ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT

and

INDEPENDENT AUDITOR'S REPORTS ON INTERNAL ACCOUNTING CONTROL
AND COMPLIANCE AND OTHER MATTERS

For the Year Ended March 31, 2026

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PITTS & MATTE

a corporation of
certified public accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2026, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to these financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. Mary Community Action Committee Association, Inc., as of March 31, 2026, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 schedules 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 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 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 September 22, 2026, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the Association's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Association's internal control over financial reporting and on compliance.

CERTIFIED PUBLIC ACCOUNTANTS

September 22, 2026
Morgan City, Louisiana

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION
March 31, 2026

ASSETS			
Current assets			
Cash			$ 1,176,957
Grants receivable			837,903
Other receivables			14,282
Total current assets			2,029,142
Noncurrent assets			
Held for Transfer	$	90,618	
Fixed assets - less accumulated depreciation		5,180,294	
			5,270,912
Operating Lease - Right of Use			13,429
Total noncurrent assets			5,284,341
Total assets			$ 7,313,483
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued expenses			$ 870,566
Deferred revenue			2,971
Operating Lease Liability			3,360
Total current liabilities			876,897
Long-Term Liabilities			
Operating Lease Liability			10,191
Total long-term liabilities			10,191
Net assets			
Without donor restrictions			939,391
With donor restrictions:			
Fixed assets with explicit restrictions on use	$	4,599,166	
Head Start Programs		214,502	
Housing and utility assistance programs		423,784	
Family and children programs		118,609	
Transportation programs		122,590	
Management and general		8,353	
			5,487,004
Total net assets			6,426,395
Total liabilities and net assets			$ 7,313,483

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, 2026

Changes in net assets without donor restrictions	
Revenue	
Revenue from real estate operations	$ 50,750
Support	
Grants	
Federal	789,484
State	27,969
Local	111,294
Other	2,069,732
Gain on disposal of fixed asset	11,200
Contributions	80,681
Net assets released from restrictions:	
Satisfaction of program restrictions	8,801,717
Reduction of fixed assets with restrictions on use	249,263
Total support without donor restrictions	12,192,090
Expenses	
Head Start programs	6,539,152
Housing and utility assistance programs	2,464,907
Transportation programs	419,357
Family and childrens programs	827,313
Management and general	957,430
Total expenses without donor restrictions	11,208,159
Increase (decrease) in net assets without donor restrictions	983,931
Changes in net assets with donor restrictions:	
Support	
Grants	
Federal	8,243,996
Local	25,596
Other changes in net assets with donor restrictions	
Funds returned to grantor	(230,556)
Net assets released from restrictions:	
Satisfaction of program restrictions	(8,801,717)
Reduction of fixed assets with donor restrictions	(249,263)
Increase (decrease) in net assets with donor restrictions	(1,011,944)
Increase (decrease) in net assets	(28,013)
Net assets at March 31, 2025	6,454,408
Net assets at March 31, 2026	$ 6,426,395

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, 2026

Expenses:	Head Start Programs	Housing and Utility Assistance Programs	Transportation Programs	Family and Children Programs	Management and General	Total
Salaries and benefits	$ 4,845,528	$ 560,803	$ 223,753	$ 285,053	$ 411,905	$ 6,327,042
Utilization of Contributed:						
Professional Services	76,526	-	-	-	-	76,526
Supplies	4,155	-	-	-	-	4,155
Professional Services	116,055	44,092	31,895	2,000	309,977	504,019
Contractual						
Maintenance- Facilities	57,175	10,297	1,084	375	9,525	78,456
Rent	4,728	-	-	-	-	4,728
Services	106,506	29,502	6,669	137,749	79,280	359,706
Supplies	98,701	19,739	3,924	11,505	31,547	165,416
Travel and Transportation	56,674	42,818	31,956	5,690	2,734	139,872
Insurance	392,556	68,842	84,579	11,597	3,350	560,924
Benefits Provided to Community						
Emergency Assistance	-	240	-	-	3,401	3,641
Food	6,313	-	-	275,422	17,699	299,434
Utility Payments	-	288	-	-	-	288
Weatherization	-	1,573,393	-	-	-	1,573,393
Other	141,144	30,625	6,515	79,495	42,194	299,973
Operating Lease Expense	6,843	-	-	-	-	6,843
Depreciation	342,730	37,623	11,933	10,052	35,880	438,218
Utilities, Telephone, and Internet	283,518	46,645	17,049	8,375	9,938	365,525
Total Unrestricted Expenses	$ 6,539,152	$ 2,464,907	$ 419,357	$ 827,313	$ 957,430	$ 11,208,159

See accompanying notes and independent auditors' report.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2026

Cash flows from operating activities:	
Received from grantors	$ 8,921,724
Other revenues	2,199,366
Paid to employees	(6,327,042)
Paid to vendors	(4,288,666)
Payments on operating leases	(5,987)
Net cash provided by operating activities	499,395
Cash flows from investing activities:	
Purchases of fixed assets	(174,091)
Sale of fixed assets	11,200
Net cash provided (used) by investing activities	(162,891)
Net increase in cash and cash equivalents	336,504
Cash and cash equivalents at beginning of year	840,453
Cash and cash equivalents at end of year	$ 1,176,957

NOTE:
The Association received noncash contributions of supplies and professional services and equipment totaling $80,681 during the year.

