

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, 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 March 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. Mary Community Action Committee
Association, Inc.
Franklin, Louisiana

We have audited the accompanying financial statements of St. Mary Community Action Committee Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 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. Mary Community Action Committee Association, Inc. as of March 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.

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 statements of activity by program, are presented for additional analysis and are not a required part of the basic financial statements of the St. Mary Community Action Committee Association, 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 December 21, 2020, on our consideration of St. Mary Community Action Committee Association, 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. Mary Community Action Committee Association, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Pitts, & Matte". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

December 21, 2020
Morgan City, Louisiana

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2020

ASSETS

Current assets

Cash	\$ 243,784
Grants receivable	292,185
Other receivables	12,460

Total current assets 548,429

Noncurrent assets

Fixed assets - less accumulated depreciation	6,142,507
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Total noncurrent assets 6,142,507

Total assets \$ 6,690,936

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 582,462
Notes payable	77,174

Total current liabilities 659,636

Net assets

Without donor restrictions 312,567

With donor restrictions:

Fixed assets with explicit restrictions on use	5,382,416
Head Start Programs	74,383
Housing and utility assistance programs	171,491
Transportation programs	28,641
Family and childrens programs	4,845
Management and general	56,957

5,718,733

Total net assets 6,031,300

Total liabilities and net assets \$ 6,690,936

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

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

Revenue	
Revenue from real estate operations	\$ 15,798
Support	
Grants	
Federal	1,255,919
State	87,945
Local	212,651
Contributions	138,397
Net assets released from restrictions:	
Satisfaction of program restrictions	6,382,934
Reduction of fixed assets with restrictions on use	<u>239,720</u>
Total support without donor restrictions	<u>8,333,364</u>
Expenses	
Head Start programs	5,835,943
Housing and utility assistance programs	1,320,908
Transportation programs	453,845
Family and childrens programs	249,790
Management and general	<u>317,677</u>
Total expenses without donor restrictions	<u>8,178,163</u>
Increase in net assets without donor restrictions	<u>155,201</u>
Changes in net assets with donor restrictions:	
Support	
Grants	
Federal	6,308,750
Local	1,200
Net assets released from restrictions:	
Satisfaction of program restrictions	(6,382,934)
Reduction of fixed assets with donor restrictions	<u>(239,720)</u>
Decrease in net assets with donor restrictions	<u>(312,704)</u>
Decrease in net assets	(157,503)
Net assets at March 31, 2019	<u>6,188,803</u>
Net assets at March 31, 2020	<u>\$ 6,031,300</u>

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
Statement of Functional Expenses
For the year ended March 31, 2020

<u>Expenses:</u>	<u>Head Start Programs</u>	<u>Housing and Utility Assistance Programs</u>	<u>Transportation Programs</u>	<u>Family and Children Programs</u>	<u>Management and General</u>	<u>Total</u>
Salaries and benefits	\$ 4,034,159	\$ 296,385	\$ 332,259	\$ 89,784	\$ 174,032	\$ 4,926,619
Utilization of Contributed Supplies	6,554					6,554
Utilization of Contributed Professional Services	131,843					131,843
Professional Services	63,062	37,195	13,063	810	26,959	141,089
Contractual						
Maintenance- Facilities	16,419	223	382			17,024
Rent	14,622	(120)				14,502
Services	194,058	18,943	9,608	6,186	18,611	247,406
Supplies	125,902	20,405	5,451	75,294	7,377	234,429
Travel and Transportation	100,879	54,883	67,328	10,488	3,982	237,560
Insurance	271,153	52,810	4,726	3,023	10,726	342,438
Benefits Provided to Community						
Emergency Assistance		1,290			2,229	3,519
Food	246,327	183		34,797	13,318	294,625
Utility Payments		58,673				58,673
Weatherization		725,143				725,143
Housing Assistance					816	816
Other	130,152	17,337	8,103	29,408	13,116	198,116
Depreciation	301,429	8,848	3,584		36,875	350,736
Utilities, Telephone, and Internet	199,384	28,710	9,341		9,636	247,071
Total Unrestricted Expenses	\$ 5,835,943	\$ 1,320,908	\$ 453,845	\$ 249,790	\$ 317,677	\$ 8,178,163

