

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

**Financial Report
Year Ended January 31, 2017**

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT

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, 2017, 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.

Auditors' 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, 2017, 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.

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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the financial information listed as “Supplemental Information” (pages 17-19), 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 21, 2017, 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 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 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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 21, 2017

FINANCIAL STATEMENTS

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Financial Position
January 31, 2017

ASSETS

Current assets:	
Cash	\$ 81,046
Grant receivable	<u>90,689</u>
Total current assets	171,735
Property and equipment, net	<u>730,011</u>
Total assets	<u>\$901,746</u>

LIABILITIES AND NET ASSETS

Liabilities -	
Current liabilities:	
Accounts payable	\$ 43,822
Accrued salaries and related benefits	59,899
Deferred revenue	4,423
Note payable	<u>17,507</u>
Total current liabilities	125,651
Noncurrent liabilities:	
Note payable	<u>289,891</u>
Total liabilities	<u>415,542</u>
Net assets:	
Unrestricted	11,081
Temporarily restricted	<u>475,123</u>
Total net assets	<u>486,204</u>
Total liabilities and net assets	<u>\$901,746</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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ -	\$2,153,114	\$2,153,114
Local grants	123	-	123
Donated services and facilities	-	449,891	449,891
Gain of sale of asset	<u>2,962</u>	<u>-</u>	<u>2,962</u>
Total revenues, gains, and other support	<u>3,085</u>	<u>2,603,005</u>	<u>2,606,090</u>
Expenses:			
Program services -			
Energy Assistance Programs	3,297	28,050	31,347
Local grants	153	-	153
Food services	-	178,137	178,137
Headstart	<u>2,962</u>	<u>2,100,144</u>	<u>2,103,106</u>
Total program services	6,412	2,306,331	2,312,743
Community Services Block Grant	<u>-</u>	<u>125,888</u>	<u>125,888</u>
Total expenses	<u>6,412</u>	<u>2,432,219</u>	<u>2,438,631</u>
Change in net assets	(3,327)	170,786	167,459
Net assets, beginning	<u>14,408</u>	<u>304,337</u>	<u>318,745</u>
Net assets, ending	<u>\$ 11,081</u>	<u>\$ 475,123</u>	<u>\$ 486,204</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, 2017

	Program Services		
	Energy Assistance Grants	Local Grants	Food Services Program
Salaries	\$ 14,089	\$ -	\$ 21,445
Payroll taxes	1,194	-	2,016
Retirement	-	-	-
Total salaries and related expenses	15,283	-	23,461
Dues	-	-	-
Energy assistance	3,650	-	-
Food and nutrition	-	-	153,826
Insurance	-	-	-
Interest expense	-	-	-
Contributed services and facility costs	-	-	-
Medical and dental	-	-	-
Miscellaneous	7,629	153	-
Other occupancy	-	-	-
Parent involvement	-	-	-
Printing and advertising	-	-	-
Professional fees	1,500	-	850
Rent	-	-	-
Repairs and maintenance	-	-	-
Seminars and workshops	-	-	-
Supplies and materials	2,962	-	-
Telephone	-	-	-
Travel	323	-	-
Utilities	-	-	-
Total expenses before depreciation	31,347	153	178,137
Depreciation expense	-	-	-
Total expenses	\$31,347	\$ 153	\$178,137

The accompanying notes are an integral part of this statement.

<u>Head</u>	<u>Total</u>	<u>Support</u>	
<u>Start</u>	<u>Program</u>	<u>Services</u>	
<u>Program</u>	<u>Services</u>	<u>Community</u>	<u>Totals</u>
		<u>Services</u>	
		<u>Block Grant</u>	
\$ 971,041	\$ 1,006,575	\$ 80,596	\$ 1,087,171
89,255	92,465	6,667	99,132
13,487	13,487	-	13,487
<u>1,073,783</u>	<u>1,112,527</u>	<u>87,263</u>	<u>1,199,790</u>
-	-	750	750
-	3,650	16,353	20,003
137	153,963	-	153,963
133,677	133,677	645	134,322
22,907	22,907	-	22,907
449,891	449,891	-	449,891
7,545	7,545	-	7,545
27,017	34,799	872	35,671
1,791	1,791	-	1,791
445	445	-	445
6,579	6,579	-	6,579
10,000	12,350	1,000	13,350
13,800	13,800	4,800	18,600
139,349	139,349	-	139,349
23,045	23,045	-	23,045
92,251	95,213	7,772	102,985
15,157	15,157	4,281	19,438
28,993	29,316	80	29,396
<u>16,476</u>	<u>16,476</u>	<u>2,072</u>	<u>18,548</u>
<u>2,062,843</u>	<u>2,272,480</u>	<u>125,888</u>	<u>2,398,368</u>
<u>40,263</u>	<u>40,263</u>	<u>-</u>	<u>40,263</u>
<u>\$ 2,103,106</u>	<u>\$ 2,312,743</u>	<u>\$ 125,888</u>	<u>\$ 2,438,631</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Cash Flows
For the Year Ended January 31, 2017