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2026

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, 2026:

Program	Funding Source	Functions
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)

Program	Funding Source	Functions
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.
Weatherization	U.S. Dept. of Energy	To weatherize dwellings of low-income individuals.
Head Start Cares Act	U.S. Dept. of Health & Human Services	To provide additional Head Start funding to strengthen and support families, individuals, youth and children during a public health crisis
ECN Preschool Development Grant (PDG) Seats	U.S. Dept. of Health & Human Services	To provide early learning for low-income children
Believe!	U.S. Dept. of Health & Human Services	To strengthen the childcare system and expand supply of and access to high-quality early childhood options
Summer Feeding	U.S. Dept. of Agriculture	To supply nutritious foods to children during summer months.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Program	Funding Source	Functions
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.
Community Service Block Grant (CSBG) CARES Act	U.S. Dept. of Health & Human Services	To prevent, prepare and respond to the Coronavirus and to support immediate community based Services
Head Start COVID-19	U.S. Dept. of Health & Human Services	To provide additional Head Start funding due to COVID-19
Child Care Assistance Program (CCAP)	U.S. Dept. of Health & Human Services	To help low income pay for child care
Lihwap-Low Income Household Water Assistance Program	U.S. Dept. of Health & Human Services	To assist eligible households paying arrearages (past due bills) & rates charged to the household for drinking water and/or waste water services
St. Mary Hope Project	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)

Program	Funding Source	Functions
Dad Lab-Fatherhood Fatherhood	Community Foundation of Acadiana	Helping fathers of Young children enrolled in Head Start programs across St. Mary Parish and surrounding areas build lasting relationships with their children through presence, creativity, & connection

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 Nonfinancial Goods, Services or Facilities
In general contributed nonfinancial 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 which must be of a type that would be otherwise purchased.

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, 2026. The amount accrued at March 31, 2026 is approximately $115,000.

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, 2022 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.

In the past one of the homes was sold.

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

During 2020, the Association received another 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, 2026 all four homes were complete. The amount included in fixed assets for these completed homes is $375,897. One of the completed homes was occupied in October 2019. The remaining three homes were occupied in January and February of 2021. Depreciation for the current year on the homes is $12,530.

The Association owns five additional homes being used as rental properties. The amount included in fixed assets is $360,929 and was depreciated $13,123 in the current year.

The Association received a total of $50,750 in rental revenues from these properties in 2026.

NOTE 3 - LIQUIDITY AND AVAILIABILTY

St. Mary Community Action Agency has $2,029,142 of financial assets available within one year of the balance sheet date of which $807,821 is without donor restrictions to meet cash needed for general expenditures and the remaining $1,221,321 is with donor restrictions as follows:

Program/ Restriction on Use	Cash	Grants Receivable	Other Receivable	Total
Head Start Youth Programs	$ 295,239	$ -	$ 1,798	$ 297,037
Vermillion Transit Transportation Program	13,955	16,552	-	30,507
Early Childhood Network Youth Program	35,358	22,014	-	57,372
CCAP Youth Programs	66,741	-	-	66,741
St. Mary Hope Project Housing Program	792	-	-	792
Revolving Loan Job Assistance Program	-	-	1,168	1,168
Parish Council Transportation Program	9,013	17,295	-	26,308
Liheap Emergency Assistance Program	733	38,284	24	39,041
Weatherization Housing Program	4,023	671,205	-	675,228
ECN PDG Seats Youth Programs	4	-	-	4
Believe! Youth Programs	18,778	-	-	18,778
Housing Department Housing Program	2,499	-	-	2,499
Faith Place Housing Program	5,846	-	-	5,846
Total	$ 452,981	$ 765,350	$ 2,990	$ 1,221,321

St. Mary Community Action Agency structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 - FIXED ASSETS

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

Category	Balance March 31, 2025	Additions	Deductions	Reclasses	Balance March 31, 2026
Fixed Assets					
Fixed assets not being depreciated					
Land	$ 57,029	$ -	$ -	$ -	$ 57,029
Rental Property (Land)	15,000	-	-	-	15,000
Held for Transfer	25,000	65,618	-	-	90,618
Construction in Process	48,000	-	-	-	48,000
Other fixed assets					
Building	7,681,289	-	-	-	7,681,289
Rental Property (Building)	913,831	-	-	-	913,831
Leasehold Improvements	96,472	-	-	-	96,472
Machinery & Equipment	1,517,832	108,473	-	-	1,626,305
Vehicles	2,683,107	-	(24,211)	-	2,658,896
Furniture & Fixtures	97,986	-	-	-	97,986
	$ 13,135,546	$ 174,091	$ (24,211)	$ -	$ 13,285,426
Less: Accumulated Depreciation					
Building	$ 3,715,315	$ 217,692	$ -	$ -	$ 3,933,007
Rental Property	163,193	29,733	-	-	192,926
Leasehold Improvements	96,472	-	-	-	96,472
Machinery & Equipment	1,313,169	84,618	-	-	1,397,787
Vehicles	2,217,073	103,623	(24,211)	-	2,296,485
Furniture & Fixtures	95,285	2,552	-	-	97,837
	7,600,507	438,218	(24,211)	-	8,014,514
Total fixed assets, net	$ 5,535,039	$ (264,127)	$ -	$ -	$ 5,270,912

Depreciation for the year ended March 31, 2026 totaled approximately $438,000.

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- LEASES

At March 31, 2026, 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, 2026 totaled approximately $9,900.

The operating right-of-use assets and operating lease liabilities at March 31, 2026 are as follows:

Lease Assets	
Operating lease right of use	$13,429
Lease liabilities	
Operating lease liabilities at March 31, 2026	13,551
Less current portion	(3,360)
Long term	$10,191

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

Year ended March 31,	Total
2027	$ 4,500
2028	3,600
2029	3,600
2030	3,300
Total	$15,000

NOTE 6 – CONTRIBUTIONS

The following in-kind contributions were received and recognized, for financial reporting purposes, by the Association during the year ended March 31, 2026:

Program	Contribution	Amount
Head Start	Education Training	$ 4,155
Head Start	Professional Services	69,936
Early Head Start	Professional Services	6,590
Total recognized contributions received		$80,681

Contributed nonfinancial professional services and supplies were utilized in the Headstart and Early Headstart programs. These services and supplies were comprised of services, educational training, medical supplies, and household supplies. Contributed services were valued at current rates for similar services and contributed supplies were valued at fair market value.

