

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

Kolder, Champagne, Slaven & Rainey, LLC

CERTIFIED Public Accountants

Ville Platte, Louisiana
June 10, 1997

In planning and performing our audit of the financial statements of Evangelical Community Action, Inc. for the year ended January 31, 1997, 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 Description of Reportable Condition

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.

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**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. 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, 1997, and have issued our report thereon dated June 20, 1997.

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, 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.

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 and, that transactions are recorded 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, projections 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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INTERNAL CONTROL COMPLIANCE

AND

OTHER GOVT REQUIREMENTS

SYMBOLISM COMMUNITY ACTION, INC.

Statement of Grant Revenue
Year Ended January 31, 1987

LINCAP	\$ 108,387
Hignest	14,420
Food Services Program	133,047
Commodities	38,340
Community Services Block Grant	38,380
Residuals	<u>2,008,553</u>
	48,381,597

<u>Administrative</u> <u>Exp.</u>	<u>COMMODITIES</u>	<u>CONTRACTS</u> <u>FOR LABOR</u> <u>BLDG. REPAIR</u>	<u>TRAVEL</u> <u>EXPENSE</u>	<u>REPAIR -</u> <u>ENERGY</u> <u>REPLACEMENT</u>	<u>FIXED</u> <u>ASSETS</u>	<u>INVEST.</u>
\$ -	\$ 856	\$ 94	\$ 2,098	\$1,008	\$ -	\$ 4,066
-	-	-	20,000	-	-	20,000
-	856	94	20,000	1,008	-	22,958
-	-	-	-	-	100,000	100,000
\$ -	\$ 856	\$ 94	\$2,098	\$1,008	\$100,000	\$104,972
-	-	-	-	-	-	-
\$ -	\$ 856	\$ 94	\$2,098	\$1,008	\$ -	\$ 4,972
20,000	-	-	-	-	-	20,000
20,000	856	94	20,000	1,008	-	44,968
40,000	856	94	20,000	1,008	-	64,976
60,000	856	94	20,000	1,008	-	84,984
80,000	856	94	20,000	1,008	-	104,992
100,000	856	94	20,000	1,008	-	124,996
120,000	856	94	20,000	1,008	-	144,996
140,000	856	94	20,000	1,008	-	164,996
160,000	856	94	20,000	1,008	-	184,996
180,000	856	94	20,000	1,008	-	204,996
200,000	856	94	20,000	1,008	-	224,996
220,000	856	94	20,000	1,008	-	244,996
240,000	856	94	20,000	1,008	-	264,996
260,000	856	94	20,000	1,008	-	284,996
280,000	856	94	20,000	1,008	-	304,996
300,000	856	94	20,000	1,008	-	324,996
320,000	856	94	20,000	1,008	-	344,996
340,000	856	94	20,000	1,008	-	364,996
360,000	856	94	20,000	1,008	-	384,996
380,000	856	94	20,000	1,008	-	404,996
400,000	856	94	20,000	1,008	-	424,996
420,000	856	94	20,000	1,008	-	444,996
440,000	856	94	20,000	1,008	-	464,996
460,000	856	94	20,000	1,008	-	484,996
480,000	856	94	20,000	1,008	-	504,996
500,000	856	94	20,000	1,008	-	524,996
520,000	856	94	20,000	1,008	-	544,996
540,000	856	94	20,000	1,008	-	564,996
560,000	856	94	20,000	1,008	-	584,996
580,000	856	94	20,000	1,008	-	604,996
600,000	856	94	20,000	1,008	-	624,996
620,000	856	94	20,000	1,008	-	644,996
640,000	856	94	20,000	1,008	-	664,996
660,000	856	94	20,000	1,008	-	684,996
680,000	856	94	20,000	1,008	-	704,996
700,000	856	94	20,000	1,008	-	724,996
720,000	856	94	20,000	1,008	-	744,996
740,000	856	94	20,000	1,008	-	764,996
760,000	856	94	20,000	1,008	-	784,996
780,000	856	94	20,000	1,008	-	804,996
800,000	856	94	20,000	1,008	-	824,996
820,000	856	94	20,000	1,008	-	844,996
840,000	856	94	20,000	1,008	-	864,996
860,000	856	94	20,000	1,008	-	884,996
880,000	856	94	20,000	1,008	-	904,996
900,000	856	94	20,000	1,008	-	924,996
920,000	856	94	20,000	1,008	-	944,996
940,000	856	94	20,000	1,008	-	964,996
960,000	856	94	20,000	1,008	-	984,996
980,000	856	94	20,000	1,008	-	1,004,996
1,000,000	856	94	20,000	1,008	-	1,024,996

