



St. John ARC

Financial Statements Year Ended June 30, 2023

T.S. KEARNS & CO.


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St. John ARC
Financial Statements
June 30, 2023

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Independent Accountant's Review Report

**To the Board of Directors
St. John ARC
LaPlace, Louisiana 70068**

We have reviewed the accompanying financial statements of St. John ARC (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in Government Auditing Standards issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of St. John ARC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

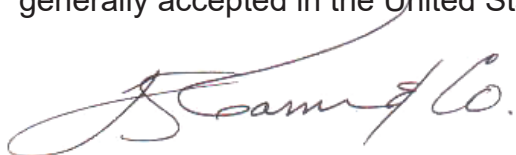
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the accompanying schedule of compensation, benefits and other payments to the chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in my (our) review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Report on 2022 Financial Statements

The financial statements of St. John ARC as of June 30, 2022, were reviewed by other accountants whose report dated November 30, 2022, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Thibodaux, Louisiana
December 31, 2023

FINANCIAL STATEMENTS

St. John ARC
Statements of Financial Position
June 30, 2023 and 2022

ASSETS

	2023	2022
Current Assets:		
Cash	\$ 1,444,617	\$ 1,422,972
Contract Receivables	36,102	42,444
Receivable from St. John Parish (Ad Valorem)	74,385	146,874
Other Receivables	-	182,133
Prepaid Expenses	41,994	24,419
Unconditional promise to give, net present value	41,428	19,988
Total Current Assets	1,638,526	1,838,830
Long-Term Assets:		
Unconditional promise to give, net present value	352,140	-
Property and Equipment, net	3,224,942	2,848,291
Total Long-Term Assets	3,577,082	2,848,291
Total Assets	\$ 5,215,608	\$ 4,687,121

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accrued expenses and other payables	\$ 634,638	\$ 633,924
Short term portion of long term obligations	2,416	2,952
Total Current Liabilities	637,055	636,876
Long-Term Liabilities	7,924	9,653
Total Liabilities	644,978	646,529
Net Assets:		
Without donor restrictions, 2022 restated, note 1L	4,177,062	4,020,604
With donor restrictions	393,568	19,988
Total Net Assets	4,570,630	4,040,592
Total Liabilities and Net Assets	\$ 5,215,608	\$ 4,687,121

The accompanying notes are an integral part of these financial statements.

St. John ARC
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contract revenues - DHH - Medicaid	\$ 1,075,643		\$ 1,075,643
Contract revenues - Betr-Care	31,620		31,620
Ad valorem tax	273,854		273,854
Client contracts	7,636		7,636
Contributed rent	-	\$ 415,580	415,580
Miscellaneous income	186,853	-	186,853
Net assets released from restrictions	42,000	(42,000)	-
Total revenues and other support	1,617,606	373,580	1,991,186
Expenses			
Program services:			
Day Developmental Work-Training Center	438,583	-	438,583
Individual Family Support Services program	846,052	-	846,052
Supporting services:			
Management and general	176,513	-	176,513
Total expenses	1,461,148	-	1,461,148
Change in net assets	156,458	373,580	530,038
Net Assets - Beginning of the Year, restated			
See note 1L	4,020,605	19,988	4,040,593
Net Assets - End of the Year	\$ 4,177,062	\$ 393,568	\$ 4,570,631

The accompanying notes are an integral part of these financial statements.

St. John ARC
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2022

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues and Other Support			
Contract revenues - DHH - Medicaid	\$ 1,071,5		\$ 1,071,5
Contract revenues - 6etr-Care	4735B		4735B
2d vaArel tam	33x7430		33x7430
CAent contracts	5708B		5708B
Contributed rent	-	\$ x70x	x70x
CAent Ancf es	-	-	-
(a)roA(rotection (ro9ral Aan P9iveness	-	-	-
MisceAneous incol e	3Nx7,10	-	3Nx7,10
get assets released Pol restrictions	8x7BBB	:8x7BBBy	-
Total revenues and other support	<u>074B8710B</u>	<u>:317855y</u>	<u>07, , N8xx</u>
Expenses			
(ro9ral servicesp			
Da) DeveAW entaAk orT-I rainin9 Center	, x, 70x4	-	, x, 70x4
IndividuaASal iA huVWort hervices (ro9ral	4547310	-	4547310
huVWortin9 servicesp			
Mana9el ent and 9eneraA	1157N83	-	1157N83
Total expenses	<u>x780x7, B</u>	<u>-</u>	<u>x780x7, 0</u>
Change in net assets	:4B470N0y	:317855y	:48, 7, 31y
Net Assets at the Beginning of the Year	<u>874x474N,</u>	<u>N1784,</u>	<u>874547x3x</u>
Net Assets at the End of the Year	<u>\$ 878x87, BN</u>	<u>\$ 017155</u>	<u>\$ 878887N13</u>

