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

Financial Report

Year Ended January 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/17/03

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

Mr. Gervis LaFleur, Executive Director, and
Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana

We have audited the accompanying statement of financial position of the Evangeline Community Action Agency, Inc. (a nonprofit organization) as of January 31, 2003, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Evangeline Community Action Agency, Inc. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 9, 2003, on our consideration of Evangeline Community Action Agency, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, contracts, regulations and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the basic financial statements of Evangeline Community Action Agency, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the financial information listed as "Supplemental Information" in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 9, 2003

FINANCIAL STATEMENTS

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Financial Position
January 31, 2003

ASSETS

Current assets:

Cash	\$ 131,230
Grant receivable	<u>16,293</u>
Total current assets	147,523

Fixed assets at cost - less accumulated depreciation
of \$441,400

137,953

Total assets

\$ 285,476

LIABILITIES AND NET ASSETS

Liabilities -

Current liabilities:

Accounts payable	\$ 40,486
Accrued liabilities	15,265
Deferred revenue	<u>58,613</u>
Total current liabilities	<u>114,364</u>

Net assets -

Unrestricted net assets:

Operations	33,159
Fixed assets	<u>137,953</u>
Total unrestricted net assets	<u>171,112</u>

Total liabilities and net assets

\$ 285,476

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Activity
For the Year Ended January 31, 2003

	Unrestricted		
	Operations	Fixed Assets	Total
Support:			
Government grants	\$ 1,918,282	\$ -	\$ 1,918,282
Donated services and facilities	404,909	-	404,909
Miscellaneous income	430	-	430
Total support	<u>2,323,621</u>	<u>-</u>	<u>2,323,621</u>
Expenses:			
Program services -			
Energy Assistance Programs	176,983	-	176,983
Teen Pregnancy Prevention	22,953	-	22,953
Local grants	27,956	-	27,956
Migrant	23,761	310	24,071
Food services	142,278	-	142,278
Commodities	2,322	-	2,322
Community Services Block Grant	149,288	277	149,565
Summer Childcare	5	-	5
Headstart	1,786,901	48,041	1,834,942
Total expenses	<u>2,332,447</u>	<u>48,628</u>	<u>2,381,075</u>
Change in net assets	(8,826)	(48,628)	(57,454)
Other changes in net assets:			
Miscellaneous	(127)	-	(127)
Net unrestricted assets, beginning	<u>42,112</u>	<u>186,581</u>	<u>228,693</u>
Net unrestricted assets, ending	<u>\$ 33,159</u>	<u>\$ 137,953</u>	<u>\$ 171,112</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Functional Expenses
Year Ended January 31, 2003

	Energy Assistance Grants	Teen Pregnancy Prevention	Local Grants	Migrant Program	Food Services Program	Commodities	Community Services Block Grant	Summer Childcare	Head Start Program	Total
Salaries	\$ 20,622	\$ 18,431	\$ 2,250	\$ 13,648	\$ 20,898	\$ -	\$ 112,550	\$ -	\$ 921,110	\$ 1,109,509
Contract labor/consulting fees	-	1,200	9,950	-	-	-	-	-	-	11,150
Payroll taxes	1,578	1,777	-	1,411	2,861	-	9,683	-	91,133	108,443
Retirement	-	-	-	364	-	-	-	-	28,642	29,006
Total salaries and related expenses	22,200	21,408	12,200	15,423	23,759	-	122,233	-	1,040,885	1,258,108
Dues	-	-	-	-	-	-	1,495	-	-	1,495
Energy assistance	154,376	180	-	-	-	-	-	-	-	154,556
Food and nutrition	-	-	-	-	117,523	-	2,514	-	13,878	133,915
Gardening	-	-	-	-	-	-	3,452	-	-	3,452
Cooling	-	-	-	-	-	-	3,456	-	-	3,456
Insurance	-	-	-	3,829	-	-	1,074	-	127,832	132,735
Contributed services and facility costs	-	-	-	-	-	-	-	-	404,909	404,909
Medical and dental	-	-	11,557	-	-	-	-	-	6,561	18,118
Miscellaneous	312	70	411	-	11	2,322	-	-	6,141	9,272
Other occupancy	-	-	-	-	-	-	-	-	3,278	3,278
Parent involvement	-	-	-	-	-	-	-	-	1,440	1,440
Printing/advertising	-	-	-	-	-	-	50	-	921	971
Professional fees	-	-	123	84	676	-	567	-	7,000	8,450
Rent	-	-	-	-	-	-	3,600	-	30,850	34,450
Repairs and maintenance	-	-	-	-	-	-	-	-	22,543	22,543
Seminars and workshops	-	-	-	900	160	-	-	-	24,902	25,962
Supplies and materials	95	184	1,073	1,773	149	-	3,260	-	33,754	40,288
Telephone	-	-	-	-	-	-	4,532	-	11,186	15,718
Travel	-	1,111	2,592	1,752	-	-	-	-	32,020	37,475
Utilities	-	-	-	-	-	-	3,055	-	18,801	21,856
Total expenses before depreciation	176,983	22,953	27,956	23,761	142,278	2,322	149,288	5	1,786,901	2,332,447
Depreciation expense	-	-	-	310	-	-	277	-	48,041	48,628
Total expenses	\$ 176,983	\$ 22,953	\$ 27,956	\$ 24,071	\$ 142,278	\$ 2,322	\$ 149,565	\$ 5	\$ 1,834,942	\$ 2,381,075

