

ST. JAMES ARC

VACHERIE, LOUISIANA

DECEMBER 31, 2024



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
St. James ARC

We have reviewed the accompanying financial statements of St. James ARC (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

Supplemental Information

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

Report on Agreed-Upon Procedures

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 1, 2025, on the results of our agreed-upon procedures.

J. A. Champagne & Co., LLP

Baton Rouge, Louisiana
December 1, 2025

ST. JAMES ARC
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,261,636
Accounts receivable	1,462
Prepaid expenses	6,475
Total current assets	<u>1,269,573</u>

PROPERTY AND EQUIPMENT

Property and equipment, net of depreciation	333,580
Construction in progress	302,777
Operating lease right-of-use asset, net	24,235
Total property and equipment	<u>660,592</u>

OTHER ASSETS

Restricted cash	<u>617,707</u>
Total assets	<u><u>\$ 2,547,872</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 855
Unapplied insurance proceeds	185,298
Operating lease liability	24,235
Total current liabilities	<u>210,388</u>

NET ASSETS

Without donor restrictions	1,614,823
With donor restrictions	722,661
Total net assets	<u>2,337,484</u>
Total liabilities and net assets	<u><u>\$ 2,547,872</u></u>

See accompanying notes to financial statements.

ST. JAMES ARC
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions			
Cash	\$ 83,522	\$ -	\$ 83,522
Contributed nonfinancial assets	130,346	-	130,346
Inkind salaries, payroll taxes, and benefits	406,167	-	406,167
Thrift store sales	130,846	-	130,846
Program services	156,860	-	156,860
Interest income	8,850	-	8,850
Net assets released from restrictions	169,086	(169,086)	-
TOTAL SUPPORT AND REVENUE	<u>1,085,677</u>	<u>(169,086)</u>	<u>916,591</u>
EXPENSES			
Program services	629,283	-	629,283
Supporting services:			
Management and general	78,709	-	78,709
Fundraising	-	-	-
TOTAL EXPENSES	<u>707,992</u>	<u>-</u>	<u>707,992</u>
CHANGE IN NET ASSETS	<u>377,685</u>	<u>(169,086)</u>	<u>208,599</u>
Net assets - beginning of year	1,237,138	891,747	2,128,885
Net assets - end of year	<u>\$ 1,614,823</u>	<u>\$ 722,661</u>	<u>\$ 2,337,484</u>

See accompanying notes to financial statements.

ST. JAMES ARC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	PROGRAM SERVICES			SUPPORTING SERVICES		
	Day		Total	Management and		
	Habilitation and Support	Thrift Store		General	Fundraising	Total
Cost of sales	\$ -	\$ 130,346	\$ 130,346	\$ -	\$ -	\$ 130,346
Salaries and payroll taxes	-	-	-	10,345	-	10,345
In-kind salaries, taxes, and benefits	356,646	-	356,646	49,521	-	406,167
Repairs and maintenance	7,565	712	8,277	841	-	9,118
Rent	20,925	-	20,925	2,325	-	23,250
Printing and postage	322	-	322	182	-	504
Utilities	8,546	6,857	15,403	950	-	16,353
Insurance	10,710	44,607	55,317	7,802	-	63,119
Fuel	1,668	-	1,668	-	-	1,668
Depreciation	3,401	9,647	13,048	-	-	13,048
Accounting and legal	-	-	-	5,476	-	5,476
Supplies	21,716	2,319	24,035	1,042	-	25,077
Computer software	-	-	-	849	-	849
Other	579	-	579	-	-	579
Dues and subscriptions	2,093	-	2,093	-	-	2,093
	\$ 434,171	\$ 194,488	\$ 628,659	\$ 79,333	\$ -	\$ 707,992

See accompanying notes to financial statements.

ST. JAMES ARC
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 208,599
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	13,048
(Increase) decrease in receivables	1,627
(Increase) decrease in prepaid expenses	5,301
Increase (decrease) in accounts payable	<u>(2,705)</u>
Net cash provided by operating activities	<u><u>225,870</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES

Redemption of certificate of deposit	400,000
Construction in progress	<u>(194,523)</u>
Net cash provided by investing activities	<u><u>205,477</u></u>

CASH FLOWS FROM FINANCING ACTIVITIES

-

INCREASE IN CASH AND RESTRICTED CASH	431,347
Cash and restricted cash - beginning of year	1,447,996
Cash and restricted cash - end of year	<u><u>\$ 1,879,343</u></u>

RECONCILIATION TO STATEMENT OF FINANCIAL POSITION

Cash	\$ 1,261,636
Restricted cash	617,707
	<u><u>\$ 1,879,343</u></u>

See accompanying notes to financial statements.

