

This report is intended for the information of the board of directors, management, and legislative auditor. However, this report is a matter of public record and its distribution is not limited.

*Darnall, Sikes, Kehler, Frederick & Rainey*

A Corporation of Certified Public Accountants

Ville Platte, Louisiana  
June 18, 1996

# BARNALL, SIKES, KOLDER, FREDERICK & RAINEY

A CORPORATION OF MICHIGAN (INCORPORATED)

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Report Period: 1984-1985

## Independent Auditor's Report on Internal Control Structure Used in Administering Federal Awards

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Mr. Gerwin LaFlour, Executive Director,  
and Members of the Board of Directors  
of Evangelical Community Action, Inc.

We have audited the financial statements of Evangelical Community Action, Inc. (a nonprofit organization) as of and for the year ended January 31, 1986, and have issued our report thereon dated June 18, 1986. We have also audited the Agency's compliance with requirements applicable to major federal award programs and have issued our report thereon dated June 18, 1986.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Agency complied with laws and regulations, non-compliance with which would be material to a major federal award program.

In planning and performing our audits for the year ended January 31, 1986, we considered Evangelical Community Action Agency's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated June 18, 1986.

The management of Evangelical Community Action, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are recorded in accordance with management's authorizations and recorded properly to permit the

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preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Accounting Controls

Receipts/revenues  
Purchases/disbursements  
General ledger

Environmental Financial Assistance Programs

<u>General Requirements</u>	<u>Specific Requirements</u>
Political activity	Types of services allowed or disallowed
Civil rights	Eligibility
Cash management	Matching, level of effort and/or
Federal financial reports	accounting requirements
Drug-Free Workplace Act	Federal financial reports
Allowable costs/level principles	Claims for advances and reimbursements
Administrative requirements	Amounts claimed or used for matching
	Special basis and provisions

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended January 31, 1998, Evangelical Community Action, Inc. expended 91 percent of its total federal awards under major programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material non-compliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Agency's major federal award programs, which are identified in the accompanying Schedule of Federal awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established

by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Agency's ability to administer federal awards programs in accordance with applicable laws and regulations.

#### Individual Segregation of Accounting Functions

##### Finding:

Due to the small number of employees, the Agency did not have adequate segregation of functions within the accounting system.

##### Recommendation:

Based on the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

##### Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering Federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the above reportable condition that we believe to be a material weakness.

This report is intended for the information of the Board of directors, management, and legislative bodies. However, this report is a matter of public record and its distribution is not limited.

*Dunnell, Skiles, Kaldor, Frederick & Rainey*

A Corporation of Certified Public Accountants

Vulca Platte, Louisiana  
June 18, 1986

# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(INCORPORATED UNDER THE LAWS OF MISSISSIPPI)

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MEMPHIS

August 18, 1988

## Independent Auditor's Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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Mr. Gerwin LaFleur, Executive Director,  
and Members of the Board of Directors  
of Evangelical Community Action, Inc.

We have audited the financial statements of Evangelical Community Action, Inc. (a nonprofit organization) as of and for the year ended January 31, 1988, and have issued our report thereon dated June 18, 1988.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, Audit of Institutions of Higher Education and other Nonprofit Institutions. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Evangelical Community Action, Inc. is the responsibility of Evangelical Community Action, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Evangelical Community Action, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of Evangelical Community Action, Inc. in a separate letter dated June 18, 1988.

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This report is intended for the information of the board of directors and management, and the legislative auditor. However, this report is a matter of public record, and its distribution is not limited.

*Darnall, Sells, Kollar, Frederick, & Rainey*

A Corporation of Certified Public Accountants

Ville Platte, Louisiana  
June 18, 1996

# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

INDEPENDENT AUDITORS

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MEMPHIS

August 2, 1976

## Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Award Programs

Mr. Gerwin LaFlessa, Executive Director,  
and Members of the Board of Directors  
of Evangelical Community Action, Inc.