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Cash Flows
For the Year Ended January 31, 2003

Cash flows used for operating activities:	
Change in net assets	\$ (57,581)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	48,628
Decrease in grant receivable	71,793
Decrease in accounts payable	(48,678)
Increase in accrued liabilities	1,173
Increase in deferred revenue	<u>36,096</u>
Net cash provided by operating activities	51,431
Cash flows from investing activities:	
Purchase of equipment	<u>-</u>
Net increase in cash and cash equivalents	51,431
Cash, beginning of period	<u>79,799</u>
Cash, end of period	<u><u>\$ 131,230</u></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. (The 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. It receives grants from federal and state governments to conduct various community service programs, and its primary purpose is to better the conditions under which people in the Evangeline Parish area live.

B. Financial Statement Presentation

Evangeline Community Action Agency, Inc. has adopted the provisions of Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". Statement No. 117 requires Evangeline Community Action Agency, Inc. to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the agency is required to present a statement of cash flows.

C. Basis of Accounting

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

D. 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 five years. The Agency follows the practice of capitalizing all expenditures for equipment and fixtures in accordance with each programs 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 expenditures 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, 2003, is considered immaterial; therefore, no liability has been recorded in the accounts.

G. Donated Services and Materials

Contributions of materials, facilities and services are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These donated services and facilities were recorded at market value.

H. 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.

I. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal income taxes is made in the accompanying financial statements.

K. 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 and disclosures. Accordingly, actual results could differ from those estimates.

EVANGELINE COMMUNITY ACTION AGENCY, INC.

Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(2) Due From Governmental Units

Amounts due from governmental units consisted of the following at January 31, 2003:

Due from the Louisiana Department of Education:	
Food Services Program	\$ 15,454
Due from U.S. Dept. of Health and Human Services:	
CSBG	839
	<u>\$ 16,293</u>

(3) Fixed Assets

Fixed assets at January 31, 2003 consisted of the following:

Furniture, fixtures and equipment	\$ 208,427
Vehicles	370,926
	<u>579,353</u>
Less: Accumulated depreciation	(441,400)
	<u>\$ 137,953</u>

(4) 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.

(5) Retirement

All employees of Evangeline Community Action Agency, Inc. participate in the Social Security System. The Corporation and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Corporation, 7.65% by the employee). Retirement amounts are paid to the Social Security System, which is responsible for administration and disbursing benefits. The Corporation 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 3% of the annual salary of participating employees. During the year ended January 31, 2003, the Agency's contribution to the plan totaled \$29,006.

EVANGELINE COMMUNITY ACTION AGENCY, INC.

Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(6) Pending Litigation

There is no pending litigation against the Evangeline Community Action Agency, Inc. at January 31, 2003.

