

**ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITORS' REPORT

and

INDEPENDENT AUDITORS' REPORTS ON INTERNAL ACCOUNTING CONTROL  
AND COMPLIANCE AND OTHER MATTERS

For the Year Ended May 31, 2020



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
St. Martin, Iberia, Lafayette  
Community Action Agency, LLC  
Lafayette, Louisiana

We have audited the accompanying financial statements of St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2020, and the related statements of activities and changes in net assets, of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Martin, Iberia, Lafayette Community Action Agency, Inc. as of May 31, 2020, and the activities and changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

**Closure of Head Start Program**

In the current year as described in Note 2 to the financial statements, the St. Martin, Iberia, Lafayette Community Action Agency, Inc. completed the closure of the Head Start program which they previously operated. Our opinion is not modified with respect to this matter.

**Other Matters**

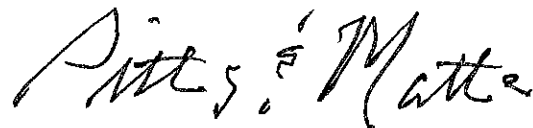
**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and reimbursement to agency head, political subdivision head or chief executive officer, and the schedule of activity by program, are presented for additional analysis and are not a required part of the basic financial statements of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. The accompanying schedule of expenditures of federal awards and related notes as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are also 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 24, 2021, on our consideration of St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

May 24, 2021  
Morgan City, Louisiana

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION  
March 31, 2020

ASSETS

Current assets	
Cash	\$ 370,325
Grants receivable	464,977
Prepaid expenses	<u>39,563</u>
Total current assets	874,865
Noncurrent assets	
Fixed assets - less accumulated depreciation	<u>382,569</u>
Total noncurrent assets	<u>382,569</u>
Total assets	<u>\$ 1,257,434</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 157,796
Note payable-current	33,115
Lease obligation payable-current	<u>6,970</u>
Total current liabilities	<u>197,881</u>
Long-term liabilities	
Lease obligation payable-less current portion	<u>14,922</u>
Total liabilities	<u>212,803</u>
Net assets	
Without donor restrictions	629,865
With donor restrictions:	
Home energy assistance program	\$ 110,202
Support services for community-based programs	298,233
Management and general programs	<u>6,331</u>
	<u>414,766</u>
Total net assets	<u>1,044,631</u>
Total liabilities and net assets	<u>\$ 1,257,434</u>

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

## ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

### STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS FOR THE YEAR ENDED MAY 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Grants		\$ 4,761,443	\$ 4,761,443
Contributions	\$ 4,050	13,287	17,337
Other revenue	272,509	23,841	296,350
Net assets released from restrictions:			
Satisfaction of program restrictions	4,795,000	(4,795,000)	-
Total support	5,071,559	3,571	5,075,130
Expenses			
Home energy assistance program	3,178,483	-	3,178,483
Support services for community programs	1,047,889	-	1,047,889
Transportation	432,147	-	432,147
Management and general	493,865	-	493,865
Total program expenses	5,152,384	-	5,152,384
Excess (deficiency) of support over (under) expenses	(80,825)	3,571	(77,254)
Other changes in net assets			
Head Start closure	862,912	-	862,912
Increase (decrease) in net assets	782,087	3,571	785,658
Net assets beginning of year	(152,222)	411,195	258,973
Net assets end of year	\$ 629,865	\$ 414,766	\$ 1,044,631

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

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY INC.

Statement of Functional Expenses

For the year ended May 31, 2020

<u>Expenses:</u>	<u>Home Energy Assistance Programs</u>	<u>Support Services for Community Programs</u>	<u>Transportation Programs</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Wages	\$ 328,413	\$ 564,595	\$ 198,429	\$ 8,186	\$1,099,623
Fringe Benefits	27,841	88,410	17,623		133,874
Retirement Plan	6,941	11,608	2,764		21,313
Contract Services	41,787	90,733	17,624	155,343	305,487
Consumable Supplies	56,282	20,084	2,192	5,079	83,637
Travel	230	16,244	1,389	3,685	21,548
Space Cost	82,294	120,291	16,912	9,383	228,880
Repairs and Maintenance	4,550	16,789	91,672	19,010	132,021
Operating Services	2,622,564	89,584	68,468	41,399	2,822,015
Other	5,113	25,362	4,569	191,799	226,843
Depreciation	2,468	4,189	10,505	56,864	74,026
Interest expense	-	-	-	3,117	3,117
Total Unrestricted Expenses	<u>\$ 3,178,483</u>	<u>\$ 1,047,889</u>	<u>\$ 432,147</u>	<u>\$ 493,865</u>	<u>\$5,152,384</u>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS  
For the Year Ended March 31, 2020