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

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

Cash flows from operating activities:	
Received from grantors	\$ 7,906,836
Other revenues	154,195
Paid to employees	(4,926,619)
Paid to vendors	<u>(2,796,609)</u>
Net cash provided by operating activities	<u>337,803</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>(335,136)</u>
Net cash provided (used) by investing activities	<u>(335,136)</u>
Cash flows from financing activities	
Borrowings	316,029
Repayment of debt	<u>(291,223)</u>
Net cash provided by financing activities	<u>24,806</u>
Net increase in cash and cash equivalents	27,473
Cash and cash equivalents at beginning of year	<u>216,311</u>
Cash and cash equivalents at end of year	<u>\$ 243,784</u>

NOTE:

The Association received noncash contributions of food commodities and professional services and equipment totaling \$138,397 during the year. In addition, the association recognized a loss on sale of real estate for \$6,405 which did not affect cash flows.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

The Association is a not-for-profit corporation designated as St. Mary Parish's official agency for the enactment and oversight of many social, education, and welfare programs for the citizens of St. Mary Parish, Louisiana, including the operation of the local Head Start program. In addition, the Association also operates the Head Start program and certain other programs for Vermillion Parish. The Association receives Federal, state, and local funding to operate its various programs.

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

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
General	Various	General operations.
Head Start #22	U.S. Dept. of Health and Human Services	To provide comprehensive health, educational, nutritional, social, and other services to economically disadvantaged preschool children and to provide parents with training and education to foster their understanding of and involvement in the development of their children.
Child and Adult Care Food Program (CACFP)	U.S. Dept. of Agriculture	To supply supplemental nutritious foods and nutrition education to low-income families.
Vermillion Transit	Vermillion Parish Police Jury, U.S. Dept. of Transportation and State of Louisiana Dept. of Transportation	To supplement transportation services.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Community Services Block Grant (CSBG)	U.S. Dept. of Health and Human Services	To provide administrative assistance to non-profit community service organizations.
Revolving Loan Fund	U.S. Dept. Of Agriculture	To provide loans to small businesses located in rural areas.
Capital Reserve	Various	To provide unrestricted reserve operations funding in the event of agency wide budget cuts/ shortfalls.
Parish Council	St. Mary Parish Council, U.S. Dept of Transportation, and State of Louisiana Dept. Of Transportation	To supplement transportation services.
LIHEAP Utility Payments	U.S. Dept. of Health and Human Services	To assist eligible households to meet home energy costs.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Weatherization	U.S. Dept. of Energy	To weatherize dwellings of low-income individuals.
Summer Feeding	U.S. Dept. of Agriculture	To supply nutritious foods to children during summer months.
Housing Department	Earned fees and Louisiana Housing Corporation	To provide housing assistance, counseling, etc. regarding home ownership.
Early Childhood Pilot Program	Louisiana Dept. of Children & Family Services and U.S. Dept. of Health and Human Services	To provide unified Early Childhood System, which was directed by Act 3 of the 2012 Regular Legislative Session to develop a community network. The Early Childhood network will expand access to high quality, publicly funded early childhood programs to families to ensure more children enter school kindergarten ready.
Affordable Housing (Faith Place)	Rent Revenue	To provide affordable housing through development and construction.
Isaiah's House	Rent Revenue and U.S. Department of Housing & Urban Development	To provide safe and affordable housing in the form of rental property to residents of St. Mary Parish.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The accrual basis of accounting is generally used by the Association.

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 Association'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 Association receives some grants which would normally be accounted for as support with donor restrictions. However, when the Association 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 Association.

Utilization of Contributed Goods, Services or Facilities

In general contributed goods and facilities that meet the proper criteria are recorded as items of support or revenue with a like amount recorded as an expense or an asset upon receipt at fair market value.