(7) 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 any expenses incurred relating to the Agency's business, which must have appropriate supporting documentation.

(8) Contributed Facilities, Services, and Materials

Contributed facilities represent the estimated fair rental value of office and storage space. The total contribution for the year amounted to \$96,702. 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 services are reflected in the financial statements at the fair value of the services received, which amounted to \$308,207 for the year ended January 31, 2003.

(9) 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.

(10) 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.

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.

Teen Pregnancy Prevention -

To account for federal funds passed through the Louisiana Department of Social Services to help prevent teen pregnancies through counseling, enrichment fieldtrips and computer literacy training.

Migrant Program -

To account for federal grant funds passed through the Louisiana Department of Education to be used for programs and activities to benefit the children of migrant families in the area.

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 and in private homes.

Summer Child Care Program -

To account for the receipt and disbursement of federal grant funds passed through the Louisiana Department of Social Services, Office of Family Support, which provides educational, psychological, nutritional, medical, dental and social services to needy pre-school children in the area during the summer months.

Commodities -

To account for the receipt and expenditure of federal grant funds and commodities passed through the Louisiana Department of Agriculture and Forestry to be used to distribute donated food commodities to needy households.

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 for Head Start, which provides educational, psychological, nutritional, medical, dental and social services to needy pre-school children in the area.

INDIVIDUAL PROGRAMS/FUNDS (CONTINUED)

LIHEAP/TANF Energy Assistance -

To account for the receipt and subsequent use of federal grant funds passed through the Louisiana Department of Health & Human Resources 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 energy grants, medicine assistance and teen outreach programs.

Fixed Assets Fund -

To account for the fixed assets of the corporation and depreciation provided on those assets.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Combining Statement of Financial Position
January 31, 2003

	<u>Accounts Payable/ Payroll</u>	<u>Teen Pregnancy Prevention</u>	<u>Migrant Program</u>	<u>Food Services Program</u>	<u>Summer Child Care</u>
ASSETS					
Current assets:					
Cash	\$ 23,966	\$ 953	\$ 9,405	\$ 15,467	\$ 19,148
Grant receivable	-	-	-	15,454	-
Total current assets	<u>23,966</u>	<u>953</u>	<u>9,405</u>	<u>30,921</u>	<u>19,148</u>
Fixed assets at cost - less accumulated depreciation of \$441,400					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 23,966</u></u>	<u><u>\$ 953</u></u>	<u><u>\$ 9,405</u></u>	<u><u>\$ 30,921</u></u>	<u><u>\$ 19,148</u></u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 8,701	\$ -	\$ 376	\$ 18,729	\$ -
Accrued liabilities	15,265	-	-	-	-
Deferred revenue	-	-	-	-	19,148
Total liabilities	<u>23,966</u>	<u>-</u>	<u>376</u>	<u>18,729</u>	<u>19,148</u>
Net assets, unrestricted	<u>-</u>	<u>953</u>	<u>9,029</u>	<u>12,192</u>	<u>-</u>
Total liabilities and net assets	<u><u>\$ 23,966</u></u>	<u><u>\$ 953</u></u>	<u><u>\$ 9,405</u></u>	<u><u>\$ 30,921</u></u>	<u><u>\$ 19,148</u></u>

<u>Commodities</u>	<u>Community Services Block Grant</u>	<u>Head Start Program</u>	<u>Energy Assistance Grants</u>	<u>Local Grants</u>	<u>Fixed Assets</u>	<u>Totals</u>
\$ 1,042	\$ 150	\$ 50,114	\$ 1,148	\$ 9,837	\$ -	\$ 131,230
-	839	-	-	-	-	16,293
<u>1,042</u>	<u>989</u>	<u>50,114</u>	<u>1,148</u>	<u>9,837</u>	<u>-</u>	<u>147,523</u>
-	-	-	-	-	137,953	137,953
<u>\$ 1,042</u>	<u>\$ 989</u>	<u>\$ 50,114</u>	<u>\$ 1,148</u>	<u>\$ 9,837</u>	<u>\$ 137,953</u>	<u>\$ 285,476</u>
\$ -	\$ 989	\$ 11,691	\$ -	\$ -	\$ -	\$ 40,486
-	-	-	-	-	-	15,265
1,042	-	38,423	-	-	-	58,613
<u>1,042</u>	<u>989</u>	<u>50,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,364</u>
-	-	-	1,148	9,837	137,953	171,112
<u>\$ 1,042</u>	<u>\$ 989</u>	<u>\$ 50,114</u>	<u>\$ 1,148</u>	<u>\$ 9,837</u>	<u>\$ 137,953</u>	<u>\$ 285,476</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Grant Revenue
Year Ended January 31, 2003

