

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

**Financial Report
Year Ended January 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

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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, 2019, 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, 2019, 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.

Change in Accounting Principle

As discussed in Note 18 to the financial statements, Evangeline Community Action Agency, Inc. has adopted Accounting Standards Update (ASU) No. 2016-14 as of January 31, 2019. ASU No. 2016-14 improves the current net asset classification requirements and the information presented in the financial statements and notes about liquidity, financial performance, and cash flows. 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 26), 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 18-20), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2019, 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
July 10, 2019

FINANCIAL STATEMENTS

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Financial Position
January 31, 2019

ASSETS

Current assets:	
Cash	\$ 60,672
Grant receivable	<u>81,667</u>
Total current assets	142,339
Property and equipment, net	<u>638,659</u>
Total assets	<u>\$ 780,998</u>

LIABILITIES AND NET ASSETS

Liabilities -	
Current liabilities:	
Accounts payable	\$ 27,584
Accrued salaries and related benefits	59,532
Note payable	<u>21,929</u>
Total current liabilities	109,045
Noncurrent liabilities:	
Note payable	<u>246,937</u>
Total liabilities	<u>355,982</u>
Net assets:	
Without donor restrictions	10,691
With donor restrictions	<u>414,325</u>
Total net assets	<u>425,016</u>
Total liabilities and net assets	<u>\$ 780,998</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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Government grants	\$ -	\$ 2,108,952	\$ 2,108,952
Local grants and donations	2,296	-	2,296
Donated services and facilities	-	507,212	507,212
Miscellaneous income	7,530	-	7,530
Net assets released from restrictions	<u>2,699,902</u>	<u>(2,699,902)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,709,728</u>	<u>(83,738)</u>	<u>2,625,990</u>
 Expenses:			
Program services -			
Energy Assistance Programs	41,305	-	41,305
Local grants	21,427	-	21,427
Food services	202,961	-	202,961
Headstart	<u>2,298,321</u>	<u>-</u>	<u>2,298,321</u>
Total program services	2,564,014	-	2,564,014
Supporting services -			
Management and general	<u>145,437</u>	<u>-</u>	<u>145,437</u>
Total expenses	<u>2,709,451</u>	<u>-</u>	<u>2,709,451</u>
Change in net assets	277	(83,738)	(83,461)
Net assets, beginning	<u>10,414</u>	<u>498,063</u>	<u>508,477</u>
Net assets, ending	<u>\$ 10,691</u>	<u>\$ 414,325</u>	<u>\$ 425,016</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, 2019

	Program Services		
	Energy Assistance Grants	Local Grants	Food Services Program
Salaries	\$ 26,689	\$ -	\$ 24,262
Payroll taxes	2,207	-	2,438
Retirement	-	-	-
Total salaries and related expenses	28,896	-	26,700
Dues	-	-	-
Energy assistance	450	16,118	-
Food and nutrition	-	-	170,235
Insurance	963	365	-
Interest expense	-	-	-
Contributed services and facility costs	-	-	-
Medical and dental	-	-	-
Miscellaneous	732	-	4,032
Other occupancy	-	-	-
Parent involvement	-	-	-
Printing and advertising	-	-	-
Professional fees	2,534	62	1,994
Rent	-	-	-
Repairs and maintenance	-	-	-
Seminars and workshops	5,481	-	-
Supplies and materials	1,008	2,628	-
Telephone	-	-	-
Travel	1,241	2,254	-
Tuition assistance	-	-	-
Utilities	-	-	-
Total expenses before depreciation	41,305	21,427	202,961
Depreciation expense	-	-	-
Total expenses	\$ 41,305	\$ 21,427	\$ 202,961

The accompanying notes are an integral part of this statement.