In accordance with FASB Accounting Standards Codification, contributions of services shall be recognized only if the services received a) create or enhance nonfinancial assets or b) require specialized skills and the person providing the service possesses the specialized skill.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Purchased furniture, fixtures, and other equipment are valued at their actual cost or estimated cost. Contributed items are valued at their estimated fair market value at the date of the contribution. Fixed assets are depreciated over their estimated useful lives on the straight-line basis.

Fixed assets purchased with grantor funds may need to be used for a specific purpose or time period and returned to the grantor, sold or retained by the organization in accordance with the respective grant agreements upon program completion. The Association accounts for the acquisition of fixed assets in one of two ways depending upon grantor restriction as shown below:

1. If the grantor does not stipulate the use, timeframe, and disposition of the fixed assets then the Association records fixed assets as unrestricted support when the assets are placed in service.
2. If the grantor specifies a particular use but no timeframe it is the Association's policy to record the fixed assets as restricted support and increase net assets with donor restrictions. The Association then records depreciation over the asset's useful life and net assets are periodically reclassified from with donor restrictions to without donor restrictions as the asset is depreciated.

Funds received that are restricted to the construction of fixed assets are reported as restricted support that increase net assets with donor restrictions, those restrictions expire when the construction is complete and the fixed assets are placed into service, at which time they are accounted for as described in 1 or 2 above.

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 March 31, 2020. The amount accrued at March 31, 2020 is approximately \$79,000.

Net assets

In accordance with the FASB Accounting Standards Codification, the Association 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 Association 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 Association considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

Income Tax Status

The Association operates as a not-for-profit organization which has obtained a favorable tax determination letter from the IRS dated July 3, 1995 stating the Association is qualified, under Section 501 (c) (3) of the Internal Revenue Code. Once qualified the Association is required to operate in conformity with the code to maintain its qualification. Management believes the Association is currently operated in compliance with the applicable requirements of the code. Therefore no provision for income tax has been included in the Association's financial statements.

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

NOTE 2 – REAL ESTATE OPERATIONS

In prior years the Association received grants through the Louisiana Housing Corporation (LHC) from HUD. The grants were used to purchase property and construct four homes.

It was the intent of the Association and its funding grantors to make the sales price of the homes affordable to lower income buyers by recovering only a portion of the costs of the homes and the land.

During the current year, one of the homes was sold at a sale price of \$51,000, the home was recorded on the Association's books for \$57,405. A loss of \$6,405 on the sale of real estate is reported in the Association's financial statements in Revenue from Real Estate Operations.

The following is a summary of Revenue from Real Estate Operations:

Rental Revenue	\$22,203
Less: loss on sale of real estate	<u>(6,405)</u>
Total Revenue from Real Estate Operations	\$15,798

The Association has three remaining homes that are under rental agreements with options to purchase.

During the current year the Agency received a grant through the Louisiana Housing Corporation (LHC) from HUD under the Home Investment Partnership Program (HOME) to develop and rehabilitate four additional homes. These homes are rental properties which are intended to be rented to low income individuals and families.

At March 31, 2020 two homes were complete. The amount included in fixed assets for these completed homes is \$177,694. The remaining two homes are recorded in construction in process in the amount of \$138,943. One of the completed homes was occupied in October 2019, and depreciation in the amount of \$2,700 is reported in depreciation expense for this home for the year.

NOTE 3- LIQUIDITY AND AVAILABILITY

St. Mary Community Action Agency has \$548,429 of financial assets available within one year of the balance sheet date of which \$77,770 is without donor restrictions to meet cash needed for general expenditures and the remaining \$470,659 is with donor restrictions as described below:

<u>Program/ Restriction on Use</u>	<u>Cash</u>	<u>Grants Receivable</u>	<u>Other Receivable</u>	<u>Total</u>
Head Start Youth Program	\$75,990			\$75,990
Vermillion Transit Transportation Program	15,466	7,680		\$23,146
Revolving Loan Job Assistance Program	43,604		\$1,168	44,772
Parish Council Transportation Program	10,701	28,473		39,174
Liheap Emergency Assistance Progræ	10,531	25,759		36,290
Weatherization Housing Program	20,414	166,506		186,920
Housing Department Housing Program	26,859			26,859
Early Child Hood Pilot Youth Program	9,858	26,847		36,705
Faith Place Housing Program	803			803
Total	<u>\$214,226</u>	<u>\$255,265</u>	<u>\$1,168</u>	<u>\$470,659</u>

St. Mary Community Action Agency structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs the Agency has committed lines of credit in the amount of \$175,000.