CHARLENE COMMUNITY ACTION, INC.
Working Statement of Financial Position
January 31, 1987

	General	Federal Fund	Inpatient Program	Food Services Program
ASSETS				
CURRENT ASSETS				
Cash	\$ 188	\$ 1,875	\$0,000	\$ 0
Due from other governmental units	—	—	—	—
Total current assets	<u>\$ 188</u>	<u>\$ 1,875</u>	<u>\$0,000</u>	<u>\$ 0</u>
Fixed assets at cost - less accumulated depreciation of \$000,000	—	—	—	—
TOTAL ASSETS	\$ 188	\$ 1,875	\$0,000	\$00,000
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts payable	\$ 0	\$ 0	\$ 0	\$00,000
Accounts receivable	—	\$ 0	—	—
Due to other governmental units	—	—	—	—
Total liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$00,000</u>
NET ASSETS (DEFICIT), unappropriated	\$ 188	\$1,875	\$0,000	\$00,000
TOTAL LIABILITIES AND NET ASSETS	\$ 188	\$ 1,875	\$0,000	\$00,000

INDIVIDUAL PROGRAMS/FUNDS

- 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 and Day Care Program** - To account for receipts and expenditures 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 receipts and expenditures 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 receipts and expenditures 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.
- LIBR&S-Energy Assistance** - To account for the receipts 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.
- Payroll Fund** - The clearing account which is used for the disbursement of all payroll checks for all programs.

FINANCIAL STATEMENTS OF INDIVIDUAL PROGRAMS

EVANGELINE COMMUNITY ACTION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

13) RETIREMENT

All employees of Evangeline Community Action, Inc. participate in the Social Security System. The Corporation and the employee contribute a percentage of each employee's salary to the System (3.6% 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, 1997, the Agency's contribution to the plan totaled \$9,401.

14) Pending Litigation

There is no pending litigation against the Evangeline Community Action Agency at January 31, 1997.

15) 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.

16) 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 \$41,300. Contributed services represent volunteer teachers, doctors, and attorneys to which the value of the service exceeds an estimated 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 \$284,484 for the year ended January 31, 1997.

17) 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.

EMERGENCY COMMUNITY ACTION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

E. Accrued Liabilities

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave is accumulated at 1 1/2 days a 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 Emergency Community Action, Inc. might have in this regard at January 31, 1967, is considered immaterial; therefore, no liability has been recorded in the accounts.

F. 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.

G. 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.

H. Due From Governmental Units

Amounts due from governmental units consisted of the following at January 31, 1967:

Grant Funds due from Louisiana Department of Education for Food Services Program	\$88,677
Grant Funds due from U.S. Department of Health and Human Services for Headstart Program	_52,840
	\$141,517

EVANGELINE COMMUNITY ACTION, INC.

Notes to Financial Statements

12) Summary of Significant Accounting Policies

A. Nature of Activities

Evangeline Community Action, Inc. is a non-profit organization which was organized on February 28, 1968, 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, Guide 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. 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 program grant guidelines. The cost of such assets as January 31, 1977, is as follows:

Furniture, fixtures and equipment	\$ 204,125
Automobiles	172,885
	378,750
Less: Accumulated depreciation	189,722
	\$ 189,028

D. Budgets

Evangeline Community Action, Inc. does not adopt budgets on a fiscal year basis. Each grant program's budget is based on the individual program year 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.