LIHEAP	\$ 165,954
TANF-Energy Assistance	11,844
TANF-JOBS (Teen Pregnancy Prevention)	23,906
Migrant	27,147
Food Services Program	130,559
Commodities	2,322
Community Services Block Grant	149,288
Headstart	1,381,561
Summer Childcare	5
Local grants	<u>25,696</u>
	<u>\$ 1,918,282</u>

COMPLIANCE, INTERNAL CONTROL

AND

OTHER GRANT INFORMATION

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. Gervis LaFleur, Executive Director
and Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana

We have audited the financial statements of Evangeline Community Action Agency, Inc., (a nonprofit organization), as of and for the year ended January 31, 2003, and have issued our report thereon dated July 9, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether Evangeline Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Evangeline Community Action Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 9, 2003

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Gervis LaFleur, Executive Director,
and Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana

Compliance

We have audited the compliance of Evangeline Community Action Agency, Inc., (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended January 31, 2003. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Evangeline Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Evangeline Community Action Agency, Inc.'s compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 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 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. Our audit does not provide a legal determination of Evangeline Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, Evangeline Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended January 31, 2003.

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Internal Control Over Compliance

The management of Evangeline Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Evangeline Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 9, 2003

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended January 31, 2003

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture: Passed through State Dept. of Agriculture and Forestry - Commodities	10.550	-	\$ 2,322
Passed through State Dept. of Education, Nutrition Food Service	10.558	-	<u>142,278</u>
Total Department of Agriculture			<u>144,600</u>
U.S. Department of Education: Passed through State Dept. of Education, Migrant	84.011A	-	<u>23,761</u>
U.S. Department of Health and Human Services: Direct Program - Headstart	93.600	N/A	1,381,992
Passed through State Dept. of Social Services-Headstart Summer Child Care	93.596	-	5
Passed through State Dept. of Employment and Training - Community Services Block Grant	93.569	2002N0035	149,288
Passed through State Dept. of Social Services - LIHEAP	93.568	-	165,209
Passed through State Dept. of Social Services - TANF	93.558	-	<u>34,727</u>
Total Department of Health and Human Services			<u>1,731,221</u>
Total			<u>\$ 1,899,582</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended January 31, 2003

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Evangeline Community Action Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Headstart

In accordance with terms of the grant, the organization has expended matching contributions totaling \$404,909 during the year ended January 31, 2003.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
Year Ended January 31, 2003

Part I. Summary of Auditor's Results:

1. An unqualified report was issued on the financial statements.
2. No reportable conditions relating to the audit of the financial statements were reported.
3. There were no instances of noncompliance reported which were material to the financial statements, as required to be reported in accordance with Government Auditing Standards.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was the U.S. Department of Health and Human Resources Headstart Program, CFDA No. 93.600.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

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 to be reported in accordance with generally accepted Governmental Auditing Standards.

B. Internal Control Findings –

There were no internal control findings to be reported in accordance with generally accepted Governmental Auditing Standards.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended January 31, 2003

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported under the above guidance.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
 Ville Platte, Louisiana

**Summary Schedule of Current and Prior Year Audit
 Findings and Corrective Action Plan
 Year Ended January 31, 2003**

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
Ref. No.					

CURRENT YEAR (01/31/03) --

There were no findings to be reported for the FYE 1/31/03.

PRIOR YEAR (01/31/02) --

Internal Control:

02-1(IC)	Unknown	The Agency does not have adequate segregation of functions within the accounting system.	Yes	N/A	Gervis Lafleur, Executive Director	N/A
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