NOTE 4 - FIXED ASSETS

The following is a summary of fixed assets by major category with their related estimated useful lives:

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Construction-in-process	\$ 186,943	
Land	76,029	
Land, rental property	15,000	
Buildings	7,666,218	35 years
Rental property	387,665	25 years
Building improvements	32,000	5 years
Vehicles	1,529,041	3 years
Furniture and fixtures	84,167	5 years
Machinery and equipment	1,592,622	5 years
Leasehold improvements	<u>96,471</u>	5 years
Total	11,666,156	
Less: accumulated depreciation	<u>5,523,649</u>	
	<u>\$ 6,142,507</u>	

Depreciation for the year ended March 31, 2020 totaled approximately \$353,000.

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

NOTE 5 - NOTES PAYABLE

Notes payable at March 31, 2020 are as follows:

Description

The Association maintains an unsecured line of credit bearing interest at a rate of 4% with a local bank in the amount of \$25,000. Outstanding indebtedness related to the line of credit at March 31, 2020

\$15,492

The Association maintains a line of credit secured by rental properties currently under construction (see Note 3), bearing a variable interest rate with a local bank in the amount of \$150,000. Outstanding indebtedness related to the line of credit at March 31, 2020.

61,682

Total Notes Payable

\$77,174

NOTE 6- LEASES

At March 31, 2020, the Association had three significant operating leases in effect. The leases cover the buildings in various locations used to serve recipients of the Association's services. Total rent expense related to these operating leases for the year ended March 31, 2020 totaled approximately \$10,800.

The aggregate future minimum lease payments for the three leases is approximately:

Year ended March 31, 2021	<u>\$10,800</u>
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NOTE 7 – CONTRIBUTIONS

The following in-kind contributions were received and recognized, for financial reporting purposes, by the Association during the year ended March 31, 2020:

<u>Program</u>	<u>Contribution</u>	<u>Amount</u>
Head Start	Food Commodities	\$ 6,554
Head Start	Professional Services	<u>131,843</u>
Total recognized contributions received		<u>\$ 138,397</u>

In addition to the contributions recognized for financial statement purposes, the Association receives other donations primarily from parent volunteers in the Head Start Program. These contributed services and certain other items were not recognized for financial reporting purposes because they do not meet the criteria set forth in FASB Accounting Standards Codification, however, these contributions do meet the matching requirements set forth in the Head Start grant. The sum of recognized and unrecognized "in-kind" contributions and other matching contributions qualifying for the Head Start Program total approximately \$1,242,000.

NOTE 8 - EMPLOYEE BENEFIT PLAN

The Association provides a 401(k) savings plan for its eligible employees. All employees with one year of service and an attained age of 20 ½ may participate. Participating employees may elect to contribute up to ten percent of their earnings. The Association may contribute an amount equal to the participants' contribution up to an amount equal to five percent of the participants' earnings. The Association contributed approximately \$75,000 to the plan for the year ended March 31, 2020.

NOTE 9 - CONCENTRATIONS

Eighty-eight percent of the Association's funding is obtained from federal grants. The largest federal grant administered by the Association is the Head Start program which accounts for sixty-five percent of the Association's total funding for the year ended March 31, 2020.

NOTE 10 – SUBSEQUENT EVENTS

The Association's management evaluated whether any events and transactions occurred subsequent to March 31, 2020 through December 21, 2020, the date the Association's financial statements are available to be issued, and determined that there were no material events or transactions that would require recognition in the Association's financial statements.