Cash flows from operating activities:	
Received from grantors	\$ 4,667,036
Other revenues	313,687
Paid to employees	(1,099,623)
Paid to vendors	<u>(3,997,958)</u>
Net cash provided (used) by operating activities	<u>(116,858)</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>(58,622)</u>
Net cash provided (used) by investing activities	<u>(58,622)</u>
Cash flows from financing activities:	
Repayment of debt	<u>(40,760)</u>
Net cash provided (used) by financing activities	<u>(40,760)</u>
Net increase (decrease) in cash and cash equivalents	(198,677)
Cash and cash equivalents at beginning of year	<u>569,002</u>
Cash and cash equivalents at end of year	<u>\$ 370,325</u>

Note:

The Agency received a noncash contribution of \$102,242 towards the acquisition of two vehicles during the year.



## St. Martin, Iberia, Lafayette Community Action Agency, Inc.

### NOTES TO THE FINANCIAL STATEMENTS May 31, 2020

#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A summary of the Agency's significant accounting policies applied in the preparation of the accompanying financial statements follows:

The St. Martin, Iberia, Lafayette Community Action Agency, Inc. (Agency) was created under the Economic Opportunity Act of 1964, as amended, to serve as the antipoverty agency, providing human services for the indigent and disadvantaged through research, planning, development, financing, implementation and evaluation of programs, either directly or through coordinating with other agencies, to attain social and economic independence for the benefit of all present and future generations of disadvantaged people in the Tri-Parish area. The Agency's Board of Directors is comprised of eighteen members, six each from St. Martin, Iberia, and Lafayette Parishes of Louisiana.

The following is a summary of the programs with significant activity and their primary funding source and functions applicable to the Agency during the year ended May 31, 2020:

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>	<u>Description of Operations</u>
General	Various	Management & General	General operations.
Home Energy Assistance	U.S. Dept. of Health and Human Services	Home Energy Assistance	To provide direct payments to home energy suppliers on behalf of eligible households, particularly the elderly and disabled.
CSBG (Community Services Block Grant)	U.S. Dept. of Health and Human Services	Support services for community programs	Provides support services for community-based, anti-poverty programs and projects, such as emergency assistance, transportation, housing and weatherization.
Transportation	U.S. Dept. of Transportation and State of Louisiana Dept. of Transportation	Transportation	Provides transportation services (within and outside of respective parishes) for a nominal fee so that clients may attend hospital and medical appointments and social service appointments.
Other	Various	Support services for community programs	Provides assistance to eligible individuals for food, shelter, youth development, computer training, Rent and medical assistance.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of Accounting

The accrual basis of accounting is used by the Agency.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Support and Revenues

A significant portion of the Agency's support and revenue is in the form of grants and contributions from governmental agencies and other groups. Contributions are generally reported as support with donor restrictions, if they are received with donor stipulations. Significant grants are also accounted for as support with donor restrictions if the value received by the grant provider is only incidental to the public benefit provided by use of the grant funds. When the stipulations of the grantor or donor are met, then these assets are reclassified as unrestricted and reported in the statement of activity and changes in net assets as net assets released from restrictions. The Agency receives some grants which would normally be accounted for as support with donor restrictions. However, when the Agency meets grantor restrictions in the same year as the grant funds are received, these grants are reported as unrestricted.

### Expenses

Assets or expenses and their related liabilities are recorded when the related goods or services are received by the Agency.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Property and equipment is capitalized at cost. All federal program assets costing \$5,000 or more are capitalized and all state program assets costing \$250 or more are capitalized. Property and equipment purchased with federal monies may revert back to the government or the sale of such property and equipment has to be approved and the proceeds from the sale are restricted. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Agency reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of assets as follows:

Computers	3 years
Furnitures, fixtures, and equipment	7-10 years
Automobiles	5 years
Buildings and improvements	15-20 years

Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. An accrual is made for the amount of compensation the employees will receive in the future based upon services performed through May 31, 2020. The amount of compensated absences accrued at May 31, 2020 is approximately \$21,000.

Net assets

In accordance with the FASB Accounting Standards Codification, the Agency must report net assets in each of the following two classes:

- a. net assets with donor restrictions - net assets in this category are restricted by grantor or donor imposed stipulations . Some donor restrictions are temporary in nature; these restrictions will either expire by passage of time or can be fulfilled and removed by actions of the organization.
- b. net assets without donor restrictions - net assets in this category are not restricted by grantor or donor imposed restrictions.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

The Agency has net assets with donor restrictions and net assets without donor restrictions.