ST. JAMES ARC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

St. James ARC (the Organization) is a non-profit organization organized under the laws of the State of Louisiana for the purpose of providing various development programs to mentally and physically handicapped citizens. The Organization performs daily activities and exercises with the citizens, as well as supervises jobs performed by the citizens in the community, such as janitorial services. In addition, the Organization operates a thrift store and sells the donated items to the citizens of the surrounding areas.

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

Basis of presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

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

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Organization utilizes the guidance in the FASB ASC in the assessment of whether revenue is an exchange transaction or contribution and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Contributions, grants, and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports grants and gifts of cash and other assets as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions and grants with donor restrictions that are both received and satisfied within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

The Organization recognizes revenue from contracts with customers when it transfers promised goods or services to its customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. To accomplish this, the Organization applies the following five-step process to achieve this core principle:

- Identification of the contract with the member;
- Identification of the performance obligations under the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

Revenue from thrift store sales is recognized at the point of sale. The performance obligation is the delivery of the goods to the customer. The transaction price is established by the Organization based on retail prices. As each item is individually priced, no allocation of the transaction price is necessary. Some merchandise is sold with the right to return. If probable customer returns exist at the end of fiscal year, the Organization estimates and records in the financial statements a liability for such returns. A liability for probable customer returns was not considered necessary as of December 31, 2024.

Revenue from the Organization's day habilitation and support programs are recognized in the period in which the performance obligations are satisfied by the transferring of promised services to the clients. The transaction price is allocated to the distinct services and reflects the consideration to which the Organization is entitled in exchange for providing the services to a client. The services provided each day represent a single performance obligation. The transaction price is based on standard allowable rates charged for daily units of service for the services provided. Revenue is recorded at amounts estimated to be realizable for services provided.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Because all of its performance obligations related to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided by the FASB ASC and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period.

Revenue Disaggregation

The Organization disaggregates revenue from contracts with customers into major revenue streams and based on the timing of recognized revenue. The Organization's revenue disaggregated based on timing of the transfer of goods or services as follows for the year ended December 31, 2024

Recognized at a point in time:

Program services	\$ 156,860
Thrift store sales	130,846

Contract balances

The timing of revenue recognition, billings, and cash collections results in contract assets, receivables, and contract liabilities. The Organization's receivables related to contracts with customers amounted to \$1,462 and \$3,089 as of December 31, 2024 and 2023, respectively.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with maturities of three months or less when acquired to be cash equivalents.

Inventory

The fair market value of the items donated to the thrift store is not determinable until the items are sold. Therefore, revenue is recorded at the time of sale, and no value is included in inventory for the unsold items.

Prepaid expenses

Insurance and similar services which extend benefits over more than one accounting period have been recorded as prepaid expenses.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are charged specifically to a program or function, and the remaining costs are allocated among programs, administrative and fund raising based upon estimates of staff time devoted to these functions. The major expenses that are allocated include salaries and payroll taxes, insurance, rent, utilities, repairs and maintenance.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment acquired are stated at cost less accumulated depreciation. The costs of additions and betterments that extend the useful lives of property and equipment are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. Depreciation is calculated on the straight-line basis over the estimated useful life of the assets, ranging from 5 to 39 years.

When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

Construction in progress

Construction in progress is stated at cost and consists primarily of costs incurred in the construction of a new administrative office and classroom building. No provision for depreciation is made on construction in progress until the assets are complete and placed into service.

Leases

The Organization uses a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The Organization has elected the risk-free rate practical expedient permitted under the FASB ASC and therefore uses a risk-free discount rate in measuring its lease liabilities.

Accounts receivable

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation required by generally accepted accounting principles.

