

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

**Financial Report
Year Ended January 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Victor R. Slaven, CPA* - retired 2020

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

Report on the Financial Statements

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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Evangeline Community Action Agency, Inc. as of January 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, as a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that may negatively affect the financial position and changes in financial position, and cash flows of the Evangeline Community Action Agency, Inc. Our opinion is not modified with respect to this matter.

Other Matters

Other 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 (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” (pages 17-19), 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 August 20, 2020, 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 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 Evangeline Community Action Agency Inc.’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
August 20, 2020

FINANCIAL STATEMENTS

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Financial Position
January 31, 2020

ASSETS

Current assets:	
Cash	\$ 59,128
Grants receivable	97,839
Other receivables	<u>30,556</u>
Total current assets	187,523
Property and equipment, net	<u>571,696</u>
Total assets	<u>\$ 759,219</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 43,217
Accrued salaries and related benefits	65,885
Note payable	<u>19,806</u>
Total current liabilities	128,908
Noncurrent liabilities:	
Note payable	<u>221,842</u>
Total liabilities	<u>350,750</u>
Net assets:	
Without donor restrictions	10,676
With donor restrictions	<u>397,793</u>
Total net assets	<u>408,469</u>
Total liabilities and net assets	<u>\$ 759,219</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Activities
Year Ended January 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Government grants	\$ -	\$ 2,122,426	\$ 2,122,426
Local grants and donations	3,162	-	3,162
Donated services and facilities	-	514,001	514,001
Miscellaneous income	36,502	-	36,502
Net assets released from restrictions	<u>2,652,960</u>	<u>(2,652,960)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,692,624</u>	<u>(16,533)</u>	<u>2,676,091</u>
Expenses:			
Program services -			
Energy assistance grants	41,925	-	41,925
Local grants	17,759	-	17,759
Food services program	191,322	-	191,322
Head start program	<u>2,295,637</u>	<u>-</u>	<u>2,295,637</u>
Total program services	2,546,643	-	2,546,643
Supporting services -			
Management and general	<u>145,996</u>	<u>-</u>	<u>145,996</u>
Total expenses	<u>2,692,639</u>	<u>-</u>	<u>2,692,639</u>
Change in net assets	(15)	(16,533)	(16,548)
Net assets, beginning	<u>10,691</u>	<u>414,326</u>	<u>425,017</u>
Net assets, ending	<u>\$ 10,676</u>	<u>\$ 397,793</u>	<u>\$ 408,469</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Functional Expenses
Year Ended January 31, 2020

	Program Services				Total	Support Services Management and General	Totals
	Energy Assistance Grants	Local Grants	Food Services Program	Head Start Program	Program Services		
Salaries	\$ 22,124	\$ -	\$ 20,983	\$ 1,160,144	\$ 1,203,251	\$ 93,827	\$ 1,297,078
Payroll taxes	1,829	-	2,080	102,140	106,049	7,645	113,694
Retirement	480	-	-	14,259	14,739	720	15,459
Total salaries and related expenses	24,433	-	23,063	1,276,543	1,324,039	102,192	1,426,231
Contributed services and facility costs	-	-	-	514,001	514,001	-	514,001
Dues	-	-	-	-	-	1,690	1,690
Food and nutrition	-	10,905	166,609	168	177,682	4,830	182,512
Insurance	1,274	365	-	143,850	145,489	1,869	147,358
Interest expense	-	-	-	19,759	19,759	-	19,759
Medical and dental	-	-	-	6,669	6,669	7,200	13,869
Miscellaneous	1,522	-	-	22,578	24,100	-	24,100
Other occupancy	-	-	-	11,504	11,504	-	11,504
Parent involvement	-	-	-	399	399	-	399
Printing and advertising	-	-	-	1,680	1,680	-	1,680
Professional fees	2,565	-	1,650	14,230	18,445	1,205	19,650
Rent	1,200	-	-	13,800	15,000	4,000	19,000
Repairs and maintenance	-	-	-	54,737	54,737	955	55,692
Seminars and workshops	6,628	-	-	18,650	25,278	1,444	26,722
Supplies and materials	1,091	4,817	-	50,270	56,178	6,804	62,982
Telephone	1,087	-	-	27,733	28,820	3,615	32,435
Travel	741	1,672	-	33,465	35,878	1,029	36,907
Tuition assistance	-	-	-	-	-	7,749	7,749
Utilities	1,384	-	-	18,638	20,022	1,414	21,436
Total expenses before depreciation	41,925	17,759	191,322	2,228,674	2,479,680	145,996	2,625,676
Depreciation expense	-	-	-	66,963	66,963	-	66,963
Total expenses	<u>\$ 41,925</u>	<u>\$ 17,759</u>	<u>\$ 191,322</u>	<u>\$ 2,295,637</u>	<u>\$ 2,546,643</u>	<u>\$ 145,996</u>	<u>\$ 2,692,639</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Cash Flows
Year Ended January 31, 2020