The net assets with donor restrictions result from grants or donations received with restrictions that expire when those grantor or donor imposed stipulations have been met. Once the stipulation related to the restriction has been met these net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Agency considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

### Income Tax Status

The Agency operates as a not-for-profit organization which has obtained a favorable tax determination letter from the IRS in May of 1969 stating the Agency is qualified, under Section 501 (c) (3) of the Internal Revenue Code. Once qualified, the Agency is required to operate in conformity with the code to maintain its qualification. Management believes the Agency is currently operated in compliance with the applicable requirements of the code. Therefore no provision for income tax has been included in the Agency's financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Agency and recognize a tax liability (or asset) if the Agency has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Agency is no longer subject to income tax examination for years ended May 31, 2016 and prior.

### Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates and time and effort.

**NOTE 2 – CLOSURE OF HEAD START PROGRAM**

In prior years the Agency operated Head Start program in the geographic area its serves.

As part of the termination process, the Agency was required to transfer certain assets to those other entities and to liquidate certain outstanding obligations of the program. At May 31, 2019 the Agency's financial statements contained a liability to the grantor in recognition of the remaining amount necessary to close the program.

As of May 31, 2020 all asset transfers and other requirements for the program closure were completed to the satisfaction of the grantor. Accordingly the Agency has removed the remaining liability from their financial statements and recognized an increase in net assets without donor restrictions of \$862,912 for the year ended May 31, 2020.

**NOTE 3- LIQUIDITY AND AVAILABILITY**

The Agency has \$874,865 of financial assets available within one year of the balance sheet date of which \$307,695 is without donor restrictions to meet cash needed for general expenditures and the remaining \$567,170 is with donor restrictions as described below:

<u>Program/ Restriction on Use</u>	<u>Cash</u>	<u>Grants Receivable</u>	<u>Prepaid Expense</u>	<u>Total</u>
Home Energy Assistance Housing and Utility Assistance Program	\$ 2,453	\$ 262,708	\$ 1,475	\$ 266,636
CSBG Support Services for Community Programs	1,317	88,761	5,012	95,090
Transportation Transportation Program	226	98,268	12,494	110,988
Local Government Support (Matching) Management and General	37,745		164	37,909
Various other programs Support Services for Community Programs	<u>43,901</u>	<u>12,299</u>	<u>347</u>	<u>56,547</u>
Total	<u>\$ 85,642</u>	<u>\$ 462,036</u>	<u>\$ 19,492</u>	<u>\$ 567,170</u>

The Agency structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

#### NOTE 4 - FIXED ASSETS

Property and equipment at May 31, 2020 consists of the following:

Furniture, fixtures, and equipment	\$279,447
Automobiles	443,132
Buildings and improvements	1,080,422
Land	<u>28,800</u>
Total	1,831,801
Less: Accumulated depreciation	<u>(1,449,232)</u>
Property and equipment, net	<u>\$ 382,569</u>

Depreciation and amortization for the year ended May 31, 2020 totaled approximately \$74,000.

Certain grant requirements restrict the use of certain fixed assets. A substantial portion of buildings and vehicles acquired with grant funds might revert to the grantor if those fixed assets would cease to be used in that program.

#### NOTE 5 - NOTES PAYABLE

The Agency's note payable balance is all current at May 31, 2020 as follows:

##### Description

Note payable to Capital One, original amount of \$500,000, due in monthly installments of \$4,449, which includes interest at a rate of 4.7 percent, maturing December 2021, secured by building	\$33,115
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#### NOTE 6- LEASES

##### Operating Leases

At May 31, 2020, the Agency had significant operating leases in effect. The leases cover the buildings in various locations used to serve recipients of the Agency's services. Total rent expense related to these operating leases for the year ended May 31, 2020 totaled approximately \$97,000.

The aggregate future minimum lease payments for these leases is approximately:

Year ended May 31, 2021	\$97,000
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## NOTE 6- LEASES (continued)

### Capital Lease

During the current year the Agency acquired a vehicle valued at \$26,856 under a leasing arrangement. This vehicle was capitalized along with the Agency's other vehicles and is being amortized over its useful life (5 years). During the year the Agency reduced the original lease liability by \$4,965.

Future lease payments under this leasing arrangement is as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$6,970	\$715	\$ 7,685
2022	7,327	358	7,685
2023	<u>7,595</u>	<u>40</u>	<u>7,635</u>
Total	<u>\$21,892</u>	<u>\$1,113</u>	<u>\$23,005</u>

## NOTE 7 - EMPLOYEE BENEFIT PLAN

The Agency contributes to a defined contribution plan administered under a contract with Mutual of America. Mutual of America receives the plan contributions, maintains participants' individual accounts, offers the investment options and pays benefits to participants and their beneficiaries.

The plan covers all employees who have one year of service and are age eighteen or older. The Agency will contribute to the plan the amount determined by the Agency at its discretion. The Agency may choose not to contribute to the plan for a particular plan year. Participants can contribute any amount from 1% to 16% of their compensation each pay period provided that the participant does not contribute more than the maximum permitted by law. In the year ended May 31, 2020 the Board approved a contribution rate of 3%. The Agency contribution for the year ending May 31, 2020 was \$21,313.