EVELEIGH COMMUNITY ACTION, INC.

Statement of Cash Flows
 FOR THE YEAR ENDED January 31, 1983

CASH FLOWS USED FOR OPERATING ACTIVITIES	
Change in net assets	\$132,149
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	41,850
Increase in grant receivable	148,844
Increase in accounts payable	66,356
Decrease in accrued liabilities	(47,851)
Net cash provided by operating activities	<u>5,248</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(14,500)
Net cash used by investing activities	<u>(14,500)</u>
Net decrease in cash and cash equivalents	(10,252)
CASH, January 31, 1982	<u>18,497</u>
CASH, January 31, 1981	\$ 8,245

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION, INC.

Statement of Activity
For the Year Ended January 31, 1967

	Unrestricted		
	Contributions	Funds Acquired	Total
REVENUE			
Government grants	\$1,261,181	\$ -	\$1,261,181
Donated services and facilities	118,688	-	118,688
Miscellaneous income	1,328	-	1,328
Total support	<u>1,428,328</u>	<u>-</u>	<u>1,428,328</u>
EXPENSES			
Program services:			
LORREP	109,424	-	109,424
Migrant	11,379	63	11,442
Food services	124,888	-	124,888
Commodities	17,684	-	17,684
Community Services Block Grant	99,444	214	99,658
HEADSTART	<u>1,108,173</u>	<u>43,263</u>	<u>1,151,436</u>
Total expenses	<u>1,489,122</u>	<u>43,263</u>	<u>1,532,385</u>
Change in net assets	<u>34,672</u>	<u>143,636</u>	<u>178,878</u>
OTHER CHANGES IN NET ASSETS			
Additions to fixed assets	114,989	34,998	-
Miscellaneous	<u>1562</u>	<u>-</u>	<u>1562</u>
Total other changes in net assets	<u>116,551</u>	<u>34,998</u>	<u>151,549</u>
NET UNRESTRICTED ASSETS, beginning	<u>38,182</u>	<u>124,818</u>	<u>163,000</u>
NET UNRESTRICTED ASSETS, ending	<u>\$ 14,811</u>	<u>\$159,878</u>	<u>\$ 174,689</u>

The accompanying notes are an integral part of this statement.

EVERGLINE COMMUNITY ACTION, INC.

Statement of Financial Position
January 18, 1997

ASSETS

CURRENT ASSETS

Cash	\$ 4,000
Due from governmental units	<u>28,728</u>
Total current assets	\$9,728

FIXED ASSETS AT COST - less accumulated depreciation
of \$282,707

122,878

TOTAL ASSETS

\$217,732

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities:

Accounts payable	\$ 42,175
accrued liabilities	5,870
Due to governmental units	<u>22,880</u>
Total current liabilities	<u>71,925</u>

NET ASSETS

Unrestricted net assets:

operations	15,000
Fixed assets	<u>122,530</u>
Total unrestricted net assets	<u>137,530</u>

TOTAL LIABILITIES AND NET ASSETS

\$217,732

The accompanying notes are an integral part of this statement.

FINANCIAL STATEMENTS

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.

Kofler, Champagne, Haven & Rainey, LLC
Certified Public Accountants

Villa FORTIS, Louisiana
June 30, 1997

KOLDER, CHAMPAIGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1100 North State Street
Chicago, Illinois 60610
Phone: (312) 467-1000
Fax: (312) 467-1001
www.kcsr.com

Independent Auditor's Report

At a Special Meeting of the Board of Directors of Evangelical Community Action, Inc. held on January 30, 1997, the following resolutions were adopted:

1. To authorize the Board of Directors to engage Kolder, Champaign, Slaven & Rainey, LLC to audit the financial statements of Evangelical Community Action, Inc. for the year ended January 30, 1997.

2. To authorize the Board of Directors to engage Kolder, Champaign, Slaven & Rainey, LLC to audit the financial statements of Evangelical Community Action, Inc. for the year ended January 30, 1997.