We have audited the financial statements of Evangelical Community Action, Inc. (a nonprofit organization) as of and for the year ended January 31, 1976, and have issued our report thereon dated June 18, 1976.

We have applied procedures to test Evangelical Community Action, Inc.'s compliance with the following requirements applicable to its Federal award programs, which are identified in the accompanying Schedule of Federal Awards for the year ended January 31, 1976:

### General Requirements

Political activity  
Civil rights  
Cash management  
Federal financial reports  
Drug-Free Workplace Act  
Allowable costs/unit principles  
Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and other Nonprofit Institutions." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Evangelical Community Action, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Evangelical Community Action, Inc. had not complied, in all material respects, with these requirements. However, the results

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of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in a separate letter to the management of Evangeline Community Action, Inc. dated June 18, 1966.

This report is intended for the information of the board of directors and management. However, this report is a matter of public record and its distribution is not limited.

*Dornall, Sikes, Kaldor, Frederick & Rainey*

A Corporation of Certified Public Accountants

Witte Plaza, Louisiana  
June 18, 1966



**DARNALL, SIKES, KOLDER, FREDERICK & RAINEY**

INDEPENDENT PUBLIC ACCOUNTANTS

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**MEMO**  
 Dated: June 14, 1998

**Independent Auditor's Report on Compliance with  
 Specific Requirements Applicable to  
 Major Federal Award Programs**

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Mr. Service Laffleur, Executive Director,  
 and Members of the Board of Directors  
 of Evangelical Community Action, Inc.

We have audited the financial statements of Evangelical Community Action, Inc. (a nonprofit organization) as of and for the year ended January 31, 1998, and have issued our report thereon dated June 18, 1998.

We have also audited Evangelical Community Action, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying schedule of Federal Awards, for the year ended January 31, 1998. The management of Evangelical Community Action, Inc. is responsible for the Agency's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate letter to the management of Evangelical Community Action, Inc. dated June 18, 1998. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

MEMORANDUM  
 TO THE BOARD OF DIRECTORS  
 FROM THE EXECUTIVE DIRECTOR  
 DATE: JUNE 18, 1998

In our opinion, Everglades Community Action, Inc. complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major Federal award programs for the year ended January 31, 1976.

This report is intended for the information of the board of directors, management, and the legislative auditor. However, this report is a matter of public record and its distribution is not limited.

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Wills Plaza, Louisiana  
June 18, 1976

# DARNALL, SIKES, KOLDER, FREDERICK & RAINY

A CORPORATION IN LIMITED PUBLIC ACCOUNTANTS

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MEMORANDUM

DATE: June 18, 1986

## Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Award Program Transactions

1. Agency Name: ECA  
2. Award Title: 284  
3. Award Number: 284  
4. Award Period: 1/1/85 - 12/31/85  
5. Award Type: 284  
6. Award Status: 284  
7. Award Date: 284  
8. Award Amount: 284  
9. Award Location: 284  
10. Award Description: 284

11. Award Period: 284  
12. Award Title: 284  
13. Award Number: 284  
14. Award Period: 284  
15. Award Type: 284  
16. Award Status: 284  
17. Award Date: 284  
18. Award Amount: 284  
19. Award Location: 284  
20. Award Description: 284  
21. Award Period: 284  
22. Award Title: 284  
23. Award Number: 284  
24. Award Period: 284  
25. Award Type: 284  
26. Award Status: 284  
27. Award Date: 284  
28. Award Amount: 284  
29. Award Location: 284  
30. Award Description: 284

Mr. Service LaFleur, Executive Director,  
and Members of the Board of Directors  
of Evangelical Community Action, Inc.

We have audited the financial statements of Evangelical Community Action, Inc. (a nonprofit organization) as of and for the year ended January 31, 1986, and have issued our report thereon dated June 18, 1986.