SUPPLEMENTARY INFORMATION

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC
Schedule of Compensation, Benefits, and Reimbursements to
Agency Head, Political Subdivision Head, or Chief Executive Officer
For the Year Ended March 31, 2020

Chief Executive Officer : Almetra J Franklin

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 97,673
Benefits-401(K)	4,881
Benefits-Insurance	3,361
Cell phone allowance	2,000
Automobile allowance	11,000
Reimbursement-Travel/Hotels	4,330
Total	<u>\$ 123,245</u>

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2020

	010 General <u>Fund</u>	015 Head Start <u>#22</u>	020 <u>CACFP</u>	022 Vermilion <u>Transit</u>	030 <u>CSBG</u>	035 Revolving <u>Loan Fund</u>	038 Capital <u>Reserve</u>	040 Parish <u>Council</u>
Revenue								
Revenue from Real Estate Operations								
Support								
Grants								
Federal			\$ 465,245	\$ 83,506				\$ 140,537
State				12,286				61,388
Local	\$ 24,718			117,778				53,133
Other support								
Utilization of contributed professional services		\$ 131,843						
Utilization of contributed supplies		6,554						
Net assets released from restrictions:								
Satisfaction of program restrictions		4,998,085			\$ 195,014			
Reduction of fixed assets with restrictions on use	22,412	217,308						
Total support without donor restrictions	47,130	5,353,790	465,245	213,570	195,014	-	-	255,058
Expenses								
Salaries and benefits	6,239	3,821,252	212,907	132,795	167,793			199,464
Utilization of contributed supplies		6,554						
Utilization of contributed professional services		131,843						
Professional services	255	50,081	12,981	5,489	616	6,000	20,088	7,574
Contractual								
Maintenance - facilities		14,358	2,061	382				
Rent		14,622						
Services	14,180	192,298	1,760	7,911			4,431	1,697
Supplies	2,960	120,540	5,362	3,628	1,118		3,299	1,823
Travel and transportation	(432)	98,387	2,492	26,803	403		4,011	40,525
Insurance	1,596	265,966	5,187	4,666	7,218		1,912	60
Benefits provided to community:								
Emergency assistance					2,229			
Food	1,303	44,553	201,774				12,015	
Utility payments								
Weatherization								
Housing assistance					816			
Other	8,887	111,300	18,852	3,054	834		3,395	5,049
Depreciation	22,412	301,429		3,584			14,463	
Utilities, Telephone, Internet	192	180,607	18,777	5,087	4,852		4,592	4,254
Total expenses	57,592	5,353,790	482,153	193,399	185,879	6,000	68,206	260,446

Changes in net assets without donor restrictions	(10,462)	(0)	(16,908)	20,171	9,135	(5,000)	(68,206)	(5,388)
Other changes in net assets without donor restrictions:								
Transfer in	25,785		400					100
Transfer out	(610)						(32,555)	
Increase (decrease) in net assets without donor restrictions	<u>14,713</u>	<u>(0)</u>	<u>(16,508)</u>	<u>20,171</u>	<u>9,135</u>	<u>(6,000)</u>	<u>(100,761)</u>	<u>(5,288)</u>
Changes in net assets with donor restrictions								
Support								
Grants								
Federal		4,999,988			195,014			
Local		1,200						
Net assets released from restrictions:								
Satisfaction of program restrictions		(4,998,085)			(195,014)			
Reduction of fixed assets with donor restrictions	(22,412)	(217,308)						
Increase (decrease) in net assets with donor restrictions	<u>(22,412)</u>	<u>(214,205)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(7,699)	(214,205)	(16,508)	20,171	9,135	(6,000)	(100,761)	(5,288)
Net assets at March 31, 2019	<u>526,663</u>	<u>5,156,666</u>	<u>103,359</u>	<u>28,641</u>	<u>2,719</u>	<u>56,957</u>	<u>26,164</u>	<u>(92,218)</u>
Net assets at March 31, 2018 before								
Residual equity (deficit) transfer								
Net assets at March 31, 2020	<u>\$ 518,964</u>	<u>\$ 4,942,461</u>	<u>\$ 86,851</u>	<u>\$ 48,812</u>	<u>\$ 11,854</u>	<u>\$ 50,957</u>	<u>\$ (74,597)</u>	<u>\$ (97,506)</u>