NOTE 6 – CONTRIBUTIONS (continued)

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 assist in operating the Head Start program. The sum of unrecognized "in-kind" contributions totals approximately $2,542,000.

NOTE 7 - 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 $92,000 to the plan for the year ended March 31, 2026.

NOTE 8 - CONCENTRATIONS

Eighty 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 fifty-four percent of the Association's total funding for the year ended March 31, 2026.

The Association maintains accounts at several banks. However, the Association's accounts with its primary bank exceeded FDIC Coverage by approximately $700,000 at year end.

NOTE 9 – COMMITMENT

In a prior year, the Association was awarded a grant in the amount of $949,887 from the U.S. Department of Housing and Urban Development, passed through Louisiana Housing Corporation (LHC) for developing and constructing two duplexes. In accordance with the terms of the written agreement entered into between Agape (a third-party nonprofit) and LHC, the title of the real property will be donated to Agape when the construction is complete and the duplexes are ready for rent. At year end, the Association had incurred and expensed $90,168 related to the project. During the current year, LHC denied future reimbursement requests under the grant and requested repayments of the $46,478 previously disbursed to the Association of which $36,478 is reported as accounts payable on the Statement of Financial Position at year end. As of the date of this report, the Association has refunded the $46,478 in full and is pursuing an appeal of LHC's decision. As previously stated and in accordance with the written agreement, the Association does not expect to retain any ownership interest in the duplexes once completed.

Note 10 - Employee Retention Credit

During the year ended March 31, 2025, the Association received Employee Retention Credit (ERC) refunds totaling $817,000. During the year ended March 31, 2026, the Association received additional ERC refunds totaling $2,044,487. The ERC is a refundable payroll tax credit established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent federal legislation to provide economic relief to eligible employers.

The Association accounts for ERC proceeds as grant revenue and recognizes revenue when the eligibility requirements are met and collection of the refund is considered probable. Accordingly, ERC proceeds were recognized as "other revenue" in the accompanying statement of activity and changes in net assets and the accompanying schedules of activity by program for the years ended March 31, 2025 and 2026.

Management believes the Association satisfied the applicable eligibility requirements for the ERC claims filed. However, ERC claims remain subject to review and examination by the Internal Revenue Service and other applicable governmental authorities. Any adjustments resulting from such reviews will be recognized in the period in which they are determined.

NOTE 11 – SUBSEQUENT EVENTS

The Association's management evaluated whether any events and transactions occurred subsequent to March 31, 2026 through September 22, 2026, the date the Association's financial statements are available to be issued, and determined that no events occurred that would require disclosure 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, 2026

Chief Executive Officer : Almetra J Franklin - Retired December 31,2025

Purpose	Amount
Salary	$ 91,324
Benefits-401(K)	3,886
Benefits-Insurance	2,550
Cell phone allowance	600
Automobile allowance	7,200
Reimbursement - Travel/Hotels	1,530
Total	$ 107,090

Chief Executive Officer : Jeffery Beverly

Purpose	Amount
Salary	$ 20,464
Benefits-401(K)	1,050
Benefits-Insurance	1,700
Cell phone allowance	200
Automobile allowance	2,630
Reimbursement - Travel/Hotels	4,447
Total	$ 30,491

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
SCHEDULES OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2026

	009 Head Start COVID-19	010 General Fund	015 Head Start #22	020 CACFP	022 Vermilion Transit	024 ECN Ready Start	028 Childcare Asst. Program (CCAP)	030 CSBG
Revenue								
Revenue from Real Estate Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Support								
Grants								
Federal	-	-	-	514,977	56,727	80,949	155	-
State	-	27,969	-	-	-	-	-	-
Local	-	11,163	-	-	53,156	-	-	-
Other	-	24,936	-	-	200	-	-	-
Gain on disposal of fixed asset	-	-	-	-	11,200	-	-	-
Other support								
Utilization of contributed professional services	-	-	76,526	-	-	-	-	-
Utilization of contributed supplies	-	-	4,155	-	-	-	-	-
Net assets released from restrictions:								
Satisfaction of program restrictions	-	-	6,170,996	-	-	-	-	162,012
Reduction of fixed assets with restrictions on use	-	-	249,263	-	-	-	-	-
Total support without donor restrictions	-	64,068	6,500,940	514,977	121,283	80,949	155	162,012
Expenses								
Salaries and benefits	-	19,471	4,845,528	246,506	73,843	32,632	-	146,362
Utilization of contributed professional services	-	-	76,526	-	-	-	-	-
Utilization of contributed supplies	-	-	4,155	-	-	-	-	-
Professional services	-	1,023	116,055	-	15,056	2,000	-	1,696
Contractual								
Maintenance - facilities	-	-	57,175	375	-	-	-	-
Rent	-	-	4,728	-	-	-	-	-
Services	-	17,216	106,506	1,007	3,092	22,147	96,907	357
Supplies	-	13,427	98,701	3,872	1,533	7,391	242	717
Travel and transportation	-	994	56,674	435	15,030	5,255	-	967
Insurance	-	-	392,556	8,597	24,396	3,000	-	3,350
Benefits provided to community:								
Emergency assistance	-	717	-	-	-	-	-	2,684
Food	-	3,752	6,313	275,422	-	-	-	-
Utility payments	-	-	-	-	-	-	-	-
Weatherization	-	-	-	-	-	-	-	-
Other	-	26,658	141,294	38,171	2,754	41,324	-	1,592
Operating Lease Expense	-	-	6,843	-	-	-	-	-
Depreciation	97	21,418	340,846	2,597	4,366	1,811	-	-
Utilities, Telephone, Internet	-	2,084	283,518	-	6,255	8,235	-	4,287
Total expenses	97	106,760	6,537,418	576,982	146,325	123,795	97,149	162,012