Cash flows from operating activities:	
Change in net assets	\$ (16,548)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	66,963
(Increase) decrease in operating assets:	
Grants receivable	(16,172)
Other receivables	(30,556)
Increase (decrease) in operating liabilities:	
Accounts payable	15,634
Accrued salaries and related benefits	<u>6,353</u>
Net cash provided by operating activities	25,675
Cash flows from financing activities:	
Payment on long term debt	<u>(27,218)</u>
Net change in cash and cash equivalents	(1,544)
Cash and cash equivalents, beginning	<u>60,672</u>
Cash and cash equivalents, ending	<u>\$ 59,128</u>
Supplemental disclosures:	
Cash paid during the year for interest	<u>\$ 19,759</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, including the Head Start Program for Evangeline Parish, 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 for 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, 2020, 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 than 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, 2020, 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.

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, 2020, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date:

Financial assets at January 31, 2020	\$ 187,523
Less those unavailable for general expenditure within one year, due to donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	<u>(44,890)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 142,633</u>

The Agency has \$187,523 of financial assets, which consist of cash and grant receivables, available within one year of the statement of financial position date to meet cash needs for general expenditures. 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

Grants receivable consisted of the following at January 31, 2020:

Due from the Louisiana Department of Education - Food Services Program	\$ 20,125
Due from U.S. Department of Health and Human Services - Community Services Block Grant	5,570
Head Start	<u>72,144</u>
	<u>\$ 97,839</u>

(4) Concentration of Credit Risk

The Agency maintains cash account balances at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At January 31, 2020, the Agency's cash balances were fully insured.

The Agency receives a substantial amount of its support from the U.S. Department of Health and Human Services – Head Start program. A significant reduction in the level of this support or suspension in funding may have a detrimental effect on the continuing operations of the Evangeline Community Action Agency, Inc.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(5) Property and equipment

Property and equipment at January 31, 2020 consisted of the following:

Land	\$ 45,000
Buildings and improvements	670,383
Furniture, fixtures and equipment	89,487
Vehicles	<u>424,967</u>
	1,229,837
Less: Accumulated depreciation	<u>(658,141)</u>
Property and equipment, net	<u>\$ 571,696</u>

Federal awarding agencies that provide funding for the purchase of property and equipment are entitled to an interest in those assets at the time of disposition. The Agency must request disposition instructions from the federal awarding agency prior to disposing of any assets acquired with federal funds with a per unit value of \$5,000 or more at the time of disposition. Depreciation expense charged to the operations for the Head Start Program amounted to \$66,963 for the year ended January 31, 2020 .

(6) Note Payable

The Agency's note payable balance consisted of the following at January 31, 2020:

Note payable to Evangeline Bank & Trust, original amount of \$434,653, dated September 9, 2008, due in monthly installments of \$2,966, which includes interest at 7.15%, maturing in September 2028, secured by land and a building.	<u>\$ 241,648</u>
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The annual requirement to amortize the note, including interest of \$88,494, follows:

Year ending January 31,	Payment Due
2021	\$ 35,592
2022	35,592
2023	35,592
2024	35,592
2025	35,592
2026-2028	<u>152,182</u>
	<u>\$ 330,142</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(7) Due To and From Other Funds

Individual program balances of due to and from other funds at January 31, 2020 are as follows. The following balances have been eliminated in the statement of financial position.

	Due from other funds	Due to other funds
Accounts Payable and Payroll	\$ 65,885	\$ 4,420
Food Services	-	1,420
CSBG	-	4,269
Headstart	3,021	59,164
Energy Assistance	1,399	1,032
	\$ 70,305	\$ 70,305

(8) 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.