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St. John ARC
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services			Supporting Services		Total
	Day Development Work-Training Program	Individual Family Support Services	Total Program Services	Management and General	Total Supporting Services	
Compensation and related expenses						
Compensation:						
Staff	\$ 232,898	\$ 634,258	\$ 867,156	\$ 85,693	\$ 85,693	\$ 952,850
Clients	7,350	-	7,350	-	-	7,350
Employee benefits - health insurance	28,646	23,458	52,104	-	-	52,104
Payroll taxes	22,842	50,338	73,180	-	-	73,180
Worker's compensation insurance	7,730	10,290	18,021	-	-	18,021
Conference and training	1,576	3,766	5,342	-	-	5,342
Client lunches	62	531	593	-	-	593
Client Holiday Celebration	1,132	-	1,132	895	895	2,027
Depreciation and amortization	10,000	3,540	13,540	78,890	78,890	92,429
Dues	-	1,981	1,981	-	-	1,981
Insurance	17,738	80,528	98,266	-	-	98,266
License and fees	400	3,379	3,779	-	-	3,779
Medicaid billing software and support	1,938	1,063	3,000	100	100	3,100
Occupancy:						
Utilities	8,691	300	8,991	999	999	9,990
Maintenance	10,874	375	11,249	1,250	1,250	12,499
Rent	36,540	1,260	37,800	4,200	4,200	42,000
Professional services	12,774	12,765	25,539	-	-	25,539
Supplies:						
Operating	9,225	318	9,543	1,060	1,060	10,604
Office	8,876	306	9,182	1,020	1,020	10,203
Telephone	6,463	223	6,686	743	743	7,429
Transportation expense	2,209	-	2,209	-	-	2,209
Travel and meals	293	8,714	9,007	-	-	9,007
Interest expense	347	347	695	-	-	695
Other	9,976	8,314	18,290	1,662	1,662	19,952
Total expenses	\$ 438,583	\$ 846,052	\$ 1,284,635	\$ 176,513	\$ 176,513	\$ 1,461,148

The accompanying notes are an integral part of these financial statements.

St. John ARC
Statement of Functional Expenses
Year Ended June 30, 2022

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Day Development Work-Training Program</u>	<u>Individual Family Support Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	
Compensation and related expenses						
Compensation:						
Staff	\$ 350,908	\$ 600,191	\$ 951,099	\$ 24,633	\$ 24,633	\$ 975,732
Clients	9,625	-	9,625	-	-	9,625
Employee benefits - health insurance	48,593	19,982	68,575	-	-	68,575
Payroll taxes	26,522	47,787	74,309	-	-	74,309
Worker's compensation insurance	7,339	10,631	17,970	-	-	17,970
Conference and training	821	5,057	5,878	-	-	5,878
Client lunches	366	-	366	-	-	366
Depreciation	5,600	123	5,723	70,450	70,450	76,172
Dues	330	330	660	-	-	660
Insurance	1,972	69,409	71,381	-	-	71,381
License and fees	-	950	950	2,160	2,160	3,110
Medicaid billing software and support	1,750	1,750	3,500	-	-	3,500
Occupancy:						
Utilities	11,167	385	11,552	1,284	1,284	12,836
Maintenance	31,005	1,069	32,074	3,564	3,564	35,638
Rent	36,540	1,260	37,800	4,200	4,200	42,000
Professional services	1,185	898	2,083	-	-	2,083
Supplies:						
Operating	10,911	376	11,287	1,254	1,254	12,541
Office	15,778	544	16,322	1,813	1,813	18,135
Telephone	6,738	232	6,970	775	775	7,745
Transportation expense	6,604	-	6,604	-	-	6,604
Travel and meals	757	5,830	6,587	-	-	6,587
Hurricane repairs and maintenance	-	-	-	866,306	866,306	866,306
Loss on disposal of assets	47,482	13,281	60,763	21,622	21,622	82,385
Other	4,134	7,306	11,440	482	482	11,922
Total expenses	<u>\$ 626,127</u>	<u>\$ 787,391</u>	<u>\$ 1,413,516</u>	<u>\$ 998,543</u>	<u>\$ 998,543</u>	<u>\$ 2,412,059</u>

The accompanying notes are an integral part of these financial statements.