Donated services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. These services are recorded, based on the fair value of the services provided, as in-kind contributions on the statement of activities and the statement of functional expenses. Volunteer services are not recognized in the financial statements when the recognition criteria are not met.

Contributed nonfinancial assets

The Organization recognized contributed nonfinancial assets within support and revenue in the statement of activities, consisting of donated items received for resale in the thrift store. The donations are recognized as income at their estimated fair value only to the extent that the items were resold. Any items not resold are not recorded as donations in the financial statements because there is no objective basis available to value such items.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Organization may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by tax authorities. The Organization has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

B: CONCENTRATIONS AND CREDIT RISK

Sources of revenue that subject the Organization to concentrations of revenue sources consist principally of Medicare funds received from the Louisiana Department of Health and Hospitals, which comprise 17% of total revenues for the year ended December 31, 2024. As of December 31, 2024, 100% of the Organization's accounts receivable were from the Medicaid funds.

These funds are received directly from a state agency, which are subject to compliance audits and monitoring reviews by the granting agencies. As a result, amounts might be subject to disallowance upon acceptance and completion of the audits and monitoring reviews by the granting agencies.

The Organization maintains its cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. Management has placed these funds in high quality institutions in order to minimize the risk. At December 31, 2024, the Organization's cash balances exceeded federally insured limits by \$1,630,643.

C: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at cost, less accumulated depreciation as of December 31, 2024:

Building and improvements	\$ 376,237
Vehicles	61,325
Equipment	<u>17,002</u>
	454,564
Less: accumulated depreciation	(<u>120,984</u>)
	<u>\$ 333,580</u>

Depreciation expense was \$13,048 for the year ended December 31, 2024.

D: UNAPPLIED INSURANCE PROCEEDS

In August 2021, the Organization's main building was severely damaged by Hurricane Ida. The Organization received insurance proceeds intended to reimburse costs associated with constructing a replacement facility. As of December 31, 2024, \$185,298 of insurance proceeds had not yet been applied to eligible construction costs and is reported as a current liability. These amounts will be recognized as an offset to construction in progress as qualifying expenditures are incurred.

E: LINE OF CREDIT

The Organization has a revolving line of credit agreement with a local bank in the amount of \$50,000 bearing a variable interest rate of prime plus 3%. The line of credit matures April 8, 2026 and is secured by funds on deposit with the lender in a money market account which is recorded as restricted cash on the statement of financial position. There were no outstanding draws on the line during the year ended December 31, 2024.

The Organization has a non-revolving construction line of credit agreement with a local bank in the amount of \$1,250,000 bearing a fixed interest rate of 7.75%. The line of credit matures September 23, 2025, and is secured by funds on deposit with the lender in an escrow cash account which is recorded as restricted cash on the statement of financial position. There were no outstanding draws on the line during the year ended December 31, 2024.

F: COOPERATIVE ENDEAVOR AGREEMENT

In June 2020, the Organization entered into a cooperative endeavor agreement with the St. James Parish Government. Per the terms of this agreement, the St. James Parish Government agreed to expend the appropriate funds for the staffing necessary to run the Organization as it relates to staff salaries, benefits, and overall compensation. Effective July 1, 2020, employees of the Organization became employees of the St. James Parish Government. The Parish Government also agreed to maintain the physical building of the Organization and provide transportation services for the Organization's clients. The Organization agreed to continue to provide all programmatic activities as it related to the clients of the Organization and continue to operate the thrift store and engage in other fundraising activities.

In-kind salaries, payroll taxes, and benefits of \$406,167 are reported and included in the statement of functional expenses for the year ended December 31, 2024.

G: LIQUIDITY

The following represents the Organization's financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Cash	\$ 1,261,636
Accounts receivable	1,462
Less donor-imposed restrictions	(<u>722,661</u>)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 540,437</u>

As part of the organization's liquidity management, the Organization maintains sufficient cash balances throughout the year through the receipt of grants and donations and proceeds from the operation of the thrift store. To support the Organization's objectives to help manage unanticipated liquidity needs, the Organization also has a \$50,000 line of credit available.

H: LEASES

The Organization leases a building under an agreement that is classified as an operating lease. The lease provides for monthly rent ranging from \$1,500 to \$2,250 and has an optional extended term that expires November 1, 2025. The right-of-use assets and related liabilities have been calculated using a weighted average risk-free discount rate of 4.23%.