Changes in net assets without donor restrictions	(97)	(42,692)	(36,478)	(62,005)	(25,042)	(42,846)	(96,994)	-
Other changes in net assets without donor restrictions:								
Transfer in	-	56,000	500	-	-	-	-	-
Transfer out	-	(255)	-	-	(1,500)	-	-	-
Increase (decrease) in net assets without donor restrictions	(97)	13,053	(35,978)	(62,005)	(26,542)	(42,846)	(96,994)	-
Changes in net assets with donor restrictions								
Support								
Grants								
Federal	-	-	6,170,996	-	-	-	-	170,359
Local	-	-	-	-	-	-	-	-
Other changes in net assets without donor restrictions:								
Funds Returned to Grantor	-	-	(65,000)	-	-	-	(23,392)	-
Net assets released from restrictions:								
Satisfaction of program restrictions	-	-	(6,170,996)	-	-	-	-	(162,012)
Reduction of fixed assets with donor restrictions	-	-	(249,263)	-	-	-	-	-
Increase (decrease) in net assets with donor restrictions	-	-	(314,263)	-	-	-	(23,392)	8,347
Increase (decrease) in net assets	(97)	13,053	(350,241)	(62,005)	(26,542)	(42,846)	(120,386)	8,347
Net assets at March 31, 2025	212	339,798	4,345,052	327,569	122,590	73,801	184,869	(1,893)
Net assets at March 31, 2026	$ 115	$ 352,851	$ 3,994,811	$ 265,564	$ 96,048	$ 30,955	$ 64,483	$ 6,454

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
SCHEDULES OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2026

	033 St. Mary Hope Project	035 Revolving Loan Fund	037 LIWAP	038 Capital Reserve	040 Parish Council	060 LIHEAP	070 Weatherization	085 ECN PDG Seats
Revenue								
Revenue from Real Estate Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Support								
Grants								
Federal	7,941	-	-	-	128,735	-	-	-
State	-	-	-	-	-	-	-	-
Local	-	-	-	-	35,975	-	-	-
Other	-	-	-	2,044,487	89	-	-	20
Gain on disposal of fixed asset	-	-	-	-	-	-	-	-
Other support								
Utilization of contributed professional services	-	-	-	-	-	-	-	-
Utilization of contributed supplies	-	-	-	-	-	-	-	-
Net assets released from restrictions:								
Satisfaction of program restrictions	-	-	-	-	-	152,114	2,144,775	13,909
Reduction of fixed assets with restrictions on use	-	-	-	-	-	-	-	-
Total support without donor restrictions	7,941	-	-	2,044,487	164,799	152,114	2,144,775	13,929
Expenses								
Salaries and benefits	-	-	-	246,072	149,910	129,785	428,966	5,915
Utilization of contributed professional services	-	-	-	-	-	-	-	-
Utilization of contributed supplies	-	-	-	-	-	-	-	-
Professional services	8,297	-	-	307,258	16,839	1,326	10,095	-
Contractual								
Maintenance - facilities	-	-	-	9,525	1,084	1,538	687	-
Rent	-	-	-	-	-	-	-	-
Services	-	-	-	61,707	3,577	2,413	-	7,200
Supplies	-	-	-	17,403	2,391	1,716	8,030	-
Travel and transportation	-	-	-	773	16,926	597	37,530	-
Insurance	-	-	-	-	60,183	1,343	54,731	-
Benefits provided to community:								
Emergency assistance	-	-	-	-	-	-	-	-
Food	-	-	-	13,947	-	-	-	-
Utility payments	-	-	-	-	-	288	-	-
Weatherization	-	-	-	-	-	-	1,573,393	-
Other	1,325	-	-	13,944	3,761	4,935	12,689	-
Operating Lease Expense	-	-	-	-	-	-	-	-
Depreciation	-	-	-	14,462	7,567	1,371	5,996	654
Utilities, Telephone, Internet	-	-	-	3,567	10,794	6,802	12,658	140
Total expenses	9,622	-	-	688,658	273,032	152,114	2,144,775	13,909

Changes in net assets without donor restrictions	(1,681)	-	-	1,355,829	(108,233)	-	-	20
Other changes in net assets without donor restrictions:								
Transfer in	66,107	-	-	-	78,210	-	85,442	-
Transfer out	-	-	-	(278,366)	-	-	-	-
Increase (decrease) in net assets without donor restrictions	64,426	-	-	1,077,463	(30,023)	-	85,442	20
Changes in net assets with donor restrictions								
Support								
Grants								
Federal	-	-	-	-	-	106,098	1,749,869	-
Local	-	-	-	-	-	-	25,596	-
Other changes in net assets without donor restrictions:								
Funds Returned to Grantor	(46,478)	(10,508)	-	-	-	-	(85,178)	-
Net assets released from restrictions:								
Satisfaction of program restrictions	-	-	-	-	-	(152,114)	(2,144,775)	(13,909)
Reduction of fixed assets with donor restrictions	-	-	-	-	-	-	-	-
Increase (decrease) in net assets with donor restrictions	(46,478)	(10,508)	-	-	-	(46,016)	(454,488)	(13,909)
Increase (decrease) in net assets	17,948	(10,508)	-	1,077,463	(30,023)	(46,016)	(369,046)	(13,889)
Net assets at March 31, 2025	28,919	18,861	8,930	(280,292)	(72,310)	69,844	366,752	15,473
Net assets at March 31, 2026	$ 46,867	$ 8,353	$ 8,930	$ 797,171	$ (102,333)	$ 23,828	$ (2,294)	$ 1,584

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
SCHEDULES OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2026