		Support Services	
Head Start Program	Total Program Services	Community Services Block Grant	Totals
\$ 1,108,308	\$ 1,159,259	\$ 85,707	\$ 1,244,966
103,772	108,417	7,011	115,428
12,639	12,639	294	12,933
<u>1,224,719</u>	<u>1,280,315</u>	<u>93,012</u>	<u>1,373,327</u>
-	-	1,623	1,623
-	16,568	-	16,568
71	170,306	10,585	180,891
159,678	161,006	1,303	162,309
20,388	20,388	-	20,388
507,212	507,212	-	507,212
8,919	8,919	3,900	12,819
29,113	33,877	-	33,877
28,759	28,759	-	28,759
395	395	-	395
2,336	2,336	-	2,336
14,834	19,424	1,176	20,600
13,800	13,800	4,400	18,200
46,888	46,888	253	47,141
25,188	30,669	2,135	32,804
38,870	42,506	6,792	49,298
18,664	18,664	4,591	23,255
38,785	42,280	723	43,003
-	-	12,726	12,726
20,391	20,391	2,218	22,609
<u>2,199,010</u>	<u>2,464,703</u>	<u>145,437</u>	<u>2,610,140</u>
<u>99,311</u>	<u>99,311</u>	<u>-</u>	<u>99,311</u>
<u>\$ 2,298,321</u>	<u>\$ 2,564,014</u>	<u>\$ 145,437</u>	<u>\$ 2,709,451</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Cash Flows
For the Year Ended January 31, 2019

Cash flows from operating activities:	
Change in net assets	\$ (83,461)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	99,311
Decrease in grant receivable	16,030
Decrease in accounts payable	(18,924)
Decrease in accrued salaries and related benefits	(4,354)
Decrease in deferred revenue	<u>(3,500)</u>
Net cash provided by operating activities	<u>5,102</u>
Cash flows from financing activities:	
Acquisition of capital assets	(5,116)
Payment on long term debt	<u>(19,879)</u>
Net cash used by capital and related financing activities	<u>(24,995)</u>
Net decrease in cash and cash equivalents	(19,893)
Cash and cash equivalents, beginning	<u>80,565</u>
Cash and cash equivalents, ending	<u>\$ 60,672</u>
Supplemental disclosures:	
Cash paid during the year for interest	<u>\$ 20,388</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 Headstart Program for Evangeline Parish, and its primary purpose is to better the conditions under which people in the Evangeline Parish area live.

B. Basis of Accounting

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 without donor restriction 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.

C. 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.

D. Property, Equipment and Depreciation

Property and equipment are recorded at cost. Depreciation of equipment and buildings is calculated on the straight-line basis over an estimated useful life of 5-40 years. The Agency follows the practice of capitalizing all expenses for equipment and buildings in accordance with each program's grant guidelines.

E. Budgets

Evangeline Community Action Agency, Inc. does not adopt budgets on a fiscal year basis. Each grant program's budget is based on its individual program year end and is approved by the program at the inception of the program. Budgetary amendments must generally be approved by the program as well.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

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, 2019, is considered immaterial; therefore, no liability has been recorded in the accounts.

G. Statement of Cash Flows

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

H. 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. However, the Agency's tax exempt status has no effect on its liability for any federal excise taxes. 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, 2019, 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 Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

I. 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, 2019, 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, 2019	\$ 142,339
Less those unavailable for general expenditure within one year, due to donor-imposed restrictions	-
Financial assets available to meet cash needs for general expenditure within one year	\$ 142,339

The Agency has \$142,339 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) Grant Receivable

Grant receivable consisted of the following at January 31, 2019:

Due from the Louisiana Department of Education - Food Services Program	\$ 17,689
Due from U.S. Department of Health and Human Services - Community Services Block Grant	4,340
Headstart	59,638
	\$ 81,667

(4) Due To/From Other Funds

Individual programs balance of due to and from other funds at January 31, 2019 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/Payroll	\$ 59,532	\$ 4,048
Food Services	-	1,392
CSBG	-	3,937
Headstart	2,648	52,941
Energy Assistance	1,400	1,262
	\$ 63,580	\$ 63,580

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(5) Property and equipment

Property and equipment at January 31, 2019 consisted of the following:

Land	\$ 45,000
Buildings and improvements	670,383
Furniture, fixtures and equipment	89,487
Vehicles	<u>728,433</u>
	1,533,303
Less: Accumulated depreciation	<u>(894,644)</u>
Property and equipment, net	<u>\$ 638,659</u>

Property and equipment purchased with federal monies may revert back to the government or the sale of such property and equipment has to be approved and the proceeds from the sale are restricted. Depreciation expense for the year ended January 31, 2019 was \$99,311.

(6) Notes Payable

The Agency's note payable balance consists of the following at January 31, 2019:

Notes payable to Evangeline Bank & Trust, original amount of \$434,653, dated September 9, 2008, due in monthly installments of \$3,356, which includes interest at 7.15%, maturing in September 2028, secured by land and a building.	<u>\$ 268,866</u>
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The annual requirement to amortize the note, including interest of \$92,949, follows:

Year ending January 31,	Payment Due
2020	\$ 40,266
2021	40,266
2022	40,266
2023	40,266
2024	40,266
2025-2028	<u>160,485</u>
	<u>\$ 361,815</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(7) 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.