In connection with our audit of the financial statements of Evangelical Community Action, Inc. and with our consideration of the Agency's internal control structure used to administer Federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, *Audit of Institutions of Higher Education and Other Nonmajor Federal Award Programs* for the year ended January 31, 1986. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or disallowed; eligibility; matching; level of effort; or cost-sharing; reporting; claims for advances and reimbursements; federal financial reports and the special test and provisions that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Agency's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Evangelical Community Action, Inc. had not complied, in all material respects, with these requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with these requirements, which are described in a separate letter to the management of Evangelical Community Action, Inc. dated June 18, 1986.

OFFICE OF  
GENERAL INVESTIGATIVE  
DIVISION  
UNITED STATES DEPARTMENT OF JUSTICE  
WASHINGTON, D.C. 20535

This report is intended for the information of the board of directors, management, and the legislative auditor. However, this report is a matter of public record and its distribution is not limited.

*Dunnell, Sims, Kaldor, Frederick & Quincy*

A Corporation of Certified Public Accountants

Ville Platte, Louisiana  
June 18, 1996

# DARNALL, SIKES, KOLDER, FREDERICK & RAINY

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Charles Sikes, CPA  
Robert Kolder, CPA  
Robert Frederick, CPA  
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Robert Sikes, CPA  
John A. Sikes, CPA  
P. Ray Rainey, CPA  
Robert D. Rainey, CPA, CMA

## Independent Auditor's Report on Schedule of Federal Awards

MEMPHIS

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Mr. Garvie LaFleur, Executive Director,  
and Members of the Board of Directors  
of Evangelical Community Action, Inc.

We have audited the financial statements of Evangelical Community Action, Inc. (a nonprofit organization) as of and for the year ended January 31, 1978, and have issued our report thereon dated June 18, 1978. These financial statements are the responsibility of the management of Evangelical Community Action, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and other Nonprofit Institutions. These standards and OMB Circular A-133 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 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Evangelical Community Action, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Vilho Piatto, Lieutenant  
June 18, 1978

MEMPHIS  
MEMPHIS OFFICE OF  
COMMUNITY ACTION  
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EVANGELINE COMMUNITY ACTION, INC.  
 Schedule of Federal Financial Assistance  
 Year Ended January 31, 1994

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture:</b>		
Passed through State Dept. of Agriculture and Forestry - Commodities	10.550	\$ 23,880
Passed through State Dept. of Education, Nutrition Food Services	10.548	118,803
Total Department of Agriculture		<u>142,683</u>
<b>U.S. Department of Education:</b>		
Passed through State Dept. of Education, Migrant		<u>18,328</u>
<b>U.S. Department of Health and Human Services:</b>		
Direct Program - Headstart*	13.668	948,178
Passed through State Dept. of Employment and Training - Community Services Block Grant	13.783	82,320
Passed through State Dept. of Social Services - LINCAP*	13.789	218,218
Total Department of Health and Human Services		<u>1,248,716</u>
<b>TOTAL FEDERAL ASSISTANCE</b>		<u>\$1,409,744</u>

\*Represents major programs

EVANGELICAL COMMUNITY ACTION, INC.

Fiscal Year Findings and Current Status  
Year Ended January 31, 1974

Findings

In prior years, several of the programs within the Agency incurred money to other funds using Federal grant monies. As of the balance sheet date, these interfund loans have not been paid back. The Federal grant agreements prohibit these type of transactions.

SECURE'S Response

The Agency plans to meet these obligations through local funding and non-Federal funds.

**DARNALL, SIKES, KOLDER, FREDERICK & RAINEY**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

MEMPHIS, TENNESSEE

9-2000

James P. Hays, CPA  
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 James P. Hays, CPA

MEMO

URGENT - MEMPHIS, TENN. 6/18/68

**MANAGEMENT LETTER**

James P. Hays, CPA  
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Mr. Corwin LaPlante, Executive Director,  
 and the Members of the Board of Directors  
 Evangelism Community Action, Inc.  
 7114 Flatts, LA 38506

We have completed our audit of the financial statements of Evangelism Community Action, Inc. for the year ended January 31, 1968, and submit the following suggestions for your consideration in improving the effectiveness and efficiency of the operations of the Agency:

As reported in prior years, the Agency has several interfund loans due to/from other programs which have been outstanding for several years. We recommend that the interfund accounts be repaid as soon as possible and that future interfund loans be discontinued.