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2020

	060	070	120	655	690	725	735	Total
	<u>LIHEAP</u>	<u>Weatherization</u>	<u>Summer Feeding</u>	<u>Housing Department</u>	<u>Early Childhood Pilot Program</u>	<u>Faith Place</u>	<u>Isaiah's House</u>	<u>All Programs</u>
Revenue								
Revenue from Real Estate Operations						\$ 395	\$ 15,403	\$ 15,798
Support								
Grants								
Federal			\$ 68,823	\$ 55,990	\$ 163,840		277,978	1,255,919
State					14,271			87,945
Local				17,022				212,651
Other support								
Utilization of contributed professional services								131,843
Utilization of contributed supplies								6,554
Net assets released from restrictions:								
Satisfaction of program restrictions	\$ 172,338	\$ 1,017,497						6,382,934
Reduction of fixed assets with restrictions on use								239,720
Total support without donor restrictions	<u>172,338</u>	<u>1,017,497</u>	<u>68,823</u>	<u>73,012</u>	<u>178,111</u>	<u>395</u>	<u>293,381</u>	<u>8,333,364</u>
Expenses								
Salaries and benefits	77,555	187,039	31,265	31,637	58,519	4	150	4,926,619
Utilization of contributed supplies								6,554
Utilization of contributed professional services								131,843
Professional services	6,634	9,210		14,442	810	2,351	4,558	141,089
Contractual								
Maintenance - facilities				223				17,024
Rent				(120)				14,502
Services	1,269	3,748	1,121	12,798	5,065	526	602	247,406
Supplies	5,089	12,566	360	2,052	74,934	236	462	234,429
Travel and transportation	2,209	39,725	2,013	11,952	8,475		997	237,560
Insurance	10,628	28,091	2,391	11,511	632	390	2,190	342,438
Benefits provided to community:								
Emergency assistance	1,090			200				3,519
Food			34,797	183				294,625
Utility payments	58,673							58,673
Weatherization		725,143						725,143
Housing assistance								816
Other	2,836	5,061	5,617	6,785	23,791	2,181	454	198,116
Depreciation				4,680		2,800	1,368	350,736
Utilities, Telephone, Internet	6,355	6,894		12,715		199	2,547	247,071
Total expenses	<u>172,338</u>	<u>1,017,497</u>	<u>77,564</u>	<u>109,058</u>	<u>172,226</u>	<u>8,687</u>	<u>13,328</u>	<u>8,178,163</u>

Changes in net assets without donor restrictions	-	-	(8,741)	(36,046)	5,885	(8,292)	280,053	155,201
Other changes in net assets without donor restrictions:								
Transfer in	210		4,728	3,356			1,628	36,207
Transfer out				(2,942)			(100)	(36,207)
	<u>210</u>	<u>-</u>	<u>(4,013)</u>	<u>(35,632)</u>	<u>5,885</u>	<u>(8,292)</u>	<u>281,581</u>	<u>155,201</u>
Increase (decrease) in net assets without donor restrictions								
Changes in net assets with donor restrictions								
Support								
Grants								
Federal	178,395	935,353						6,308,750
Local								1,200
Net assets released from restrictions:								
Satisfaction of program restrictions	(172,338)	(1,017,497)						(6,382,934)
Reduction of fixed assets with donor restrictions								(239,720)
	<u>6,057</u>	<u>(82,144)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(312,704)</u>
Increase (decrease) in net assets with donor restrictions								
Increase (decrease) in net assets	6,267	(82,144)	(4,013)	(35,632)	5,885	(8,292)	281,581	(157,503)
Net assets at March 31, 2019	<u>(32,891)</u>	<u>146,913</u>	<u>6,007</u>	<u>154,166</u>	<u>4,845</u>	<u>123,450</u>	<u>(22,638)</u>	<u>6,188,803</u>
Net assets at March 31, 2018 before								
Residual equity (deficit) transfer	-	-	-	(1,029)	-	-	1,029	-
Net assets at March 31, 2020	<u>\$ (26,624)</u>	<u>\$ 64,769</u>	<u>\$ 1,994</u>	<u>\$ 117,505</u>	<u>\$ 10,730</u>	<u>\$ 115,158</u>	<u>\$ 259,972</u>	<u>\$ 6,031,300</u>