(8) 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, 2019, the Agency's contribution to the plan totaled \$12,933.

(9) Net Assets with Donor Restrictions

Net assets with donor restrictions at January 31, 2019 are restricted for specific purposes as follows:

Food programs	\$ 4,558
Headstart pre-school education	369,792
Utility assistance	<u>39,975</u>
	<u>\$ 414,325</u>

(10) Net Assets Released from Restrictions

Detail of net assets released from restrictions for the year ended January 31, 2019 follows:

Purpose restrictions accomplished:	
LiHeap Energy Assistance Grant	\$ 36,955
Food Service Program	202,961
Local grants	16,228
Headstart Grant	2,298,321
Community Services Block Grant	<u>145,437</u>
	<u>\$ 2,699,902</u>

(11) Grant Revenue

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.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(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 for the year ended January 31, 2019 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 64,251
Benefits - insurance	7,662
Retirement	992
Conference hotels & meals	3,869
Mileage	264
Reimbursements	221
	<u>\$ 77,259</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 Headstart are reflected in the financial statements at fair value, which amounted to \$507,212 for the year ended January 31, 2019.

(15) Pending Litigation

There is no pending litigation against the Evangeline Community Action Agency, Inc. at January 31, 2019.

(16) Concentrations

The Agency receives a substantial amount of its support from the U.S. Department of Health and Human Services - Headstart program. A significant reduction in the level of this support or suspension in funding may have an 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)

(17) Subsequent Events

The Agency has evaluated subsequent events through July 10, 2019, the date which the financial statements were available to be issued.

(18) New Accounting Pronouncement

During the year ended January 31, 2019, the Agency adopted the requirements of Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). ASU 2016-14 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes presented in the financial statements. Amounts previously reported as unrestricted net assets are reported as net assets without donor restrictions and amounts previously reported as temporarily and permanently restricted net assets are reported as net assets with donor restrictions. A footnote on liquidity has also been added. See Note 2. These changes had no effect on previously reported net assets.

SUPPLEMENTAL INFORMATION

INDIVIDUAL PROGRAMS/FUNDS

Accounts Payable/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, 2019

	Accounts Payable/ Payroll	Food Services Program	Community Services Block Grant
ASSETS			
Current assets:			
Cash	\$ 4,048	\$ 4,373	\$ 3
Grant receivable	-	17,689	4,340
Due from other funds	59,532	-	-
Total current assets	63,580	22,062	4,343
Property and equipment, net	-	-	-
Total assets	\$ 63,580	\$ 22,062	\$ 4,343
LIABILITIES AND NET ASSETS			
Liabilities -			
Current liabilities:			
Accounts payable	\$ -	\$ 16,112	\$ 406
Accrued salaries and related benefits	59,532	-	-
Due to other funds	4,048	1,392	3,937
Note payable	-	-	-
Total current liabilities	63,580	17,504	4,343
Non-current liabilities:			
Note payable	-	-	-
Total liabilities	63,580	17,504	4,343
Net assets:			
Without donor restrictions	-	-	-
With donor restrictions	-	4,558	-
Total net assets	-	4,558	-
Total liabilities and net assets	\$ 63,580	\$ 22,062	\$ 4,343

<u>Head Start Program</u>	<u>Energy Assistance Grants</u>	<u>Local Grants</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Total</u>
\$ 1,595	\$46,381	\$4,272	\$ 60,672	\$ -	\$ 60,672
59,638	-	-	81,667	-	81,667
<u>2,648</u>	<u>1,400</u>	<u>-</u>	<u>63,580</u>	<u>(63,580)</u>	<u>-</u>
63,881	47,781	4,272	205,919	(63,580)	142,339
<u>638,659</u>	<u>-</u>	<u>-</u>	<u>638,659</u>	<u>-</u>	<u>638,659</u>
<u>\$ 702,540</u>	<u>\$47,781</u>	<u>\$4,272</u>	<u>\$ 844,578</u>	<u>\$ (63,580)</u>	<u>\$ 780,998</u>
\$ 10,941	\$ -	\$ 125	\$ 27,584	\$ -	\$ 27,584
-	-	-	59,532	-	59,532
52,941	1,262	-	63,580	(63,580)	-
<u>21,929</u>	<u>-</u>	<u>-</u>	<u>21,929</u>	<u>-</u>	<u>21,929</u>
85,811	1,262	125	172,625	(63,580)	109,045
<u>246,937</u>	<u>-</u>	<u>-</u>	<u>246,937</u>	<u>-</u>	<u>246,937</u>
<u>332,748</u>	<u>1,262</u>	<u>125</u>	<u>419,562</u>	<u>(63,580)</u>	<u>355,982</u>
-	6,544	4,147	10,691	-	10,691
<u>369,792</u>	<u>39,975</u>	<u>-</u>	<u>414,325</u>	<u>-</u>	<u>414,325</u>
<u>369,792</u>	<u>46,519</u>	<u>4,147</u>	<u>425,016</u>	<u>-</u>	<u>425,016</u>
<u>\$ 702,540</u>	<u>\$47,781</u>	<u>\$4,272</u>	<u>\$ 844,578</u>	<u>\$ (63,580)</u>	<u>\$ 780,998</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Grant Revenue
For the Year Ended January 31, 2019