	090 Believe!	120 Summer Feeding	600 DAD Lab	655 Housing Department	700 Head Start Am. Rescue	725 Faith Place	735 Isaiah's House	770 CSBG CARES Act	Total All Programs
Revenue									
Revenue from Real Estate Operations	$ -	$ -	$ -	$ 17,326	$ -	$ 19,234	$ 14,190	$ -	$ 50,750
Support									
Grants									
Federal	-	-	-	-	-	-	-	-	789,484
State	-	-	-	-	-	-	-	-	27,969
Local	-	-	5,000	6,000	-	-	-	-	111,294
Other	-	-	-		-	-	-	-	2,069,732
Gain on disposal of fixed asset	-	-							11,200
Other support									
Utilization of contributed professional services	-	-	-	-	-	-	-	-	76,526
Utilization of contributed supplies	-	-	-	-	-	-	-	-	4,155
Net assets released from restrictions:									
Satisfaction of program restrictions	15,478	-	-	118,010	1,637	-	22,786	-	8,801,717
Reduction of fixed assets with restrictions on use	-	-	-	-	-	-	-	-	249,263
Total support without donor restrictions	15,478	-	5,000	141,336	1,637	19,234	36,976	-	12,192,090
Expenses									
Salaries and benefits	-	-	-	2,103	-	(568)	517	-	6,327,042
Utilization of contributed professional services	-	-	-	-	-	-	-	-	76,526
Utilization of contributed supplies	-	-	-	-	-	-	-	-	4,155
Professional services	-	-	-	15,990	-	4,556	3,828	-	504,019
Contractual									
Maintenance - facilities	-	-	-	7,437	-	635	-	-	78,456
Rent	-	-	-	-	-	-	-	-	4,728
Services	10,488	-	-	22,526	-	4,128	435	-	359,706
Supplies	-	-	-	8,269	-	1,634	90	-	165,416
Travel and transportation	-	-	-	3,755	-	-	936	-	139,872
Insurance	-	-	-	11,935	-	833	-	-	560,924
Benefits provided to community:									
Emergency assistance	-	-	-	240	-	-	-	-	3,641
Food	-	-	-	-	-	-	-	-	299,434
Utility payments	-	-	-	-	-	-	-	-	288
Weatherization	-	-	-	-	-	-	-	-	1,573,393
Other	-	-	-	7,839	(150)	2,196	1,641	-	299,973
Operating Lease Expense	-	-	-	-	-	-	-	-	6,843
Depreciation	4,990	-	-	14,582	1,787	2,400	13,274	-	438,218
Utilities, Telephone, Internet	-	-	-	23,334	-	1,786	2,065	-	365,525
Total expenses	15,478	-	-	118,010	1,637	17,600	22,786	-	11,208,159

Changes in net assets without donor restrictions	-	-	5,000	23,326	-	1,634	14,190	-	983,931
Other changes in net assets without donor restrictions:									
Transfer in	-	-	-	-	-	-	-	-	286,259
Transfer out	-	(500)	-	(5,638)	-	-	-	-	(286,259)
Increase (decrease) in net assets without donor restrictions	-	(500)	5,000	17,688	-	1,634	14,190	-	983,931
Changes in net assets with donor restrictions									
Support									
Grants									
Federal	-	-	-	46,674	-	-	-	-	8,243,996
Local	-	-	-	-	-	-	-	-	25,596
Other changes in net assets without donor restrictions:									
Funds Returned to Grantor	-	-	-	-	-	-	-	-	(230,556)
Net assets released from restrictions:									
Satisfaction of program restrictions	(15,478)	-	-	(118,010)	(1,637)	-	(22,786)	-	(8,801,717)
Reduction of fixed assets with donor restrictions	-	-	-	-	-	-	-	-	(249,263)
Increase (decrease) in net assets with donor restrictions	(15,478)	-	-	(71,336)	(1,637)	-	(22,786)	-	(1,011,944)
Increase (decrease) in net assets	(15,478)	(500)	5,000	(53,648)	(1,637)	1,634	(8,596)	-	(28,013)
Net assets at March 31, 2025	35,231	1,834	-	399,201	47,623	96,107	329,644	(3,407)	6,454,408
Net assets at March 31, 2026	$ 19,753	$ 1,334	$ 5,000	$ 345,553	$ 45,986	$ 97,741	$ 321,048	$ (3,407)	$ 6,426,395

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2026

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENDITURES INCURRED
U.S. Department of Agriculture				
Passed through Louisiana Department of Education				
Child and Adult Care Food Program	10.558		514,977	576,982
Total U.S. Department of Agriculture			$ 514,977	$ 576,982
U.S. Department of Housing and Urban Development				
Passed through Louisiana Housing Corporation (LHC)				
Housing Counseling Assistance Program	14.169		46,674	46,674
Home Investment Partnerships Program	14.239		7,941	9,622
Total U.S. Department of Housing and Urban Development			$ 54,615	$ 56,296
U.S. Department of Transportation				
Passed through Louisiana Department of Transpotation and Development				
Passed through the Vermillion Parish Policy Jury				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RU18-57-25 RU18-57-26	$ 56,727	$ 73,163
Passed through the City of Franklin				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RU18-51-25 RU18-51-26	128,735	136,516
Total for Formula Grants for Rural Areas	20.509		$ 185,462	$ 209,679
Total U.S. Department of Transportation			$ 185,462	$ 209,679
U.S. Department of Energy				
Passed through Louisiana Housing Corporation (LHC),				
Weatherization Assistance for Low-income Persons	81.042	DE-EE0009905 2024,G992201,ACF 2024,G993134,ACF	$ 1,749,869	$ 2,144,144
Total U.S. Department of Energy			$ 1,749,869	$ 2,144,144