## NOTE 8 - CONCENTRATIONS

Ninety-four percent of the Agency's funding is obtained from federal grants. The largest federal grant administered by the Agency is the LIHEAP program which accounts for sixty-two percent of the Agency's total funding for the year ended May 31, 2020.

## NOTE 9 - SUBSEQUENT EVENTS

The Agency's management evaluated whether any events and transactions occurred subsequent to May 31, 2020 through May 24, 2021, the date the Agency's financial statements are available to be issued, and determined that there were no material events or transactions that would require recognition in the Agency's financial statements.

SUPPLEMENTARY INFORMATION



**ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.**  
Schedule of Compensation, Benefits, and Reimbursements to  
Agency Head, Political Subdivision Head, or Chief Executive Officer  
For the Year Ended May 31, 2020

Chief Executive Officer : Craig A. Mathews

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 69,992
Benefits-Retirement related	8,676
Per diem	1,021
Reimbursement-Travel/Hotels/Conference costs	5,108
Total	<u>\$ 84,797</u>

These amounts represent all compensation, benefits, and reimbursements for the year.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.  
SCHEDULE OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MAY 31, 2020

	Payroll / <u>Indirect Cost Pool</u>	Lafayette Emergency <u>Food &amp; Shelter</u>	Computer <u>Technology</u>	<u>CSBG</u>	Iberia Food & Medical	<u>Transportation</u>
Support:						
Public support - Donations						\$ 13,287
Grants from governmental agencies				\$ 1,091,526	\$ 5,689	428,878
Other revenue - Miscellaneous	\$ 3,908	-	-	-	-	6,798
Total revenues, gains, and other support	<u>3,908</u>	<u>-</u>	<u>-</u>	<u>1,091,526</u>	<u>5,689</u>	<u>448,963</u>
Expenses and losses:						
Direct costs -						
Salaries and wages	8,186			521,711		198,429
Fringe benefits				84,290		17,623
Retirement plan				11,130		2,764
Contract services	15,517			66,576		17,624
Consumable supplies	1,902			18,491		2,192
Travel				15,337		1,389
Space costs				118,966		16,912
Repairs and maintenance	3,425			16,539		91,672
Operating services	280			93,795	2,758	68,468
Other	140			20,171	60	4,569
Depreciation	1,577		\$ 1,554	2,635		10,505
Interest expense	158	-	-	-	-	-
Total expenses	<u>31,185</u>	<u>-</u>	<u>1,554</u>	<u>969,641</u>	<u>2,818</u>	<u>432,147</u>
Excess of support over (under) expenses	(27,277)	-	(1,554)	121,885	2,871	16,816
Other changes in net assets						
Head Start closure						
Transfer due to closure						
Increase (decrease) in net assets	<u>(27,277)</u>	<u>-</u>	<u>(1,554)</u>	<u>121,885</u>	<u>2,871</u>	<u>16,816</u>
Net assets, beginning of year	28,099	18,729	17,860	107,271	1,468	(28,165)
Net assets, end of year	\$ 822	\$ 18,729	\$ 16,306	\$ 229,156	\$ 4,339	\$ (11,349)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.  
SCHEDULE OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MAY 31, 2020

	United Way	Medicaid Enrollment	Pugh Family Trust	General	Head Start	Food Reimbursement	RSVP	Iberia Emergency Food & Shelter	LYFE	EITC	HUD
Support:											
Public support - Donations				\$ 4,050							
Grants from governmental agencies							\$ 61,322			\$ 1,304	\$ 14,421
Other revenue - Miscellaneous	-	-	-	188,501	\$ 82,192	-	1,992	\$ 13	-	-	-
<b>Total revenues, gains, and other support</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,551</b>	<b>82,192</b>	<b>-</b>	<b>63,314</b>	<b>13</b>	<b>-</b>	<b>1,304</b>	<b>14,421</b>
Expenses and losses:											
Direct costs -											
Salaries and wages							38,618			1,079	3,187
Fringe benefits							3,798			82	240
Retirement plan							350			33	95
Contract services				133,853	5,973		4,500			2,627	10,500
Consumable supplies				3,177			1,593				
Travel				2,976	709		907				
Space costs							1,325				
Repairs and maintenance				13,135			250				
Operating services				33,674	2,579		(7,099)			33	97
Other				112,970	78,000		4,141	34			
Depreciation				34,387							
Interest expense	-	-	-	2,959	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337,131</b>	<b>87,261</b>	<b>-</b>	<b>48,363</b>	<b>34</b>	<b>-</b>	<b>3,854</b>	<b>14,119</b>
Excess of support over (under) expenses	-	-	-	(144,580)	(5,069)	-	14,931	(21)	-	(2,550)	302
Other changes in net assets											
Head Start closure					862,912						
Transfer due to closure				857,843	(857,843)						
<b>Increase (decrease) in net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>713,263</b>	<b>-</b>	<b>-</b>	<b>14,931</b>	<b>(21)</b>	<b>-</b>	<b>(2,550)</b>	<b>302</b>
Net assets, beginning of year	2,781	2,390	189	(114,562)	-	41,924	(16,856)	21	1,875	16,236	9,078
<b>Net assets, end of year</b>	<b>\$ 2,781</b>	<b>\$ 2,390</b>	<b>\$ 189</b>	<b>\$ 598,701</b>	<b>\$ -</b>	<b>\$ 41,924</b>	<b>\$ (1,925)</b>	<b>\$ -</b>	<b>\$ 1,875</b>	<b>\$ 13,686</b>	<b>\$ 9,380</b>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.  
SCHEDULE OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MAY 31, 2020