3. To authorize the Board of Directors to engage Kolder, Champaign, Slaven & Rainey, LLC to audit the financial statements of Evangelical Community Action, Inc. for the year ended January 30, 1997.

Mr. Dennis 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 30, 1997, 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, Audits of Institutions of Higher Education and Other Nonprofit Organizations. 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 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 28, 1997, on our consideration of Evangelical Community Action Agency's Internal Control structure and a report dated June 28, 1997, on its compliance with laws and regulations.

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 13-15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such

MEMBER OF
SERVICES GROUP OF THE
INTERNATIONAL ASSOCIATION
OF CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
FINANCIAL STATEMENTS	
Statement of financial position	4
Statement of activity	4
Statement of functional expenses	4
Statement of cash flows	7
Notes to financial statements	8-10
FINANCIAL STATEMENTS OF INDIVIDUAL PROGRAMS	
INDIVIDUAL PROGRAMS	
Combining statement of financial position	11-14
Schedule of grant revenue	15
INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
Independent Auditor's Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing</u> Standards	17-19
Independent Auditor's Report on Internal Control Structure Used in Administering Federal Awards	20-21
Independent Auditor's Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	22
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Award Programs	24-25
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Award Programs	26-27
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Award Program Transactions	28
Independent Auditor's Report on Schedule of Federal Awards	29
Schedule of Federal Financial Assistance	30
Schedule of Resolution of Prior Year Findings	31



EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Financial Report

Year Ended January 31, 1967

Under provisions of the law, this report is prepared for the year ending January 31, 1967. The financial statements are prepared on a cash basis and do not include any accruals or deferrals. The financial statements are prepared on a non-audited basis. The financial statements are prepared on a non-audited basis. The financial statements are prepared on a non-audited basis. The financial statements are prepared on a non-audited basis.

Financial Report **8-6-97**

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KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

2 State Street, CPA
Boston 4, Champagne, CPA
Boston South, CPA
210 State Street, CPA
Boston, Massachusetts

2 Pine Street, CPA
Boston 2, State, CPA
Boston Corporate, CPA
Boston Corporate, CPA
200 1 Commercial, CPA

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

7 10 State Street
Boston 4, MA 02109
Phone 617-452-1000
Fax 617-452-1000

2 10 Pine Street
Boston 2, MA 02109
Phone 617-452-1000
Fax 617-452-1000

2 10 State Street
Boston 4, MA 02109
Phone 617-452-1000
Fax 617-452-1000

Mr. Dennis LaPlour, 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. in compliance organization as of and for the year ended January 31, 1987, and have issued our report thereon dated June 18, 1987. 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, 1987.

We conducted our audits in accordance with generally accepted auditing standards, Comptroller Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget COMB Circular A-133, Auditing of Institutions of Higher Education and Other Educational Institutions. These standards and the 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, noncompliance with which would be material to a major federal award program.

In planning and performing our audits for the year ended January 31, 1987, 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 the Circular A-133. This report addresses our considerations 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 30, 1987.

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 authorization and recorded properly to permit the

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

<u>Accounting Controls</u>	
Receipts/revenues	
Purchases/disbursements	
General ledger	
<u>Intergovernmental Financial Assistance Programs</u>	
<u>General Requirements</u>	<u>Specific Requirements</u>
Political activity	Types of services allowed or unallowed
Davis-Bacon Act	
Civil rights	Eligibility
Cash management	Matching, level of effort and/or
Federal financial reports	matching requirements
Drug-free Workplace Act	Federal financial reports
Allowable cost/cost principles	Claims for advances and reimbursements
Administrative requirements	Amounts claimed or used for matching
	special taxes and provisions

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

During the year ended January 31, 1999, Evangeline Community Action, Inc. expended 81 percent of its total federal awards under major federal award programs.

We performed tests of controls, as required by OMB Circular A-121, 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 itemized 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 a matter involving the internal control structure and its operation that we consider to be a reportable condition 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 award programs in accordance with applicable laws and regulations.