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENDITURES INCURRED
U.S. Department of Health and Human Services				
Passed through Louisiana Department of Education's Department of Children & Family Services				
Every Student Succeeds Act/Preschool Development Grant	93.434	28-24-B1PD-9I 28-24-B3PD-9I	$ -	$ 13,255
Child Care and Development Block Grant (Ready Start Network - CCDBG)	93.575	28-24-RSDF-9I	34,356	40,633
Child Care and Development Block Grant (CNLA CCDF)	93.575	28-24-CNDF-9I	12,670	7,032
Child Care and Development Block Grant (American Rescue Plan Act ARPA 2021 P.L. 117-002-Believe Category 4 CCDBG)	93.575	28-24-B2CC-91 28-21-B4CC-9I	-	10,488
Total for Child Care Development Block Grant	93.575		$ 47,026	$ 58,153
Child Care Mandatory and Matching Fund of the Child Care and Development Fund (Child Care Assistance Program)	93.596		155	97,149
Child Care Mandatory and Matching Fund of the Child Care and Development Fund (Ready Start Network - CCDF)	93.596	28-23-RSDF-9I	23,758	50,561
Child Care Mandatory and Matching Fund of the Child Care and Development Fund (Community Network Lead Agencies - CCDF)	93.596	28-23-CNDF-9I	10,165	23,758
Total for Child Care Mandatory and Matching Fund of the Child Care and Development Fund	93.596		$ 34,078	$ 171,468
Passed through Louisiana Housing Corporation (LHC),				
Low income Home Energy Assistance	93.568	2401LALIEA 2401LALIEI 2501LALIEA	106,098	152,114
Passed through Louisiana Department of Labor				
Community Services Block Grant	93.569		170,359	162,012
Head Start	93.600	06CH012526	6,170,996	6,170,996
Total U.S. Department of Health and Human Services			$ 6,528,557	$ 6,727,998
Total Federal Financial Assistance			$ 9,033,480	$ 9,715,099

The accompanying notes are an integral part of this statement.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2026

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, 2026. 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, all revenues and expenditures 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 15% de minimis cost rate for year ending March 31, 2026.

NOTE 3 – FORMULA GRANTS FOR RURAL AREAS
(FEDERAL ASSISTANCE LISTING # 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 expenditures.

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

Program	Contract ID #	Federal Revenues	Total Expenditures	Federal Share of Expenditures(50%)
Vermillion Transportation	RU18-57-25 RU18-57-26	$ 56,727	$146,325	$ 73,163
Parish Council	RU18-51-25 RU18-51-26	$128,735	$273,032	$136,516

NOTE 4 - HEAD START
(FEDERAL ASSISTANCE LISTING #93.600)

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

	Head Start
Total unrestricted expenses per Statement of Activity by Program	$6,537,418
Less: Depreciation expense	(340,846)
Utilization of in-kind contributions	(80,681)
Local expenses	(34,898)
Add: Purchase of fixed assets with grant funds	90,003
Total expenditures incurred per Schedule of Expenditures of Federal Awards	$6,170,996
Total Federal Support per Statement of Activity by Program	$6,170,996

NOTE 5:

Child Care and Development Block Grant (FEDERAL ASSISTANCE LISTING # 93.575)
Child Care Mandatory and Matching of the Child Care and Development Fund (FEDERAL ASSISTANCE LISTING #93.596)

Reconciliation of expenses incurred and revenue recognized on the financial statements in ECN Ready Start to expenditures incurred and revenue recognized on the Schedule of Expenditures of Federal Awards is as follows:

	FEDERAL ASSISTANCE LISTING NUMBER 93.575	**FEDERAL ASSISTANCE LISTING NUMBER 93.575**	**FEDERAL ASSISTANCE LISTING NUMBER 93.596**	**FEDERAL ASSISTANCE LISTING NUMBER 93.596**			
	Child Care Development Block Grant (Ready Start Network-CCDBG)	Child Care Development Block Grant (CNLA CCDF)	Child Care Mandatory and Matching Fund of the Child Care and Development Fund (Community Network Lead Agencies-CCDF)	Child Care Mandatory and Matching Fund of the Child Care and Development Fund (Ready Start Network-CCDF)	Depreciation expense	Total Unrestricted Expenses per Statement of Activity by Program	Total Federal Support per Statement of Activity by Program
Total expenditures incurred per Schedule of Expenditures of Federal Awards	$40,633	$7,032	$23,758	$50,561	$1,811	$123,795	
Total revenue recognized per Schedule of Expenditures of Federal Awards	$34,356	$12,670	$23,758	$10,165			$80,949

NOTE 6:

Child Care and Development Block Grant (FEDERAL ASSISTANCE LISTING # 93.575)

Reconciliation of expenses incurred and revenue recognized on the financial statements in Believe! to expenditures incurred and revenue recognized on the Schedule of Expenditures of Federal Awards is as follows:

	FEDERAL ASSISTANCE LISTING NUMBER 93.575			
	Child Care Development Block Grant (American Rescue Plan Act ARPA 2021 1 P.L. 117-002-Believe Category 4 CCDBG)	Depreciation expense	Total Unrestricted Expense per Statement of Activity by Program	Total Federal Support per Statement of Activity by Program
Total expenditures incurred per Schedule of Expenditures of Federal Awards	$10,488	$4,990	$15,478	
Total revenue recognized per Schedule of Expenditures of Federal Awards	$0			$0

NOTE 7:

Every Student Succeeds Act/Preschool Development Grant (FEDERAL ASSISTANCE LISTING #93.434)

Reconciliation of expenses incurred on the financial statements in ECN PDG Seats to expenditures incurred on the Schedule of Expenditures of Federal Awards is as follows:

Total unrestricted expenses per Statement of Activity by Program	$ 13,909
Less: Depreciation expense	(654)
Total expenditures incurred per Schedule of Expenditures of Federal Awards	$ 13,255
Total Federal Support per Statement of Activity by Program	$ -

NOTE 8:

Home Counseling Assistance Program (FEDERAL ASSISTANCE LISTING #14.169)

Reconciliation of expenses incurred on the financial statements in Housing Department to expenditures incurred on the Schedule of Expenditures of Federal Awards is as follows:

	Housing Department
Total unrestricted expenses per Statement of Activity by Program	$ 118,010
Less: Depreciation expense	(14,582)
Less: Local expenses	(56,754)
Total expenditures incurred per Schedule of Expenditures of Federal Awards	$ 46,674
Total revenues incurred per Schedule of Expenditures of Federal Awards	$ 46,674

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE AND OTHER MATTERS

PITTS & MATTE

a corporation of
certified public accountants

INDEPENDENT AUDITOR'S 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. (Association)
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, 2026, 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 September 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing 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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

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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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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 financial statements. 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.