	<u>CHDO</u>	<u>Local Government Support</u>	<u>Home Energy Assistance</u>	<u>Parish Emergency Assistance</u>	<u>Iberia Parish Special Trust</u>	<u>Shelter Fund</u>	<u>Cookbook Fund</u>	<u>Total All Programs</u>
Support:								
Public support - Donations								\$ 17,337
Grants from governmental agencies		\$ 13,200	\$ 3,145,103					4,761,443
Other revenue - Miscellaneous	-	260	10,870	-	-	-	\$ 1,816	296,350
Total revenues, gains, and other support	-	13,460	3,155,973	-	-	-	1,816	5,075,130
Expenses and losses:								
Direct costs -								
Salaries and wages			328,413					1,099,623
Fringe benefits			27,841					133,874
Retirement plan			6,841					21,313
Contract services	6,530		41,787					305,487
Consumable supplies			56,282					83,637
Travel			230					21,548
Space costs		9,383	82,294					228,880
Repairs and maintenance		2,450	4,550					132,021
Operating services		4,866	2,622,564					2,822,015
Other		690	5,113			955		226,843
Depreciation		20,900	2,468					74,026
Interest expense	-	-	-	-	-	-	-	3,117
Total expenses	6,530	38,289	3,178,483	-	-	-	955	5,152,384
Excess of support over (under) expenses	(6,530)	(24,829)	(22,510)	-	-	-	861	(77,254)
Other changes in net assets								
Head Start closure								862,912
Transfer due to closure								-
Increase (decrease) in net assets	(6,530)	(24,829)	(22,510)	-	-	-	861	785,658
Net assets, beginning of year	-	26,821	132,712	1,841	157	1,743	7,361	258,973
Net assets, end of year	\$ (6,530)	\$ 1,992	\$ 110,202	\$ 1,841	\$ 157	\$ 1,743	\$ 8,222	\$ 1,044,631

**ST. MARTIN COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended May 31, 2020**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	EXPENSES INCURRED
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
Direct Program:			
Housing Counseling Assistance Program	14.169		\$ <u>14,119</u>
<u>Department of Transportation</u>			
Passed through Louisiana Department of Transportation and Development & Passed through Iberia Parish Government Formula Grants for Rural Areas	20.590	LA-2017-013	<u>387,039</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Louisiana Housing Corporation (LHC) Low-Income Home Energy Assistance	93.568	10390151	3,184,970
Passed through Louisiana Workforce Commission -  Community Service Block Grant	93.569	2018N0024 2000370850 200487542	<u>975,961</u>
Total Department of Health and Human Services			<u>4,160,931</u>
<u>The Corporation for National Service</u>			
Direct Program:			
Retired and Senior Volunteer Program	94.002		<u>48,383</u>
Total expenditures of federal awards			<u>\$ 4,610,472</u>

The accompanying notes are an integral part of this schedule.

**ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended May 31, 2020**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of St. Martin, Iberia, Lafayette Community Action Agency, Inc. (Agency) under programs of the federal government for the year ended May 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, functional expenses or cash flows of the Agency.

**NOTE 2 - REPORTING METHOD**

Except for Formula Grants for Rural Areas, Low-Income Housing Assistance, and Community Service Block Grant, all revenues and expenses on this schedule are reported on the basis of generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. The Agency did not use the 10% de minimis cost rate for year ending May 31, 2020.