St. John ARC
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 530,038	\$ (1,048,430)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	92,429	81,230
Loss on disposal of assets	-	232,186
(Increase) decrease in unconditional promise to give, net	(373,580)	39,488
(Increase) decrease in contract receivables	6,342	(2,757)
(Increase) decrease in receivable from St. John Parish (ad valorem)	72,490	201,444
(Increase) decrease in other receivable	182,133	(182,133)
(Increase) decrease in prepaid expenses	(17,575)	(24,419)
Increase (decrease) in accrued expenses and other payables	714	761,441
Net cash provided by (used in) operating activities	492,991	58,049
Investing Activities		
Purchases of property and equipment	(469,082)	(82,323)
Net cash used in investing activities	(469,082)	(82,323)
Financing Activities		
Reduction in ROU Financing Obligations	(2,265)	(3,377)
Net cash used in financing activities	(2,265)	(3,377)
Net increase (decrease) in cash	21,644	(27,651)
Cash and cash designated for long-term purposes, beginning of year	1,422,972	1,450,623
Cash and cash designated for long-term purposes, end of year	\$ 1,444,617	\$ 1,422,972

The accompanying notes are an integral part of these financial statements.

St. John ARC
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

INTRODUCTION

St. John ARC (the Organization) is a 501 (c) (3) non-profit corporation founded for the purpose of helping citizens with mental and physical developmental disabilities and was incorporated on October 30, 1972, under the laws of the State of Louisiana. The Organization operates a Day Developmental Work-Training Center and an Individual Family Support Services program. The day developmental work-training center trains the mentally and physically handicapped citizens of the parish who are 21 years of age and older. The areas of training are geared toward helping the individuals adjust to society. The Organization also provides free transportation for all activities including daily instruction classes. The individual family support service provides twenty-four hour a day in-home care by trained workers and is available for mentally handicapped citizens of all ages.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (US GAAP). US GAAP requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions — Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions — Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization has net assets with donor restrictions related to the contributed use of its facility which is restricted as to time.

Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

B. Cash and Cash Equivalents

Cash consists of amounts held at financial institutions. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with initial

St. John ARC
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

maturity of three months or less to be cash equivalents. The Organization had no cash equivalents as of June 30, 2023 and 2022.

C. Contract Receivables

Contract receivables are stated at unpaid balances, less an allowance for doubtful accounts, if required. The Organization provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts was zero for each of the years ended June 30, 2023 and 2022.

D. Other Receivables

For fiscal year ended 2022, other receivables include \$94,000 of insurance proceeds receivable and a \$65,368 receivable from the parish government related to Hurricane Ida. The amounts were received subsequent to year end.

E. Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost.

Donations of property and equipment are recorded as contributions at fair value on the date of donation. Such donations are reported as an increase in net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose.

Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings and improvements	10-39 years
Land improvements	15 years
Equipment, furniture, and fixtures	5-20 years
Vehicles	5 years

F. Leases

The Organization determines if an arrangement is a lease at inception. Operating leases with an initial term greater than 12 months are included in operating right-of-use (ROU) assets, other current liabilities, and operating lease liabilities in the statement of financial

St. John ARC
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statement of financial position. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

G. Ad Valorem Tax

In 2012, Proposition II was renewed and levied a one mill tax on all the property within the Parish for a period of ten years beginning with the year 2013 and ending with tax year 2022. In November 2022, Proposition II, was renewed and will levy a one mill tax on all the property within the Parish for a period of ten years beginning with the tax year 2023 and ending with tax year 2032. The ad valorem funds are to be used for maintaining and operating the public building used to train developmentally disabled citizens (including payment of salaries and costs and conducting training programs for the developmentally disabled citizens).

H. Revenue Recognition

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year.

The Organization reports gifts of land, buildings, and equipment as revenue without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and the gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenue with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of noncash assets as well as contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The majority of the Organization's revenue is derived from contract revenue (DHH — Medicaid). Other revenue sources include Ad Valorem tax revenue, client contracts, contributed rent, client lunches, and other miscellaneous income. The ad valorem tax and contributions are non-exchange transactions that benefit the general public and are recognized when received.