P. Hc + Mattes

CERTIFIED PUBLIC ACCOUNTANTS

September 22, 2026
Morgan City, Louisiana

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

Board of Directors
St. Mary Community Action Committee Association, Inc. (Association)
Franklin, LA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Mary Community Action Community Association, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Association's major federal programs for the year ended March 31, 2026. The Association's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association 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 March 31, 2026.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Association compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Association's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe 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.

P. Hte & Mutts

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
September 22, 2026

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended March 31, 2026

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's 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 Auditor's report on compliance for the major federal award program for the St. Mary Community Action Committee Association, Inc. expresses an unmodified opinion on each major federal program.

6. No audit findings relative to each 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 $1,000,000.

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

SCHEDULE OF PROCEDURES PERFORMED AND
ASSOCIATED FINDINGS BASED UPON THE
STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED
March 31, 2026
WITH
AGREED UPON PROCEDURES REPORT
BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
St. Mary Community Action
Committee Association, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule of Procedures Performed and Associated Findings Based Upon the Statewide Agreed-Upon Procedures (Schedule), on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor (LLA)'s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period April 1, 2025 through March 31, 2026. The St. Mary Community Action Committee Association, Inc.'s (Association) management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule.

The Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period April 1, 2025 through March 31, 2026. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the attached Schedule.

We were engaged by the Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report may be distributed by the LLA as a public document.

P. Hs + Matt

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
September 22, 2026

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

Schedule of Procedures Performed and Associated Findings Based upon the Statewide Agreed-Upon Procedures For the Year Ended March 31, 2026

Guide to Presentation Format

This report contains these items presented in this order:

Statewide Agreed-Upon Procedures (SAUPs) prescribed by the Louisiana Legislative Auditor (LLA),
Procedures performed by the Independent Certified Public Accountant,
Findings based upon the procedures performed, and
Management's Comments relative to the findings, if applicable.

In order to facilitate understanding this report - the procedures and findings are presented in the following format:

Order of Presentation	Presentation Format
Area or function	**Centered all CAPITALS IN BOLD TYPE**
Statewide Agreed-Upon Procedures Prescribed (SAUPs) by Louisiana Legislative Auditor (LLA)	Regular type highlighted with numbers or letters (if there are multiple parts)
Actual procedures performed by Independent Certified Public Accountant	Denoted as **Procedure Performed:** (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as **Findings:** (in bold type) followed by findings in regular type
Management's response to findings	Denoted as ***Management's Response:*** (in bold type) followed by *managements response in italics*

WRITTEN POLICIES AND PROCEDURES

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

Budgeting

i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

Procedure Performed: Obtained from management and inspected the Association's "Financial Procedures Manual" and read the written policies and procedures for budgeting.

Findings: Found the Association has written policies and procedures that include the specified functions listed above.

Purchasing

ii. Purchasing, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Procedure Performed: Obtained from management and inspected the Association's "Financial Procedures Manual" and "Procurement Policies" and read the written policies and procedures for purchasing.

Findings: Found the Association has written policies and procedures that include the specified functions listed above.

Disbursements

iii. Disbursements, including processing, reviewing, and approving.

Procedure Performed: Obtained from management and inspected the Association's "Financial Procedures Manual" and read the written policies and procedures for disbursements.

Findings: Found the Association has written policies and procedures that include the specified functions listed above.

Receipts/Collections

iv. Receipts/collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Procedure Performed: Obtained from management and inspected the Association's "Financial Procedures Manual" and read the written policies and procedures for receipts and collections.

Findings: Found the Association has written policies and procedures that include the specified functions listed above.

Payroll/Personnel

v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Procedure Performed Obtained from management and inspected the Association's "Financial Procedures Manual" and read the written policies and procedures for payroll and personnel.

Findings: Found the Association has written policies and procedures that include specified functions above, with the exception of reviewing and approving overtime worked. However, this function is not applicable to the entity.

Contracting

vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Procedure Performed: Obtained from management and inspected the Association's "Financial Procedures Manual" and "Procurement Policies" and read the written policies and procedures for contracting.

Findings: Found the Association has written policies and procedures that include the specified functions above.

Travel and Expense Reimbursement

vii. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Procedure Performed: Obtained from management and inspected the Association's "Financial Procedures Manual" and read the written policies and procedures for travel and expense reimbursements.

Findings: Found the Association has written policies and procedures that include the specified functions above.

Credit Cards

viii. Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Procedure Performed: Obtained from management and inspected the Association's "Financial Procedures Manual" and read the written policies and procedures for credit cards.

Findings: Found the Association has written policies and procedures that include the specified functions above.

Ethics

ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Association is a non-profit entity to which the Louisiana Code of Governmental Ethics is not applicable; therefore, procedures related to Ethics are not applicable.

Debt Service

x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Association is a non-profit entity to which this section is not applicable.

Information Technology Disaster Recovery/Business Continuity

xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Procedure Performed: We performed the procedures.

Findings: We discussed the results with management.

Prevention of Sexual Harassment

xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Association is a non-profit entity to which this section is not applicable.

Management's Response:
No comment.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure Performed: We obtained and inspected the Association's board and finance committee meeting minutes for the fiscal period, as well as the board's bylaws in effect during the fiscal period.