**NOTE 3 – FORMULA GRANTS FOR RURAL AREAS (CFDA#20.590)**

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule for the Formula Grants for Rural Areas is as follows:

Total unrestricted expenses per Statement of Activity by Program	\$432,147
Less: Depreciation expense	(10,505)
Local Funding Match	<u>(34,603)</u>
Total expenses incurred per Schedule of Expenditures of Federal Awards	<u>\$387,039</u>

NOTE 4 – LOW-INCOME HOUSING ENERGY ASSISTANCE (CFDA#93.568)

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule for the Low-Income Housing Energy Assistance is as follows:

Total unrestricted expenses per Statement of Activity by Program	\$3,178,483
Less: Depreciation expense	(2,468)
Add: Purchase of fixed assets with grant funds (note this is an asset shared between programs)	<u>8,955</u>
Total expenses incurred per Schedule of Expenditures of Federal Awards	<u>\$3,18,970</u>

NOTE 5 – COMMUNITY SERVICE BLOCK GRANT (CFDA#93.569)

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule for the Community Service Block Grant is as follows:

Total unrestricted expenses per Statement of Activity by Program	\$969,641
Less: Depreciation expense	(2,635)
Add: Purchase of fixed assets with grant funds (note this is an asset shared between programs)	<u>8,955</u>
Total expenses incurred per Schedule of Expenditures of Federal Awards	<u>\$975,961</u>

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE  
AND OTHER MATTERS





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

Board of Directors  
St. Martin, Iberia, Lafayette  
Community Action Agency, Inc.  
Lafayette, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2020, and the related statements of activity and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002 that we consider to be material weaknesses.

#### Compliance and Other Matters

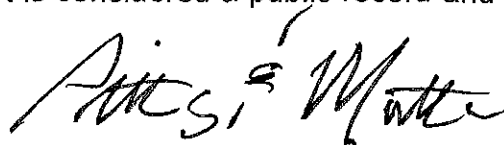
As part of obtaining reasonable assurance about whether the St. Martin, Iberia, Lafayette Community Action Agency, Inc. 's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### Response to Findings

The Agency's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Agency's response was not subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

May 24, 2021  
Morgan City, Louisiana



a corporation of  
certified public accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY UNIFORM GUIDANCE

Board of Directors  
St. Martin, Iberia, Lafayette  
Community Action Agency, Inc.  
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited St. Martin, Iberia, Lafayette Community Action Agency Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the St. Martin, Iberia, Lafayette Community Action Agency Inc.'s major federal programs for the year ended May 31, 2020. The St. Martin, Iberia, Lafayette Community Action Agency Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the St. Martin, Iberia, Lafayette Community Action Agency Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Martin, Iberia, Lafayette Community Action Agency Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of St. Martin, Iberia, Lafayette Community Action Agency Inc.'s compliance.

#### Opinion on Each Major Federal Program

In our opinion, St. Martin, Iberia, Lafayette Community Action Agency Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2020.

#### Report on Internal Control Over Compliance

Management of St. Martin, Iberia, Lafayette Community Action Agency Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered St. Martin, Iberia, Lafayette Community Action Agency Inc.'s internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Martin, Iberia, Lafayette Community Action Agency Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

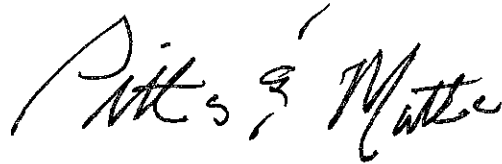
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We identified certain deficiencies in internal control over compliance as described in the accompanying Schedule of Findings and Questioned Costs as items 2020-003 and 2020-004 that we consider to be material weaknesses.

Response to Findings

The Agency's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Agency's response was not subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to described the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

May 24, 2021  
Morgan City, Louisiana

**ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.**  
**SCHEDULE OF FINDINGS, AND QUESTIONED COSTS**  
**For the Year Ended May 31, 2020**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of the St. Martin, Iberia, Lafayette Committee Action Agency, Inc., which are prepared in accordance with GAAP.
2. Two internal control deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the St. Martin, Iberia, Lafayette Committee Action Agency, Inc. were disclosed during the audit.
4. Two findings related to internal control over compliance were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the St. Martin, Iberia, Lafayette Committee Action Agency, Inc. expresses an unmodified opinion on all major federal programs.
6. Two audit findings relative to the major federal award programs for the St. Martin, Iberia, Lafayette Committee Action Agency, Inc., are reported in Part C of this Schedule.
7. The programs tested as a major programs are:
  - U.S. Department of Health and Human Services:
    - Low-Income Home Energy Assistance (CFDA No. 93.568)
  - U.S. Department of Health and Human Services:
    - Community Service Block Grant (CFDA No. 93.569)
8. The threshold for distinguishing types A and B programs was \$750,000.
9. St. Martin, Iberia, Lafayette Committee Action Agency, Inc. was not determined to be a low risk auditee.

## B. FINDINGS – FINANCIAL STATEMENT AUDIT

### INTERNAL CONTROL OVER FINANCIAL REPORTING

#### MATERIAL WEAKNESSES

##### ITEM NO. 2020-001 Inadequate Supervision and Review

Low-Income Home Energy Assistance (LIHEAP) (CFDA 93.568) Passed through Louisiana Housing Corporation (LHC)

#### Auditors' Comments

Condition: The Agency's internal control system includes policies and procedures related to eligibility of LIHEAP participants (including amounts of benefits).