St. John ARC
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

The Contract revenues are earned over time based upon contractually determined hourly rates associated with attendant care and day habilitation services and day in-home care that are provided to the developmentally disabled citizens. The day habilitation services, and day in-home care are billed on a weekly basis after the services are provided.

I. Compensated Absences

Salaried employees of the Organization accrue leave time of one day for each operational month. Leave must be taken by June 30 each year, or the leave time is lost. Accordingly, the financial statements do not include a provision for compensated absences.

J. Contributed Services and Contributed Rent

Members of the Organization's board of directors and other volunteers have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it does not meet the criteria for recognition under US GAAP. The Organization occupies a parish government owned building located at 101 Bamboo Street, Laplace, Louisiana under an agreement with the St. John the Baptist Parish Council at no charge. The contributed rent is accounted for as an unconditional promise to give and is recorded at net present value.

K. Functional Expenses

Expenses are charged directly to management and general or program services in general categories based on specific identification. Indirect expenses have been allocated using the following methodologies: Salaries and employee-related expenses — time and effort; occupancy and other expenses — management's estimate of usage of the leased premises.

L. Accounting Pronouncements Implemented in Current Year and Restatement of Net Assets

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, to simplify the lease standard's implementation. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard has been implemented for the fiscal year ending June 30, 2023.

St. John ARC
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

As a result of implementation, the following adjustment was made to restate balances at June 30, 2022:

Net Assets Without Donor Restrictions	\$ 215	
Financing Lease Obligation	1,909	
Financing ROU Assets		\$2,124

Unrelated to the item above was another adjustment to June 30, 2022, net assets without donor restrictions. This entry was made to reduce the accrued expense liability reported in the Statement of Net Assets. In fiscal year ended June 30, 2023, the ARC successfully renegotiated the payable to a vendor responsible for repair work on the building due to Hurricane Ida which, therefore, reduced the accrued expense liability. The adjustment reduced accrued expenses by \$301,576 and increased Net Assets without Donor Restrictions by the same amount.

M. Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

N. Concentration of Credit Risk

The Organization maintains cash in bank accounts in excess of insured limits periodically. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

O. Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), though subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY

The financial state of the Organization is overseen by its board of directors. The Organization maintains operating revenues for general expenditures. The Organization's current assets are \$1,638,526 and \$1,838,830 for the years ended June 30, 2023 and 2022, respectively. These assets are available for general expenditures. It is the ARC's goal to maintain current assets to meet 90 days of normal operating

St. John ARC
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

expenses, which are on average \$365,287. In addition, the Organization has a \$50,000 line of credit available to meet cash flow needs.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2023	2022
Land	\$ 50,412	\$ 50,412
Leasehold Improvements	-	45,900
Land Improvements	39,449	39,449
Building and Improvements	2,894,466	2,894,466
Equipment	29,773	27,662
Vehicles	302,660	-
Construction in progress	162,082	-
Less: Accumulated Depreciation	(263,606)	(176,057)
Property and Equipment, Net	<u>3,215,234</u>	<u>2,835,932</u>
Financing right-of-use assets	12,788	12,788,605
Less: Accumulated Depreciation	(3,080)	(246)
Total financing ROU assets, net	<u>9,708</u>	<u>12,359</u>
Net investment in property and equipment	<u>\$ 3,224,942</u>	<u>\$ 2,848,291</u>

Certain balances at June 30, 2022 were restated due to the implementation of the new Lease standard, see note 1L.

NOTE 4. LINE OF CREDIT

The Organization has an unsecured line of credit of \$50,000 with a variable interest rate based on current bank prime rate. The line of credit will continue until the Organization or the lender terminates the agreement, At both June 30, 2023 and 2022, the balance on the line of credit was \$0 and the interest rate was 12.25% and 8.5%, respectively.

NOTE 5. CONTRIBUTED RENT

The Organization occupies a parish government owned building located at 101 Bamboo Street, Laplace, Louisiana under an agreement with the St. John the Baptist Parish Council at no charge. An asset related to the contributed use of the facility through the period ending December 31, 2022, the period for which the current Proposition II millage has been approved, has been recorded at its net present value in the amount of \$393,568 and \$19,988 for the years ended June 30, 2023 and 2022, respectively, on the statement of financial position. A risk-free rate of 2.5% was used to determine the present value for the year ended June 30, 2023 and 2022.