LIHEAP/LACAP	\$ 31,155
Food Services Program	199,340
Community Services Block Grant	145,437
Emergency Food and Shelter National Board Program	16,228
Headstart	<u>1,716,792</u>
	<u>\$ 2,108,952</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION**

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

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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, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 10, 2019.

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
July 10, 2019

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 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, 2019. 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, 2019.

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 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
July 10, 2019

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2019

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>\$ 202,961</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>16,228</u>
U.S. Department of Health and Human Services:			
Headstart	-	93.600	1,716,792
Passed through Louisiana Department of Labor - Community Services Block Grant	2018-N0035	93.569	145,437
Passed through Louisiana Housing Finance Agency - Low-Income Home Energy Assistance	-	93.568	<u>41,305</u>
Total Department of Health and Human Services			<u>1,903,534</u>
Total			<u>\$2,122,723</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2019

(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. under programs of the federal government for the year ended January 31, 2019. 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 not elected 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	\$2,709,451
Add: Principal note payments	19,879
Equipment additions	5,116
Less: In-kind contributions	(507,212)
Depreciation	(99,311)
Non-federal expense	(5,200)
Total expenditures per schedule of federal awards	<u>\$2,122,723</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended January 31, 2019

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Evangeline Community Action Agency, Inc. were prepared in accordance with GAAP.
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 section 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 Governmental Auditing Standards:

A. Compliance Findings –

There were no compliance findings noted.

B. Internal Control Findings –

There were no internal control findings noted.

(continued)

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended January 31, 2019

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

A. Compliance Finding -

There were no compliance findings noted.

B. Internal Control Finding –

There were no internal control findings noted.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit
Findings and Corrective Action Plan
For the Year Ended January 31, 2019

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding/ Management Letter Comment	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken	Name of Contact Person	Anticipated Date of Completion
----------	---	--	-------------------------------	--	------------------------------	--------------------------------------

CURRENT YEAR (1/31/2019) --

Compliance:

There were no compliance findings noted.

Internal Control:

There were no internal control findings noted.

PRIOR YEAR (1/31/2018) --

Compliance:

There were no compliance findings noted.

Internal Control:

There were no internal control findings noted.

**Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana**

**Statewide Agreed-Upon Procedures Report
Year Ended January 31, 2019**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Management of the Evangeline Community
Action Agency Inc.

We have performed the procedures enumerated below, which were agreed to by Evangeline Community Action Agency, Inc. and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period February 1, 2018 through January 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 that 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

The written policies and procedures address the functions noted above.

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 written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

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).

The written policies and procedures address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The written policies and procedures address the functions noted above.

- 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 written policies and procedures were not adequate.

- 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 written policies and procedures address the functions noted above.

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

The written policies and procedures address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

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.

Board or Finance Committee

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

No exceptions noted in 2 a-c.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
No exceptions noted.
 - 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
The bank reconciliations prepared for all accounts examined did not have evidence of management review.
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
Only one bank account selected had checks more than 12 months old, which management had no documentation reflecting that it had researched those reconciling items.

Collections

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).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
No exceptions noted in 5a-d.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *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 that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in 7a-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).
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 exception noted.
 - b) At least two employees are involved in processing and approving payments to vendors.
No exception noted.
 - 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.
Exception noted.
 - 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.
Exception noted.
10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
No exceptions noted.

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

No exceptions noted.

Management's Response

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

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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 10, 2019