home Energy Assistance	-	93.568	49,600
COVID-19 Low-Income Home Energy Assistance	-	93.568	<u>10,334</u>
Total Department of Health and Human Services			<u>1,298,980</u>
U.S. Department of Homeland Security:			
Passed through United Way of Central Louisiana -			
Emergency Food and Shelter National Board Program	362200-003	97.024	16,570
COVID-19 Emergency Food and Shelter National Board Program	362200-003	97.024	<u>10,380</u>
Total Department of Homeland Security			<u>26,950</u>
Total expenditures of federal awards			<u>\$1,373,959</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of Evangeline Community Action Agency, Inc. 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 the Evangeline Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Evangeline Community Action Agency, Inc.

(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.

(3) Indirect Cost Rate

The Evangeline Community Action Agency, Inc. has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

(4) Relationship to Federal Financial Reports

A reconciliation of total expenditures of federal awards reported in the schedule of expenditures of federal awards to total expenses per statement of functional expenses is as follows:

Total expenses per statement of activity	\$ 1,247,281
Add: Principal note payments	217,144
Less: In-kind contributions	(43,015)
Depreciation	(38,156)
Non-federal expense	(9,295)
Total expenditures per schedule of federal awards	<u>\$ 1,373,959</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended January 31, 2022

Part I. Summary of Auditor's Results

<i>Financial Statements</i>			<u>Type of Opinion</u>
1. Type of auditor's opinion issued on financial statements			Unmodified
2. Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ <u>x</u> no	
Significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> no	
3. Noncompliance material to the financial statements?	_____ yes	_____ <u>x</u> no	
<i>Federal Awards</i>			
4. Internal control over major federal programs:			
Material weakness(es) identified?	_____ yes	_____ <u>x</u> no	
Significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> no	
5. Major programs and type of auditor's report issued:			
Assistance			<u>Type of</u>
<u>Listing Number</u>	<u>Federal Agency and Name of Major Program</u>		<u>Opinion</u>
93.600	<u>U.S. Department of Health and Human Services</u> Head Start Cluster - Head Start Program		Unmodified
6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)?	_____ yes	_____ <u>x</u> no	
7. Threshold for distinguishing type A and B programs?			<u>\$ 750,000</u>
8. Qualified as a low-risk auditee?	_____ <u>x</u> yes	_____ no	
<i>Other</i>			
9. Management letter issued?	_____ yes	_____ <u>x</u> no	

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended January 31, 2022

Part II. Findings reported in accordance with *Government Auditing Standards*:

A. Internal Control -

There were no internal control findings.

B. Compliance –

There were no compliance findings.

Part III. Findings and questioned costs for federal awards defined in the Uniform Guidance:

A. Internal Control -

There were no internal control findings.

B. Compliance –

There were no compliance findings.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Prior Year Findings
For the Year Ended January 31, 2022

Part I. Findings reported in accordance with *Government Auditing Standards*:

A. Internal Control -

There were no internal control findings.

B. Compliance –

There were no compliance findings.

Part II. Findings and questioned costs for federal awards defined in the Uniform Guidance:

A. Internal Control -

There were no internal control findings.

B. Compliance –

There were no compliance findings.

Evangeline Community Action Agency, Inc.

**Statewide Agreed-Upon Procedures Report
Year Ended January 31, 2022**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

To the Board Members of Evangeline Community Action Agency, Inc.
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. The Evangeline Community Action Agency, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The Evangeline 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.

No exceptions were found as a result of this procedure.

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.

The policy did not indicate how vendors are added to the vendor list.

c) **Disbursements**, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (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.

No exceptions were found as a result of this procedure.

- 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.

The policy did not include legal review.

- 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 (e.g., determining the reasonableness of fuel card purchases).

The policy did not include required approvers of statements.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (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.

This section is not applicable.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This section is not applicable.

- 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.

The entity did not have a policy for this category.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

This section is not 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.

No exceptions were found as a result of this procedure.

- 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.

The entity does not report on the governmental accounting model.

- 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.

The entity is not a governmental entity.

Bank Reconciliations

3. Obtain a listing of entity 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 each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were found as a result of this procedure.

- 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

No exceptions were found as a result of this procedure.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

For one of the bank accounts selected, management did not have documentation reflecting it had researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

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).

Obtained the listing of collections locations and 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 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/official verifies the reconciliation.

No exceptions were found as a result of procedures a – d.

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.

No exceptions were found as a result of this procedure.

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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* 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 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 or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of procedures a – e.

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).

Obtained the listing of locations that process payments and 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.

No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.
No exceptions were found as a result of this procedure.
- 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.
The employee responsible for processing payments can add/modify 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.
No exceptions were found as a result of this procedure.

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 whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were found as a result of procedures a - b.

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) for the fiscal period, 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.

Obtained the listing of active credit cards and 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.

No exceptions were found as a result of procedures a - b.

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.

No exceptions were found as a result of this procedure.

Travel and Travel-Related Expense Reimbursements (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 that 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 that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that 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 that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of procedures a – d.

Contracts – N/A no agreements/contracts initiated or renewed during the fiscal year.

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.

Payroll and Personnel

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

Obtained the listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. No exceptions were found as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Observe whether 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 that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of procedures a – d.

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.

No employees received termination payments during the year.

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

No exceptions were found as a result of this procedure.

Ethics – N/A does not apply to ECAA

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.

Debt Service - N/A does not apply to ECAA

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.
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).

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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 – N/A does not apply to ECAA

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.

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).

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.

Management's Response

Management of Evangeline Community Action Agency Inc. concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by Evangeline 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 the Evangeline 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 28, 2022