(9) 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, 2020, the Agency's contribution to the plan totaled \$15,459.

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions at January 31, 2020 are restricted for specific purposes as follows:

Food programs	\$ 7,857
Headstart pre-school education	360,977
Utility assistance	28,959
	\$ 397,793

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(11) Net Assets Released from Restrictions

Detail of net assets released from restrictions for the year ended January 31, 2020 follows:

Purpose restrictions accomplished:	
Energy Assistance Grants	\$ 40,516
Food Services Program	191,322
Local grants	15,876
Head Start Program	2,259,250
Community Services Block Grant	<u>145,996</u>
	<u>\$2,652,960</u>

(12) 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.

(13) 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, 2020 follows:

Purpose	Amount
Salary	\$ 66,004
Benefits - insurance	7,812
Retirement	1,019
Conference hotels & meals	2,185
Mileage	219
Reimbursements	<u>962</u>
	<u>\$ 78,201</u>

(14) Contributed Facilities, Services, and Materials

Contributed facilities represent the estimated fair rental value of office and storage space. Contributed services represent volunteers, medical professionals, and other individuals in which the value of the service creates or enhances non-financial assets, or the service is specialized and would otherwise be purchased if not provided by donation. Contributed facilities, services, and materials for Head Start are reflected in the financial statements at fair value, which amounted to \$514,001 for the year ended January 31, 2020.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(15) 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, 2020.

(16) Subsequent Events

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, changes in financial position, and cash flows of the Agency during fiscal year 2021. Additionally, a public health emergency was declared by the State of Louisiana on March 11, 2020 with a subsequent stay at home order in effect through May 15, 2020. The duration of these uncertainties and the ultimate financial effects on the Agency cannot be reasonably estimated at this time.

As a result of the unprecedented economic disruption experienced due to the Coronavirus (COVID-19) outbreak, the CARES Act was passed and signed into law on March 27, 2020. This law provides several coronavirus relief options available to small businesses and nonprofit organizations. The Evangeline Community Action Agency, Inc. was awarded approximately \$540,397 of additional grant funding through various programs of the Agency, funded through the CARES Act, subsequent to the fiscal year end January 31, 2020 .

The Agency has evaluated subsequent events through August 20, 2020, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

INDIVIDUAL PROGRAMS/FUNDS

Accounts Payable and Payroll

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 Headstart 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, 2020

	Accounts Payable/ Payroll	Food Services Program	Community Services Block Grant
ASSETS			
Current assets:			
Cash	\$ 4,420	\$ 9,451	\$ 1
Grant receivable	-	20,125	5,570
Other receivables	-	-	-
Due from other funds	65,885	-	-
Total current assets	70,305	29,576	5,571
Property and equipment, net	-	-	-
Total assets	\$ 70,305	\$ 29,576	\$ 5,571
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ -	\$ 20,299	\$ 1,302
Accrued salaries and related benefits	65,885	-	-
Due to other funds	4,420	1,420	4,269
Note payable	-	-	-
Total current liabilities	70,305	21,719	5,571
Non-current liabilities:			
Note payable	-	-	-
Total liabilities	70,305	21,719	5,571
Net assets:			
Without donor restrictions	-	-	-
With donor restrictions	-	7,857	-
Total net assets	-	7,857	-
Total liabilities and net assets	\$ 70,305	\$ 29,576	\$ 5,571