In conclusion, we would like to express our appreciation to you and your office staff for the cooperation and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our suggestions, please feel free to contact us.

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Ville Flatts, Louisiana  
 June 18, 1968



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**EVANGELINE COMMUNITY ACTION, INC.**

Ville Platte, Louisiana

**Financial Report**

**Year Ended January 31, 1986**

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

Release Date 8-7-96

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# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

A CORPORATION OF DELAWARE PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

Mr. Garcia LaFleur, Executive Director, and  
Members of the Board of Directors  
Evangelical Community Action, Inc.

We have audited the accompanying statement of financial position of the Evangelical Community Action, Inc. (a nonprofit organization) as of January 31, 1998, 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 Evangelical Community Action, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, Audit of Organizations of Higher Education and Other Nonprofit Institutions. These standards and OMB Circular A-133 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 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 Evangelical Community Action, Inc., as of January 31, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1998 the Agency changed its method of financial reporting and financial statement presentation.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Evangelical Community Action, Inc. taken as a whole. The accompanying information on pages 11-12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such

STATE OF PA  
DARNALL, SIKES, KOLDER, FREDERICK & RAINEY  
PUBLIC ACCOUNTANTS  
PHILADELPHIA, PA.

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated June 18, 1996, on our consideration of Emergency Community Action, Inc.'s internal control structure and a report dated June 18, 1996, on its compliance with laws and regulations.

*Dornall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

White Plains, Louisiana

June 18, 1996

FINANCIAL STATEMENTS

PARADISE COMMUNITY ACTION, INC.

Statement of Financial Position  
January 31, 1988

ASSETS	
CURRENT ASSETS	
Cash	\$ 30,433
Due from governmental units	<u>37,862</u>
Total current assets	78,295
FIXED ASSETS AT COST - less accumulated depreciation of \$20,037	
	<u>135,568</u>
TOTAL ASSETS	\$213,863
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 26,819
Accrued liabilities	17,901
Due to governmental units	<u>32,208</u>
Total current liabilities	<u>76,928</u>
NET ASSETS	
Unrestricted net assets:	
Operations	15,368
Fixed assets	<u>120,608</u>
Total unrestricted net assets	<u>135,976</u>
TOTAL LIABILITIES AND NET ASSETS	\$212,904

The accompanying notes are an integral part of this statement.

PARCELONE COMMUNITY ACTION, INC.

Statement of Activity  
For the Year Ended January 31, 1996

	Functional		
	Contributions	Funds	Total
<b>SUPPORT</b>			
Government grants	\$1,597,344	\$ -	\$1,597,344
Donated services and facilities	264,867	-	264,867
Total support	<u>1,862,211</u>	<u>-</u>	<u>1,862,211</u>
<b>EXPENSES</b>			
Program services:			
LITERACY	212,215	-	212,215
Migrant	10,329	63	10,392
Food services	218,808	-	218,808
Communities	23,890	-	23,890
Community Services Block Grant	92,329	366	92,695
Headstart	<u>1,182,860</u>	<u>48,488</u>	<u>1,231,348</u>
Total expenses	<u>1,639,439</u>	<u>49,917</u>	<u>1,689,356</u>
Change in net assets	<u>22,258</u>	<u>(49,917)</u>	<u>(27,659)</u>
<b>OTHER CHANGES IN NET ASSETS</b>			
additions to fixed assets	431,177	31,177	-
Miscellaneous	<u>(41,125)</u>	<u>-</u>	<u>(41,125)</u>
Total other changes in net assets	<u>132,380</u>	<u>31,177</u>	<u>(10,000)</u>
<b>NET UNRESTRICTED ASSETS, beginning</b>	<u>24,931</u>	<u>132,346</u>	<u>157,277</u>
<b>NET UNRESTRICTED ASSETS, ending</b>	<u>\$ 15,369</u>	<u>\$134,648</u>	<u>\$ 150,017</u>

The accompanying notes are an integral part of this statement.