Cash flows from operating activities:	
Change in net assets	\$167,459
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	40,263
Decrease in grant receivable	14,499
Decrease in accounts payable	(13,925)
Increase in accrued salaries and related benefits	1,322
Increase in deferred revenue	923
Net cash provided by operating activities	<u>210,541</u>
Cash flows from financing activities:	
Acquisition of capital assets	(197,135)
Payment on long term debt	<u>(17,358)</u>
Net cash used by capital and related financing activities	<u>(214,493)</u>
Net decrease in cash and cash equivalents	(3,952)
Cash and cash equivalents, beginning	<u>84,998</u>
Cash and cash equivalents, ending	<u>\$ 81,046</u>
Supplemental disclosures:	
Cash paid during the year for interest	<u>\$ 22,907</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.

Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions. Temporarily restricted net assets 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. Fixed Assets and Depreciation

Fixed assets are recorded at cost. Depreciation of fixed assets 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.

D. 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.

E. 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, 2017, is considered immaterial; therefore, no liability has been recorded in the accounts.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

F. 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.

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. 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, 2017, 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.

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.

(2) Grant Receivable

Grant receivable consisted of the following at January 31, 2017:

Due from the Louisiana Department of Education - Food Services Program	\$ 17,995
Due from U.S. Department of Health and Human Services - Headstart	72,694
	<u>\$ 90,689</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(3) Due To/From Other Funds

Individual programs balances of due to and from other funds at January 31, 2017 are as follows. The following balances have been eliminated in the statement of financial position.

	<u>Due from other funds</u>	<u>Due to other funds</u>
Accounts Payable/Payroll	\$ 59,899	\$ 7,128
Food Services	-	1,328
CSBG	-	3,053
Headstart	5,728	55,297
Energy Assistance	<u>1,399</u>	<u>220</u>
	<u>\$ 67,026</u>	<u>\$ 67,026</u>

(4) Property and equipment

Property and equipment at January 31, 2017 consisted of the following:

Land	\$ 45,000
Buildings and improvements	670,383
Furniture, fixtures and equipment	84,371
Vehicles	<u>693,060</u>
	1,492,814
Less: Accumulated depreciation	<u>(762,803)</u>
Property and equipment, net	<u>\$ 730,011</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, 2017 was \$40,263.

(5) Notes Payable

The Agency's note payable balance consists of the following at January 31, 2017:

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>\$ 307,398</u>
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EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

The annual requirement to amortize the note, including interest of \$135,528, follows:

Year ending January 31,	Payment Due
2018	\$ 40,266
2019	40,266
2020	40,266
2021	40,266
2022	40,266
2023-2027	201,330
2028	40,266
	\$ 442,926

(6) Deferred Revenue

Deferred revenue at January 31, 2017 in the amount of \$4,423 consists of grant funds received from Community Service Black Grant program totaling \$923 and from LIHEAP for energy assistance totaling \$3,500. These funds have been received in advance of expenditure which will take place in the next fiscal year.

(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

All employees of Evangeline Community Action Agency, Inc. participate in the Social Security System. The Agency and its employees contribute a percentage of each employee's salary to the System (6.2 % by the employer, 6.2% by the employee). Retirement amounts are paid to the Social Security System, which is responsible for administration and disbursing benefits. The Agency has no further liability for future deficits in the system.

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, 2017, the Agency's contribution to the plan totaled \$13,487.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(9) Restrictions of Net Assets

Temporarily restricted net assets are available for specific grant programs at January 31, 2017 as follows:

Food reimbursement	\$ 2,878
Headstart pre-school education	422,613
Home energy assistance	<u>49,632</u>
Total temporarily restricted net assets	<u>\$475,123</u>

(10) 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.

(11) 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.

(12) 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, 2017 follows:

Purpose	Gervis Lafleur	Carleen Bellard
Salary	\$35,755	\$15,430
Benefits - insurance	283	1,856
Retirement	-	150
Hotel	-	235
Registration fees	-	190
Meals	-	72
Mileage	-	146
	<u>\$36,038</u>	<u>\$18,079</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(13) Contributed Facilities, Services, and Materials

Contributed facilities represent the estimated fair rental value of office and storage space. Contributed services represent volunteer teachers, doctors, and attorneys 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 are reflected in the financial statements at fair value, which amounted to \$449,891 for the year ended January 31, 2017.

(14) Pending Litigation

There is no pending litigation against the Evangeline Community Action Agency, Inc. at January 31, 2017.

(15) 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.