<u>Head Start Program</u>	<u>Energy Assistance Grants</u>	<u>Local Grants</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Total</u>
\$ 1,596	\$ 33,842	\$ 9,818	\$ 59,128	\$ -	\$ 59,128
72,144	-	-	97,839	-	97,839
30,556	-	-	30,556	-	30,556
<u>3,021</u>	<u>1,399</u>	<u>-</u>	<u>70,305</u>	<u>(70,305)</u>	<u>-</u>
107,317	35,241	9,818	257,828	(70,305)	187,523
<u>571,696</u>	<u>-</u>	<u>-</u>	<u>571,696</u>	<u>-</u>	<u>571,696</u>
<u>\$ 679,013</u>	<u>\$ 35,241</u>	<u>\$ 9,818</u>	<u>\$ 829,524</u>	<u>\$ (70,305)</u>	<u>\$ 759,219</u>
\$ 17,224	\$ -	\$ 4,392	\$ 43,217	\$ -	\$ 43,217
-	-	-	65,885	-	65,885
59,164	1,032	-	70,305	(70,305)	-
<u>19,806</u>	<u>-</u>	<u>-</u>	<u>19,806</u>	<u>-</u>	<u>19,806</u>
96,194	1,032	4,392	199,213	(70,305)	128,908
<u>221,842</u>	<u>-</u>	<u>-</u>	<u>221,842</u>	<u>-</u>	<u>221,842</u>
<u>318,036</u>	<u>1,032</u>	<u>4,392</u>	<u>421,055</u>	<u>(70,305)</u>	<u>350,750</u>
-	5,250	5,426	10,676	-	10,676
<u>360,977</u>	<u>28,959</u>	<u>-</u>	<u>397,793</u>	<u>-</u>	<u>397,793</u>
<u>360,977</u>	<u>34,209</u>	<u>5,426</u>	<u>408,469</u>	<u>-</u>	<u>408,469</u>
<u>\$ 679,013</u>	<u>\$ 35,241</u>	<u>\$ 9,818</u>	<u>\$ 829,524</u>	<u>\$ (70,305)</u>	<u>\$ 759,219</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Grant Revenue
Year Ended January 31, 2020

Low-Income Home Energy Assistance	\$ 29,499
Food Services Program	194,621
Community Services Block Grant	145,996
Emergency Food and Shelter National Board Program	15,876
Head Start	<u>1,736,434</u>
	<u>\$2,122,426</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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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, 2020, 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 August 20, 2020.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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
August 20, 2020

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 the Major Federal Program

We have audited the Evangeline Community Action Agency, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Evangeline Community Action Agency, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Evangeline Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Evangeline Community Action Agency, Inc.'s compliance.

Opinion on the Major Federal Program

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, 2020.

Report on Internal Control over Compliance

Management of Evangeline Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Evangeline Community Action Agency, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Evangeline Community Action Agency, Inc.'s 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
August 20, 2020

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended January 31, 2020

Federal Grantor/Pass Through Grantor/Program Title	Pass-through Identifying Number	CFDA Number	Expenditures
U.S. Department of Agriculture:			
Passed through Louisiana Dept. of Education - Child and Adult Care Food Program	-	10.558	<u>\$ 191,322</u>
U.S. Department of Health and Human Services:			
Passed through Louisiana Housing Finance Agency - Low-Income Home Energy Assistance	-	93.568	41,925
Passed through Louisiana Department of Labor - Community Services Block Grant Cluster - Community Services Block Grant	2019-N0035	93.569	145,996
Head Start	-	93.600	<u>1,741,891</u>
Total Department of Health and Human Services			<u>1,929,812</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	<u>15,876</u>
Total			<u>\$2,137,010</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended January 31, 2020

(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, 2020. 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	\$2,692,639
Add: Principal note payments	27,218
Less: In-kind contributions	(514,001)
Depreciation	(66,963)
Non-federal expense	(1,883)
Total expenditures per schedule of federal awards	<u>\$2,137,010</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
Year Ended January 31, 2020

Part I. Summary of Auditor's Results:

1. The auditor's report expressed an unmodified opinion on whether the financial statements of the Evangeline Community Action Agency, Inc. were prepared in accordance with generally accepted accounting principles.
2. There were no significant deficiencies or material weaknesses in internal control disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over the major program were disclosed during the audit.
5. The auditor's report on compliance for the major federal award program expressed an unmodified opinion.
6. The audit disclosed no audit findings that are required to be reported in accordance with 2 CFR §200.516(a).
7. The major program was the U.S. Department of Health and Human Services - Headstart Program, CFDA No. 93.600.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Evangeline Community Action Agency, Inc. was determined to be a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted *Government Auditing Standards*:

A. Internal Control Findings –

There were no compliance findings noted.

B. Compliance Findings –

There were no internal control findings noted.

(continued)

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended January 31, 2020

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR §200.516(a):

A. Compliance Finding -

There were no compliance findings noted.

B. Internal Control Finding –

There were no internal control findings noted.