FOOTNOTES CONTINUED (PART 2)

Statement of Supplemental Expenses  
Year Ended January 31, 1998

	1998	1997	1996	1995	1994	1993	1992	1991	1990
Electric	\$ 15,488	\$ 14,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Central Air	-	-	-	-	-	-	-	-	-
Water/Lines	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
Telephone	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>Total salaries and related expenses</b>	<b>23,588</b>	<b>22,600</b>	<b>19,600</b>	<b>19,600</b>	<b>19,600</b>	<b>19,600</b>	<b>19,600</b>	<b>19,600</b>	<b>19,600</b>
Pen	10,000	-	-	-	-	-	-	-	-
Energy equipment	-	85,000	-	-	-	-	-	-	-
Food and nutrition	-	-	-	2,000	-	-	-	-	-
Printing	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-
Transportation	-	500	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Professional services and facility costs	-	-	-	-	-	-	-	-	-
Insurance and health	-	-	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Entertainment	700	-	300	300	-	-	-	-	-
Food	-	-	-	-	-	-	-	-	-
Supplies and maintenance	-	-	1,000	-	-	-	-	-	-
Business and marketing	-	-	-	-	-	-	-	-	-
Board fees and salaries	400	200	20	20	-	-	-	-	-
Telephone	20	-	-	-	-	-	-	-	-
Travel	800	500	500	-	-	-	-	-	-
Utilities	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total expenses before depreciation</b>	<b>34,788</b>	<b>33,200</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>
Depreciation expense	-	85	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>34,788</b>	<b>33,285</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>	<b>29,600</b>

The accompanying notes are an integral part of this statement.



EMANUELE COMMUNITY ACTION, INC.

Statement of Cash Flow  
For the Year Ended January 31, 1996

CASH FLOW USED FOR OPERATING ACTIVITIES

Change in net assets	\$137,448
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	48,073
Decrease in grant receivable	18,498
Decrease in accounts payable	(13,734)
Increase in accrued liabilities	8,861
Net cash provided by operating activities	<u>28,962</u>

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of equipment	<u>(31,173)</u>
Net cash used by investing activities	<u>(31,173)</u>
Net decrease in cash and cash equivalents	(2,210)

CASH, January 31, 1995 60,872

CASH, January 31, 1996 \$ 38,662

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Evangeline Community Action, Inc. is a non-profit organization which was organized on February 25, 1963, 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. Basis of Accounting

Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, Audits of Voluntary Health and Welfare Organizations. The accompanying financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Financial Statement Presentation

In 1986, Evangeline Community Action Agency, Inc. adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Non-for-Profit Organizations." Under SFAS No. 117, Evangeline Community Action Agency, Inc. is required 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, Evangeline Community Action Agency, Inc. is required to present a statement of each class. As permitted by SFAS No. 117, Evangeline Community Action Agency, Inc. has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. This reclassification had no effect on the change in net assets for 1986.

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

**EVANGELINE COMMUNITY ACTION, INC.**

**Notes to Financial Statements (Continued)**

and financed in accordance with each program grant guidelines. The cost of such assets at January 31, 1974, is as follows:

Furniture, fixtures and equipment	\$ 269,161
Automobiles	<u>177,588</u>
	446,749
Less: Accumulated depreciation	<u>(287,827)</u>
	<u>\$ 158,922</u>

**E. Budgets**

Evangeline Community Action, 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 cognizant audit agency at the inception of the program. Budgetary amendments must generally be approved by the cognizant audit agency as well.