(16) Subsequent Events

The Agency has evaluated subsequent events through July 21, 2017, the date which the financial statements were available to be issued.

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 teen outreach programs and discretionary spending.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Combining Statement of Financial Position
January 31, 2017

	Accounts Payable/ Payroll	Food Services Program	Community Services Block Grant
ASSETS			
Current assets:			
Cash	\$ 7,128	\$ 3,565	\$ 5,724
Grant receivable	-	17,995	-
Due from other funds	59,899	-	-
Total current assets	67,027	21,560	5,724
Property and equipment, net	-	-	-
Total assets	\$ 67,027	\$ 21,560	\$ 5,724
LIABILITIES AND NET ASSETS			
Liabilities -			
Current liabilities:			
Accounts payable	\$ -	\$ 17,354	\$ 1,748
Accrued salaries and related benefits	59,899	-	-
Due to other funds	7,128	1,328	3,053
Deferred revenue	-	-	923
Note payable	-	-	-
Total current liabilities	67,027	18,682	5,724
Non-current liabilities:			
Note payable	-	-	-
Total liabilities	67,027	18,682	5,724
Net assets:			
Unrestricted	-	-	-
Temporarily restricted	-	2,878	-
Total net assets	-	2,878	-
Total liabilities and net assets	\$ 67,027	\$ 21,560	\$ 5,724

<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	\$ 54,366	\$ 8,668	\$ 81,046	\$ -	\$ 81,046
72,694	-	-	90,689	-	90,689
<u>5,728</u>	<u>1,399</u>	<u>-</u>	<u>67,026</u>	<u>(67,026)</u>	<u>-</u>
80,017	55,765	8,668	238,761	(67,026)	171,735
<u>730,011</u>	<u>-</u>	<u>-</u>	<u>730,011</u>	<u>-</u>	<u>730,011</u>
<u>\$ 810,028</u>	<u>\$ 55,765</u>	<u>\$ 8,668</u>	<u>\$ 968,772</u>	<u>\$ (67,026)</u>	<u>\$ 901,746</u>
\$ 24,720	\$ -	\$ -	\$ 43,822	\$ -	\$ 43,822
-	-	-	59,899	-	59,899
55,297	220	-	67,026	(67,026)	-
-	3,500	-	4,423	-	4,423
<u>17,507</u>	<u>-</u>	<u>-</u>	<u>17,507</u>	<u>-</u>	<u>17,507</u>
97,524	3,720	-	192,677	(67,026)	125,651
<u>289,891</u>	<u>-</u>	<u>-</u>	<u>289,891</u>	<u>-</u>	<u>289,891</u>
<u>387,415</u>	<u>3,720</u>	<u>-</u>	<u>482,568</u>	<u>(67,026)</u>	<u>415,542</u>
-	2,413	8,668	11,081	-	11,081
<u>422,613</u>	<u>49,632</u>	<u>-</u>	<u>475,123</u>	<u>-</u>	<u>475,123</u>
<u>422,613</u>	<u>52,045</u>	<u>8,668</u>	<u>486,204</u>	<u>-</u>	<u>486,204</u>
<u>\$ 810,028</u>	<u>\$ 55,765</u>	<u>\$ 8,668</u>	<u>\$ 968,772</u>	<u>\$ (67,026)</u>	<u>\$ 901,746</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Grant Revenue
For the Year Ended January 31, 2017

LIHEAP/LACAP	\$ 25,703
Food Services Program	177,037
Community Services Block Grant	125,888
Headstart	1,824,486
Local grants	<u>123</u>
	<u>\$ 2,153,237</u>

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

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' 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, 2017, 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 21, 2017.

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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 21, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' 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, 2017. 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.

Auditors' 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, 2017.

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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 21, 2017

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2017

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>\$ 178,137</u>
U.S. Department of Health and Human Services:			
Headstart	-	93.600	1,824,486
Passed through Louisiana Department of Labor - Community Services Block Grant	2016-N0035	93.569	125,888
Passed through Louisiana Housing Finance Agency - Low-Income Home Energy Assistance	-	93.568	<u>31,347</u>
Total Department of Health and Human Services			<u>1,981,721</u>
Total			<u>\$2,159,858</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2017

(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, 2017. 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	\$2,438,631
Add: Principal note payments	17,358
Equipment additions	197,136
Less: In-kind contributions	(449,891)
Depreciation	(40,263)
Non-federal expense	(3,113)
Total expenditures per schedule of federal awards	<u>\$2,159,858</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended January 31, 2017

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 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 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.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended January 31, 2017

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, 2017

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
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CURRENT YEAR (1/31/2017) --

Compliance:

There were no compliance findings noted.

Internal Control:

There were no internal control findings noted.

PRIOR YEAR (1/31/2016) --

Compliance:

There were no compliance findings noted.

Internal Control:

There were no internal control findings noted.