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENSES INCURRED
<u>U.S. Department of Agriculture</u>				
Passed through Louisiana Department of Education				
Child and Adult Care Food Program	10.558		\$ 465,245	\$ 465,245
Summer Food Service Program for Children	10.559		<u>68,823</u>	<u>77,230</u>
Total U.S. Department of Agriculture			<u>\$ 534,068</u>	<u>\$ 542,475</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Louisiana Housing Corporation (LHC)				
Housing Counseling Assistance Program	14.169		5,990	5,990
Home Investment Partnerships Program	14.239		<u>327,978</u>	<u>366,637</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 333,968</u>	<u>\$ 372,627</u>
<u>U.S. Department of Transportation</u>				
Passed through Louisiana Department of Transportation and Development				
Passed through the Vermillion Parish Policy Jury				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RU18-57-20	\$ 83,506	\$ 96,700
Passed through the City of Franklin				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RU18-39-20	<u>\$ 140,537</u>	<u>\$ 130,223</u>
Total for Formula Grants for Rural Areas	20.509		<u>\$ 224,043</u>	<u>\$ 226,923</u>
Total U.S. Department of Transportation			<u>\$ 224,043</u>	<u>\$ 226,923</u>
<u>U.S. Department of Energy</u>				
Passed through Louisiana Housing Corporation (LHC),				
Weatherization Assistance for Low-income Persons	81.042	29172855	<u>\$ 935,353</u>	<u>\$ 1,013,317</u>
Total U.S. Department of Energy			<u>\$ 935,353</u>	<u>\$ 1,013,317</u>

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENSES INCURRED
<u>U.S. Department of Health and Human Services</u>				
Passed through Louisiana Department of Education's Department of Children & Family Services				
Every Student Succeeds Act/Preschool Development Grant	93.434		161,340	161,340
Child Care and Development Block Grant	93.575	28-19-CO-91	2,500	2,500
Passed through Louisiana Housing Corporation (LHC),				
Low income Home Energy Assistance	93.568	029172855	\$ 178,395	\$ 171,861
Passed through Louisiana Department of Labor				
Community Services Block Grant	93.569		195,014	185,999
Administration for Children and Families Head Start	93.600		4,999,988	4,998,085
Total U.S. Department of Health and Human Services			<u>\$ 5,537,237</u>	<u>\$ 5,519,785</u>
Total Federal Financial Assistance			<u>\$ 7,564,669</u>	<u>\$ 7,675,127</u>

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2020**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of St. Mary Community Action Committee Association, Inc. (Association) under programs of the federal government for the year ended March 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 Association, it is not intended to and does not present the financial position, changes in net assets, functional expenses or cash flows of the Association.

NOTE 2 - REPORTING METHOD

Except for Head Start and Home Investment Partnership Program, 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 Association did not use the 10% de minimis cost rate for year ending March 31, 2020.

NOTE 3 – HOME INVESTMENT PARTNERSHIP PROGRAM (CFDA# 14.239)

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule for Home Investment Partnership Program is as follows:

	<u>Isiah's House</u>	<u>Housing Department</u>	<u>Total</u>
Total unrestricted expenses per Statement of Activity by Program	\$14,978	\$112,990	\$127,968
Less: Depreciation Expense	(1,368)		(1,368)
Less: Expenses not related to the Home Investment Partnership Program	(13,610)	(62,990)	(76,600)
Add: Fixed assets purchased with grant funds	<u>316,637</u>	_____	<u>316,637</u>
Total expenses incurred per Schedule of Expenditures of Federal Awards	<u>\$316,637</u>	<u>\$50,000</u>	<u>\$366,637</u>

NOTE 4 – FORMULA GRANTS FOR RURAL AREAS (CFDA# 20.509)

Formula Grants for Rural Areas are jointly funded with Federal and Local funding. The following table shows all Federal funding and the total program expenses and the Federal proportionate share of the expenses.