Findings: Found the Association met with a quorum at all quarterly board meetings and annual finance committee meeting as required by the Association's bylaws.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure Performed: Because the Association reports on the not-for-profit accounting model and public funds comprised more than 10% of the Association's collections during the fiscal period, we observed the Agency's board meeting minutes for the fiscal period.

Findings: Found that the minutes include financial activity relating to public funds.

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The Association is not a governmental entity; therefore, this procedure is not applicable.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Performed: We obtained and inspected the minutes for the fiscal period.

Findings: Found the Association did not have any audit findings in the prior year; therefore, this procedure is not applicable in the current fiscal period.

Management's Response:
No comment.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures Performed: Obtained a listing of bank accounts from management and management's representation that the listing is complete. Inquired of management and obtained management's representation that the Association does not have a main operating account. We selected the account that is responsible for approximately 60% of the Association's stated revenues and randomly selected 4 additional accounts. We randomly selected one month from the fiscal period and obtained and inspected the corresponding bank statements and reconciliations.

Findings:

i. Observed all bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.

ii. Observed all bank reconciliations included evidence that a member of management/board member who does not handles cash, posts ledgers, or issues checks has reviewed the bank reconciliation within 1 month of the date the reconciliation was prepared.

iii. Found 36 reconciling items that have been outstanding for more than 12 months from the statement closing date. Observed documentation reflecting management has researched 35 of the 36 outstanding checks.

Management's Response:

In the future, we will have documentation reflecting research of all reconciling items that have been outstanding for more than 12 months from the statement closing date.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Procedure Performed: Obtained the listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

Findings: Found the Association has only one deposit site.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

i. Employees responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Procedure Performed: Obtained the listing of collections locations for the Association's one deposit site and management's representation that the listing is complete. We randomly selected 1 collection location from the listing and inspected written policies and procedures relating to employee job duties.

Findings: Found the listing contained 4 collection locations.

i. Found that employees responsible for cash collections do not share a cash box.

ii. Found that employees responsible for collecting cash are not responsible for preparing/making bank deposits.

iii. Found that employees responsible for collecting cash are not responsible for posting collection entries to the general ledgers or subsidiary ledgers.

iv. Found that the employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, is not responsible for collecting cash.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Procedure Performed: Obtained and read a copy of the insurance policy for theft covering all employees who have access to cash and observed the insurance policy for theft was in force during the fiscal period.

Findings: Found the Association's insurance policy for theft was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

Procedure Performed: Randomly selected two deposit dates for the 5 bank accounts selected for procedure #3A (selected the next deposit date chronologically if no deposit was made on the date randomly selected) and obtained supporting documentation for each of the selected deposits.

Findings: Found that 4 bank accounts selected had only electronic deposits during the fiscal year. For the Vermillion Transit account, we:

i. Found the Association does not use sequentially pre-numbered receipts; however, a summary sheet of the total cash and coins deposited is kept for records.

ii. Found collection documentation agreed to the deposit slips.

iii. Traced deposit slip totals to the actual deposit on the bank statement.

iv. Observed deposits were not made within one business day of receipt.

v. Traced actual deposits per the bank statements to the general ledger.

Management's Response:

In the future, we will make deposits within one business day or within one week if the deposit is less than $100 and the cash is stored securely in a locked drawer.

NON-PAYROLL DISBURSEMENTS – (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSMENTS, AND PETTY CASH PURCHASES)

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

The Association has federal programs subject to Single Audit testing which covers this category; therefore, this area is excluded for the purposes of the Louisiana Legislative Auditor's Agreed-Upon Procedures.

CREDIT CARDS/DEBIT CARDS/ FUEL CARDS/PURCHASE CARDS (CARDS)

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

The Association has federal programs subject to Single Audit testing which covers this category; therefore, this area is excluded for the purposes of the Louisiana Legislative Auditor's Agreed-Upon Procedures.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

The Association has federal programs subject to Single Audit testing which covers this category; therefore, this area is excluded for the purposes of the Louisiana Legislative Auditor's Agreed-Upon Procedures.

CONTRACTS

8) Contracts

The Association has federal programs subject to Single Audit testing which covers this category; therefore, this area is excluded for the purposes of the Louisiana Legislative Auditor's Agreed-Upon Procedures.

PAYROLL AND PERSONNEL

9) Payroll and Personnel

The Association has federal programs subject to Single Audit testing which covers this category; therefore, this area is excluded for the purposes of the Louisiana Legislative Auditor's Agreed-Upon Procedures.

ETHICS

10) Ethics

The Association is a non-profit entity to which the Louisiana Code of Governmental Ethics is not applicable; therefore, procedures related to Ethics are not applicable.

DEBT SERVICE

11) Debt Service

The Association is a non-profit entity to which this section is not applicable.

FRAUD NOTICE

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Procedure Performed: Obtained a listing of misappropriations of public funds and assets during the fiscal period from management, management's representation that the listing is complete, and supporting documentation for the 1 act of misappropriation from the listing.

Findings: Found the listing contained 1 misappropriation of public funds or assets during the fiscal period. Observed documentation representing the Association reported the misappropriation to the Louisiana Legislative Auditor and local authority.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Performed: Observed the Association posted the notice required by R.S. 24-523.1 on its premises and website.

Findings: Found that the Association posted the notice required by R.S 24-523.1 on its premises and website.

Management's Response:
No comment.

13) Information Technology Disaster Recovery/ Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":**

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Procedure Performed: We performed the procedures.

Findings: Discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Procedure Performed: We performed the procedures.

Findings: Discussed the results with management.

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Procedure Performed: We performed the procedures.

Findings: Discussed the results with management.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Procedure Performed: We performed the procedures.

Findings: Discussed the results with management.

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Procedure Performed: We performed the procedures.

Findings: Discussed the results with management.

14) Prevention of Sexual Harassment

The Association is a non-profit entity to which this section is not applicable.