**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 accumulated 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, Inc. might have in this regard at January 31, 1974, is considered immaterial; therefore, no liability has been recorded in the accounts.

**G. 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.

**H. 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.

EVERGLADE COMMUNITY ACTION, INC.

Notes to Financial Statements (Continued)

17) Due From/To Other Funds

In prior years, several of the programs within the Agency incurred monies to other funds using federal grant monies. As of the balance sheet date, the following interfund loans have not been paid back. The federal grant agreements prohibit these types of transactions.

	Receivable	Payable
State account, Act No. 37	\$17,158	\$ -
Migrant Program	5,480	182
Food Services Program	1,791	24,899
Handicap Program	-	1,567
Community Services Block Grant	-	4,257
Head Start Program	-	1,546
Reynold Fund	-	892
Reynold Tax Fund	<u>4,193</u>	<u>-</u>
<b>Totals</b>	<u>\$28,542</u>	<u>\$33,343</u>

18) Due From Governmental Units

Amounts due from governmental units consisted of the following as January 31, 1990:

Grant funds due from Louisiana Department of Education for Food Services Program	\$13,896
Grant funds due from Louisiana Department of Agriculture and Forestry for Commodities	929
Grant funds due from U.S. Department of Health and Human Services for Handicaps Program	<u>11,451</u>
	<u>\$26,276</u>

EVANGELINE COMMUNITY ACTION, INC.

Notes to Financial Statements (Continued)

(4) Retirement

All employees of Evangeline Community Action, 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 1% of the annual salary of participating employees. During the year ended January 31, 1990, the Agency's contribution to the plan totaled \$4,870.

(5) Prior Period Adjustments

Prior period adjustments to net assets are recorded in the financial statements for the following:

The State of Louisiana Department of Labor, Community Services Block Grant Program gave the Agency permission to write off funds owed to CSBG from the following programs:

Handicap	\$ 1,810
State Fund	<u>28,151</u>
	<u>\$30,187</u>

All of the funds involved are classified as unrestricted and therefore the net effect on net assets is zero.

(6) Pending Litigation

There is no pending litigation against the Evangeline Community Action Agency as January 31, 1990.

EVANGELINE COMMUNITY ACTION, INC.

Notes to Financial Statements (Continued)

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

Members of the Board of Directors of Evangeline Community Action, 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 represents the estimated fair market value of office and storage space. The total contribution for the year amounted to \$44,381. Contributed services represent volunteer teachers, doctors, and attorneys in which the value of the services creates or enhances nonfinancial 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 \$288,728 for the year ended January 31, 1996. Donated materials were recorded in the financial statements at the estimated fair value which totaled \$15,728 for the year ended January 31, 1996.

(9) Grant Income

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.

FINANCIAL STATEMENTS OF INDIVIDUAL RECORDS

#### IRREVOCABLE PROGRAMS/FUNDS

- Migrants 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 and Day Care Program** - To account for receipt and expenditure of Federal grant funds passed through the Louisiana Department of Education for meals for needy children at Head Start locations and in private homes.
- 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.
- LIREAF-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.
- Payroll Tax Fund** - To account for the disbursement of state withholding taxes, unemployment taxes, and special assessment taxes.
- Discretionary Fund** - To account for funds received from the Department of Labor and subsequent disbursements used for miscellaneous discretionary purposes.
- Fixed Assets Fund** - To account for the fixed assets of the corporation and depreciation provided on those assets.