Federal revenues and all expenses for Formula Grants for Rural Areas as reported in the Schedule are reported in the following programs in the financial statements:

<u>Program</u>	<u>Contract ID #</u>	<u>Federal Revenues</u>	<u>Total Expenses</u>	<u>Federal Share of Expense(50%)</u>
Vermillion Transportation	RU18-57-20	<u>\$83,506</u>	<u>\$193,399</u>	<u>\$96,700</u>
Parish Council	RU18-39-20	<u>\$140,537</u>	<u>\$260,446</u>	<u>\$130,223</u>

NOTE 5 - HEAD START (CFDA#93.600)

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule for the Head Start Program is as follows:

Total unrestricted expenses per Statement of Activity by Program	\$5,353,790
Less: Depreciation expense	
Total depreciation (\$301,429) less depreciation	
On assets acquired with nonfederal funds (\$15,380)	(286,049)
Utilization of in-kind contributions	(138,397)
Add: Purchase of fixed assets with grant funds	<u>68,741</u>
Total expenses incurred per Schedule of Expenditures of Federal Awards	<u>\$4,998,085</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. Mary Community Action Committee Association, Inc.
Franklin, 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. Mary Community Action Committee Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 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 December 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Mary Community Action Committee Association, 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. Mary Community Action Committee Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Mary Community Action Committee Association, 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.

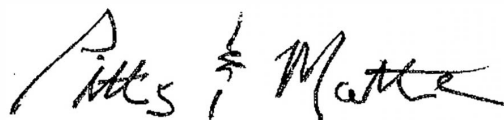
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Mary Community Action Committee Association, 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.

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

December 21, 2020
Morgan City, Louisiana



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

Board of Directors
St. Mary Community Action Committee Association, Inc.
Franklin, Louisiana

Report on Compliance for Each Major Federal Program

We have audited St. Mary Community Action Committee Association, 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. Mary Community Action Committee Association, Inc.'s major federal program for the year ended March 31, 2020. The St. Mary Community Action Committee Association, Inc.'s major federal program is 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. Mary Community Action Committee Association, 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. Mary Community Action Committee Association, 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. Mary Community Action Committee Association, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, St. Mary Community Action Committee Association, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2020.

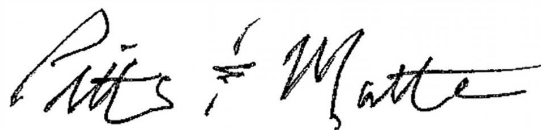
Report on Internal Control Over Compliance

Management of St. Mary Community Action Committee Association, 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. Mary Community Action Committee Association, 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. Mary Community Action Committee Association, 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

A handwritten signature in black ink, appearing to read "Pitts & Matte". The signature is written in a cursive, flowing style with a horizontal line extending from the end.

CERTIFIED PUBLIC ACCOUNTANTS

December 21, 2020
Morgan City, Louisiana

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
SCHEDULE OF FINDINGS, AND QUESTIONED COSTS
For the Year Ended March 31, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the St. Mary Community Action Committee Association, Inc., which are prepared in accordance with GAAP.
2. No control deficiency was disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the St. Mary Community Action Committee Association, Inc. were disclosed during the audit.
4. No findings were disclosed during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program for the St. Mary Community Action Committee Association, Inc. expresses an unmodified opinion on the major federal program.
6. No audit findings relative to the major federal award program for the St. Mary Community Action Committee Association, Inc., are reported in Part C of this Schedule.
7. The program tested as a major program is:
 Head Start (CFDA No. 93.600)
8. The threshold for distinguishing types A and B programs was \$750,000.
9. St. Mary Community Action Committee Association, Inc. was determined to be a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

NO MATTERS TO BE REPORTED

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM
AUDIT

NO MATTERS TO BE REPORTED

D. SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

NO MATTERS TO BE REPORTED