Eligible recipients may receive up to three payments annually in their behalf (Heating, Cooling & Crisis).

As part of our audit we tested this system. Our test included benefits paid on behalf of 40 participants. Our test found no payments made in behalf of ineligible participants nor any payments made for improper amounts.

The controls related to LIHEAP participant eligibility includes several tasks, including some performed by intake personnel and subsequently approved by supervisory personnel for both the initial benefit payments and subsequent benefits in behalf of the same individual.

Our test revealed that in all instances, involving initial benefits, all steps were properly followed by intake personnel and supervisory personnel.

However in four instances, involving additional benefit payments for already approved individuals, supervisory personnel failed to approve the subsequent payment documentation prepared by the intake personnel.

Criteria: Controls in place over eligibility for individuals require the agency to have a completed and approved LIHEAP application (including those for additional benefits) on file signed by both the applicant and a supervising agency representative.

Effect: Failure to following the internal control system could result in errors that may not be detected which could potentially result in an ineligible applicant receiving assistance under the program or payment being made for an improper amount.

Cause: The Agency did not follow its internal controls in place for the intake approval process when an applicant applies for additional benefits (Heating, Crisis, Cooling).

Recommendation: Supervisors should review and sign all documents as prescribed in the Agency's internal control system.

Management's Response:

Due to the challenges brought on by the COVID-19 Pandemic that occurred during the FY2020 operating period, SMILE's implementation of the corrective action protocols that were previously put into place were unable to be completed during the year. Management anticipates full implementation of these measures being completed by the end of Summer 2021.

Specifically, we will do the following:

Supervisory level personnel will continue to monitor and review all client program files for accuracy and to ensure that the appropriate signatories appear where necessary.



ITEM NO. 2020-002 Inadequate Supervision and Review

Community Service Block Grant (CSBG) (CFDA 93.569) Passed through Louisiana Workforce Commission

Auditors' Comments

Condition: The Agency's internal control system includes policies and procedures related to eligibility of participants for certain benefits provided through CSBG.

As part of our audit we tested this system. Our test included benefits paid on behalf of 40 participants. Our test found no payments made in behalf of ineligible participants nor any payments made for improper amounts.

The controls related to CSBG participant eligibility included several steps.

Our test revealed that in one instance the Agency CSBG file for the participant did not contain a copy of that individual's identification documentation (ID) or social security card.

Note this individual was also a participant in another Agency program and management provided us with a copy of the ID and social security card.

Criteria: Internal controls in place over eligibility for individuals, among other things, require the Agency to have a copy of the individual's ID and Social Security card on file.

Effect: Failure to obtain all required information could allow applicants to receive benefits under the program when they are not eligible.

Cause: The Agency's files did not contain all required documents.

Recommendation: The Agency should make sure all required documentation is obtained and maintained.

Management's Response:

Due to the challenges brought on by the COVID-19 Pandemic that occurred during the FY2020 operating period, SMILE's implementation of the corrective action protocols that were previously put into place were unable to be completed during the year. Management anticipates full implementation of these measures being completed by the end of Summer 2021.

Specifically, we will do the following:

We will obtain and maintain all required documentation in the appropriate files.

## C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

### INTERNAL CONTROL OVER COMPLIANCE

#### MATERIAL WEAKNESSES

##### ITEM NO. 2020-003 Inadequate Controls over Applicant Eligibility

Low-Income Home Energy Assistance (LIHEAP) (CFDA 93.568) Passed through Louisiana Housing Corporation (LHC)

Finding 2020-001 also applies to this grant (see page 28)

##### ITEM NO. 2020-004 Inadequate Controls over Applicant Eligibility

Community Service Block Grant (CSBG) (CFDA 93.569) Passed through Louisiana Workforce Commission

Finding 2020-002 also applies to this grant (see page 30)

D. SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION  
PREPARED BY ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY,  
INC.

Internal Control Over Financial Reporting

Item No. 2019-001 - Inadequate Supervision and Review; Year Initially  
Occurred-5/31/2017

Condition: Applicant files for services are not being reviewed timely.

Corrective Action: This matter has not been resolved.

Items of Noncompliance

Item No. 2019-002 – Noncompliance with Louisiana Revised Statute (LSA-R.S.)  
24:513; Year Initially Occurred -05/31/2018

Condition: St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s audit was  
not completed within six months of the close of the entity's fiscal year.

Corrective Action: This matter is not applicable due to extension granted related to  
COVID-19.