St. John ARC
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 6. CONCENTRATION OF REVENUES

The Organization receives approximately 69% and 56% of total revenue for the years ended June 30, 2023 and 2022, respectively, from the State of Louisiana, Department of Health and Hospitals.

NOTE 7. LEASES

Copy machine

On June 1, 2022, the ARC entered into a lease agreement with Xerox Financial Services, LLC for a Xerox Copier. The agreement is for 60 months. Monthly payments are \$245.99. Management has determined this lease to be a financing right-of-use asset with an imputed interest rate of 6%. At **Error! No document variable supplied.** and June 30, 2022, the remaining financing lease liability for this agreement was \$10,340 and \$12,605, respectively.

Future minimum commitments required under financing leases are as follows:

Year Ended July 30,	Total Commitment
2024	\$2,416
2025	\$2,566
2026	\$2,724
2027	\$2,634
Total minimum payments	<u>\$10,370</u>

Interest expense for the year ended **Error! No document variable supplied.**, was **Error! No document variable supplied.**

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 31, 2023, the date that the financial statements were available to be issued and determined that there were no events that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 9. LITIGATIONS AND CLAIMS

The ARC is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries; and natural disasters. Commercial insurance coverage is purchased to cover real and personal property, general liability, automobile, and criminal liability. There has been no significant reduction in insurance coverage during the current or previous fiscal year.

Supplemental Information

St. John ARC
Supplemental Schedule of Compensation, Benefits, and Other Payments To
Agency Head
For the Year Ended June 30, 2023

Agency Head Name: Linda Lambert, Director of Day Program

PURPOSE	AMOUNT
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Benefits - Other	-
Car Allowance	-
Vehicle provided by governance	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouched Expenses	-
Special Meals	-
Other	-

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds. The ARC is not required to report the total compensation, reimbursements, and benefits paid to the agency head as these costs are not supported by public funds.

See independent accountant's review report.



Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors of St. John ARC, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the St. John ARC, Inc.'s (the ARC), compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire* during the fiscal year ended June 30, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The ARC's management is responsible for its financial records and compliance with applicable laws and regulations.

The ARC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the ARC's compliance with the laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire* during the year ended June 30, 2023. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

The ARC represented that they received no state or local government grant awards during the fiscal year ended June 30, 2023.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Not applicable due to no grants received by the ARC during the year ended June 30, 2023.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Not applicable due to no grants received by the ARC during the year ended June 30, 2023.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

Not applicable due to no grants received by the ARC during the year ended June 30, 2023.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

Not applicable due to no grants received by the ARC during the year ended June 30, 2023.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Not applicable due to no grants received by the ARC during the year ended June 30, 2023.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

Not applicable due to no grants received by the ARC during the year ended June 30, 2023.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Not applicable due to the ARC not being subject to the open meetings law.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Not applicable due to no grants received by the ARC during the year ended June 30, 2023.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The ARC's report was submitted to the Legislative Auditor in accordance with R.S. 24:513 for the year ended June 30, 2023.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Not applicable due to the ARC having been in compliance with R.S. 24:513 during the fiscal year.

Prior-Year Comments

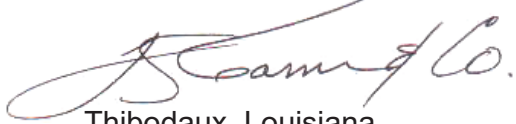
12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

In the agreed-upon procedures engagement for the year ended June 30, 2022, it was reported that the ARC did not meet its filing deadline in accordance with R.S. 24:513. Management represented that this condition has been resolved.

We were engaged by the ARC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the ARC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the ARC's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire*, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Thibodaux, Louisiana
December 31, 2023

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

8/31/23 (Date Transmitted)

T.S. Kearns & Co, CPA
164 W Main St.
Thibodaux, LA 70301

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2023 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No [] N/A

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [] No [] N/A

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No [] N/A

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No [] N/A

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes [] No [] N/A

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [] N/A

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [] N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No [] N/A []

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose

to you any such communication received between the end of the period under examination and the date of your report.

Yes No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No [] N/A []

The previous responses have been made to the best of our belief and knowledge.

Cherie L. Bourg Secretary 8/31/23 Date

[Signature] Treasurer 8-31-23 Date

Drew Turner President 8-31-23 Date