Individual Description 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 and management. However, this report is a matter of public record and its distribution is not limited.

Robler, Champagne, Rosen & Raboy, LLC

Certified Public Accountants

Wilde Plaza, Louisiana
June 18, 1997

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**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 Evangeline Community Action, Inc.

We have audited the financial statements of Evangeline Community Action, Inc. (a nonprofit organization) as of and for the year ended January 31, 1997, and have issued our report thereon dated June 30, 1997.

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, Basics of Inspections 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.

Compliance with laws, regulations, contracts, and grants applicable to Evangeline Community Action, Inc. is the responsibility of Evangeline 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 Evangeline Community Action Agency'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.

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.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Villa Platte, Louisiana
June 30, 1997

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

7-10-2007
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Mr. Gervia 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. in accordance with the standards of the Institute of Certified Public Accountants and issued our report thereon dated June 18, 2007.

We have applied procedures to test Evangelical Community Action Agency's compliance with the following requirements applicable to its Federal award programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended January 31, 2007:

General Requirements

Political activity
Civil Rights Act
Civil rights
Cash management
Federal financial reports
Drug-Free Workplace Act
Allowable cost/post 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 Agency'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 those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

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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.

Kalder, Champagne, Slown & Rainey, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Ville Platte, Louisiana
June 28, 1997

KOLDER, CHAMPAGNE, SLAVEN & RAINY, LLC

1997 STATE REGISTERED ACCOUNTANTS

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53703-1500

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

Mr. Garvin Larison, 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. in accordance with the requirements of the Uniform Accounting System for Nonprofit Organizations as of and for the year ended January 31, 1997, and have issued our report thereon dated June 18, 1997.

We have also audited Evangelical Community Action Agency's compliance with the requirements governing types of services allowed or disallowed; eligibility; matching; level of effort; or accounting; reporting; special tests and provisions; claims for advances and reimbursements; and accounts allowed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended January 31, 1997. The management of Evangelical Community Action, Inc. is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on compliance with those 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. Those 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 those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to in the second paragraph.

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IN OUR OPINION, Evangelina 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, 1987.

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.

Rohrer, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Wills Street, Louisiana
June 10, 1987

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

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**Mr. Gerald 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, 1997, and have issued our report thereon dated June 10, 1997. Those financial statements are the responsibility of the management of Evangelical Community Action, Inc. Our responsibility is to express an opinion on those basic 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, *Code of Regulations of Higher Education and other Federal 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. 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 conducted 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 Financial Assistance 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.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Willie D'Arbo, Louisiana
June 10, 1997

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KIMBERLINE COMMUNITY ACTION, INC.

Schedule of Federal Financial Assistance
Year Ended January 12, 1987

<u>Federal Sponsor/Pass Through SERVICE/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:		
Passed through State Dept. of Agriculture and Forestry - Commodities	16.158	\$ 17,484
Passed through State Dept. of Education, Nutrition Food SERVICE	16.158	<u>124,800</u>
Total Department of Agriculture		<u>142,284</u>
U.S. Department of Education:		
Passed through State Dept. of Education, Migrant		<u>12,258</u>
U.S. Department of Health and Human Services:		
Direct Program - Medicaid*	13.428	3,028,470
Passed through State Dept. of Employment and Training - Community Services Block Grant	13.789	98,484
Passed through State Dept. of Social Services : LINEMAP	13.789	<u>188,024</u>
Total Department of Health and Human Services		<u>4,314,978</u>
TOTAL FEDERAL ASSISTANCE		\$1,389,417

*RECAPITALIZE MHAIR PROGRAM

KUNHELINE COMMUNITY ACTION, INC.

**Schedule of Resolutions of Prior Year Findings
Year Ended January 31, 1991**

Findings

In prior years, several of the programs within the Agency loaned monies to other funds using federal grant monies. The federal grant agreements prohibit these type of transactions.

Resolutions

All interfund loans have been forgiven by the appropriate grantors.