**SPRINGFIELD COMMUNITY ACTION, INC.**  
**Combined Statement of Financial Position**  
**January 30, 1968.**

	Federal Share	State Share	Local Share
	<u>-----</u>	<u>-----</u>	<u>-----</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$1,846	\$1,778	\$28,252
Due from other governmental units	-	-	12,878
Total current assets	<u>1,846</u>	<u>1,778</u>	<u>41,130</u>
Fixed Assets at cost - less accumulated depreciation of \$287,327	<u>-----</u>	<u>-----</u>	<u>-----</u>
<b>TOTAL ASSETS</b>	<b>\$1,846</b>	<b>\$1,778</b>	<b>\$41,130</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$12,578
Unearned fund balance	5,272	49	380
Due to other governmental units	<u>7,272</u>	<u>-----</u>	<u>12,878</u>
<b>NET ASSETS DEFICIT, UNREALIZED</b>	<b><u>12,522</u></b>	<b><u>1,729</u></b>	<b><u>15,652</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,846</b>	<b>\$1,778</b>	<b>\$41,130</b>

Financial Agency Fund	COMMITMENT	Contract by Services BLACK SPACE	Real Estate CORPOR	LEAS - Energy MANAGEMENT	Fixed Income	Totals
\$ -	\$ 175	\$ 375	\$ 1,175	\$ 237	\$ -	\$ 2,062
<u>          </u>	<u>    175</u>	<u>    375</u>	<u>  1,175</u>	<u>    237</u>	<u>          </u>	<u>  2,062</u>
<u>          </u>	<u>    340</u>	<u>    375</u>	<u>  1,175</u>	<u>    237</u>	<u>          </u>	<u>  2,127</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>  126,648</u>	<u>  126,648</u>
\$ -	\$ 340	\$ 375	\$18,395	\$ 237	\$126,648	\$244,147
<u>          </u>	<u>    340</u>	<u>    375</u>	<u> 18,395</u>	<u>    237</u>	<u>126,648</u>	<u>244,147</u>
\$ -	\$ 340	\$ 375	\$20,770	\$ -	\$ -	\$ 22,185
<u>          </u>	<u>    340</u>	<u>    375</u>	<u> 20,770</u>	<u>          </u>	<u>          </u>	<u>  22,185</u>
<u>          </u>	<u>    340</u>	<u>    375</u>	<u>  18,395</u>	<u>          </u>	<u>          </u>	<u>  37,160</u>
<u>  11,288</u>	<u>          </u>	<u>  1,047</u>	<u>          </u>	<u>    237</u>	<u>  126,648</u>	<u>  139,220</u>
\$ -	\$ 340	\$ 375	\$18,395	\$ 237	\$126,648	\$244,147
<u>          </u>	<u>    340</u>	<u>    375</u>	<u> 18,395</u>	<u>    237</u>	<u>126,648</u>	<u>244,147</u>

EVANGELINE COMMUNITY ACTION, INC.

Schedule of Grant Revenue  
 Year Ended January 31, 1988

LIHEAP	\$ 388,870
Migrant	50,727
Food Services Program	156,807
Commodities	77,602
Community Services Block Grant	92,387
Resident	<u>758,393</u>
	<u>\$3,587,344</u>

INTERNAL CONTROL, COMPLIANCE  
AND  
CREDIT RISK INFORMATION

# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

A CORPORATION OF CALIFORNIA INCORPORATED

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Report Dated: 07/15/86

## Independent Auditor's Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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Mr. Gerald Laffleur, Executive Director,  
and Members of the Board of Directors  
of Evangeline Community Action, Inc.

We have audited the financial statements of Evangeline Community Action, Inc. (a nonprofit organization) for the year ended January 31, 1986, and have issued our report thereon dated June 18, 1986.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, Maximization of Inefficiencies of Higher Education and Other Nonprofit Institutions. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Evangeline Community Action, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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REPORT OF  
INDEPENDENT AUDITOR  
ON FINANCIAL STATEMENTS  
AND INTERNAL CONTROLS  
OF A NONPROFIT ORGANIZATION

In planning and performing our audit of the financial statements of Evangelina Community Action, Inc. for the year ended January 31, 1994, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Agency's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

#### Individual Segregation of Accounting Functions

##### Finding:

Due to the small number of employees, the agency did not have adequate segregation of functions within the accounting system.

##### Recommendation:

Based on the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

##### Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the above reportable condition that we believe to be a material weakness.