Internal Control Over Compliance

Item No. 2019-003-Inadequate Supervision and Review; Year Initially Occurred -  
05/31/2017

- CFDA 93.568 Low-Income Home Energy Assistance Louisiana  
Housing Finance Agency/Louisiana Housing Corporation

Finding 2019-001 also applies to the grant

Corrective Action: This matter has not been corrected

Item No. 2020-004- Inadequate controls over Applicant eligibility; Year Initially  
Occurred-05/31/2018

- CFDA 93.569 Community Services Block Grant / Louisiana Workforce  
Commission

CONDITION: During testing of eligibility, one intake application was not signed and four miscalculation were noted. One applicant was ineligible to receive services

Corrective Action: This matter has been corrected.

Item No. 2019-005 Inadequate Controls over Applicant Eligibility; Year Initially Occurred-5/31/2018

- CFDA 93.568 Low-Income Home Energy Assistance / Louisiana Housing Finance Agency/Louisiana Housing Corporation

CONDITION: Four charges for electricity were calculated incorrectly but did not change the amount of the benefit received.

Corrective Action: This matter has been resolved.

Item No. 2019-006 Inadequate Controls over applicant Eligibility; Year Initially Occurred-05/31/2019

- CFDA 93.568 Low=Income Home Energy Assistance / Louisiana Housing Finance Agency/ Louisiana Housing Corporation

Condition: Three instances were noted where the income was calculated incorrectly in determining eligibility in one instance the benefit was affected by the incorrect income calculation.

Corrective Action: This matter has been resolved

Item No. 2019-007 -Inadequate Controls over Allowable Costs; Year Initially Occurred -05/31/2019

- CFDA 93.568 Low-Income Home Energy Assistance | Louisiana Housing Finance Agency/Louisiana Housing Corporation
- CFDA 93.569 Community Services Block Grant / Louisiana Workforce Commission

CONDITION: The controls over payroll as it relates to documentation of the program that an individual is spending time on are not properly designed to support the program being charged for the time. In addition, two employee timesheets were not signed by the employee and one employee timesheet did not include the supervisor's signature so while these controls are properly designed, they are not operating as intended.

Corrective Action: This matter has been resolved



# SMILE Community Action Agency

– Serving St. Martin, Iberia and Lafayette Parishes –

Craig A. Mathews  
Chief Executive Officer

SMILE Board Officers

Marlon Lewis  
President

Ronald Cormier  
Vice-President

Lois Boutte  
Secretary

Vonda LeBlanc  
Treasurer

Mary Batiste  
Parliamentarian

May 24, 2021

Louisiana Workforce Commission  
1001 North 23rd Street  
Post Office 94094  
Baton Rouge, LA 70804-9094

Louisiana Housing Finance Agency/  
Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, LA 70808

**RE: Management Response Letter to Audit Findings**

St. Martin, Iberia, Lafayette Community Action Agency, Inc. respectfully submits the following corrective action plan for the year ending May 31, 2020.

Independent public accounting firm:

Pitts & Matte, CPAs  
P.O. Box 2363  
Morgan City, LA 70381

Audit period: Fiscal year ending May 31, 2020

St. Martin Iberia Lafayette Community Action Agency (SMILE) is in receipt of its FYE May 31, 2020 annual Audit Report from Pitts & Matte CPAs, and hereby provides a Management Response to the four Findings or Material Weaknesses “Internal Controls Over Financial Reporting” and “Internal Controls Over Compliance (Low-Income Home Energy Assistance Programs and Community Services Block Grant).

(337) 234-3272  
www.smilecaa.org

P.O. Box 3343, Lafayette, LA 70502  
501 St. John Street

TDD 711  
Fax (337) 234-3274

The findings from the May 31, 2020 schedule of findings and questioned cost are referenced below. The findings are listed by program and numbered consistently with the numbers assigned in the schedule.

(LIHEAP) (CFDA 93.568) Passed through Louisiana Housing Corporation (LHC)

Item No. 2020-001 – Inadequate Supervision and Review

Item No. 2020-003 – Inadequate Controls Over Applicant Eligibility

(CSBG) (CFDA 93.569) Passed through Louisiana Workforce Commission

Item No. 2020-002 – Inadequate Supervision and Review

Item No. 2020-003 – Inadequate Controls Over Applicant Eligibility

Due to the challenges brought on by the COVID-19 Pandemic that occurred during the FY2020 operating period, SMILE's implementation of the corrective action protocols that were previously put into place were unable to be completed during the year. Management anticipates full implementation of these measures being completed by the end of Summer 2021.

Specifically, we will do the following:

Supervisory level personnel will continue to monitor and review all client program files for accuracy and to ensure that the appropriate signatories appear where necessary.

We will obtain and maintain all required documentation in the appropriate files.

Respectfully,



Craig A. Mathews,  
Chief Executive Officer