The Organization evaluates the optional renewal extensions and includes them in the right-of-use asset and lease liability balances when they become certain to be exercised. The weighted-average remaining lease term for all operating leases, excluding those classified as short term, was 0.92 years as of December 31, 2024. Lease expense for the operating leases under these agreements was \$23,250 for the year ended December 31, 2024.

The future minimum lease payments required under the operating lease are as follows for the year ending December 31, 2024:

Years ending December 31:		
2025	<u>24,750</u>	
	24,750	
Less amounts representing interest	(<u>515</u>)	
	<u>\$ 24,235</u>	

I: COMMITMENTS

St. James ARC is in the process of constructing a new administrative office and classroom building. Construction costs to date, which have been capitalized as construction in progress, are \$302,777 as of December 31, 2024. The Organization expects the additional costs to complete the project will be approximately \$2,256,223.

J: NON-CASH INVESTING AND FINANCING ACTIVITIES

During the year ended December 31, 2024, there were no non-cash investing and financing activities

K: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of funds designated by donors or grantors for specific purposes or programs. As of December 31, 2024, \$722,661 was restricted for the use of constructing a new administrative office and classroom building.

L: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 1, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ST. JAMES ARC
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD

Year Ended December 31, 2024

Agency Head: James Brazan, Board President

There were no compensation, benefits, or other payments made to the agency head in 2024.

See accompanying notes to financial statements.

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

October 23, 2025

L.A. Champagne & Co., LLP

4911 Bennington Ave.

Baton Rouge, LA 70808

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2024 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

Open Meetings

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

Yes No N/A

Budget

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

Yes No N/A

Reporting

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

Yes No N/A

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

Yes [x] No [] N/A []

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

Yes [x] No [] N/A []

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

Yes [] No [] N/A [x]

Prior-Year Comments

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

Yes [] No [] N/A [x]

General

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

Yes [x] No [] N/A []

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

Yes [x] No [] N/A []

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

Yes [x] No [] N/A []

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

Yes [x] No [] N/A []

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

Yes [x] No [] N/A []

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

Yes [x] No [] N/A []

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

Yes [x] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [x] No [] N/A []

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

Alisa Franklin Secretary 10/28/25 Date

Blair Stur Treasurer 10/28/25 Date

Jane Bre President 10/28/25 Date

Kimberly G. Sanders, CPA, MBA
Neal Fortenberry, CPA
Wayne Dussel, CPA, CFE
Jonathan Clark, CPA



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
St. James ARC and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2024, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide. The Organization's management is responsible for its financial records and compliance with applicable laws and regulations.

The Organization 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 Organization's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended December 31, 2024. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

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

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Cooperative Endeavor Agreement:			
State of Louisiana	2023	N/A	\$ 169,083

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

A total of six disbursements were selected for testing.

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

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

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

Each of the selected disbursements were coded to the correct fund and general ledger account.

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

Each of the selected disbursements were approved in accordance with their policies and procedures.

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

Each of the selected disbursements agreed with the requirements of the grant agreement.

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

The state grant was not closed out in 2024.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there were any exceptions. Note: Please refer to the Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://appl.lla.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

The Organization is not required to comply with LA R.S. 42:11 through 42:28 (the open meetings law) because the Organization is not a public body.

Budget

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

The grant that was awarded to the Organization in 2023 has a budget that includes the purpose and duration of the grant. This budget also includes specific goals, objectives, and measures of performance.

State Audit Law

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

The Organization's report was not submitted to the Legislative Auditor before the statutory due date of June 30, 2025.

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

The Organization's management represented that the Organization did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior Comments

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

The Organization did not file their prior year annual financial statement with the legislative auditor within six months of the close of the fiscal year for 2023. This was not resolved as the current year's report was also not filed with the legislative auditor within six months of the close of the fiscal year for 2024. The Organization should take necessary actions to ensure their annual financial statement audit is submitted within six months of the close of their fiscal year.

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

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

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

T. A. Champagne & Co., LLP

Baton Rouge, Louisiana
December 1, 2025

ST. JAMES ARC

SCHEDULE OF FINDINGS AND RESPONSES

December 31, 2024

COMPLIANCE FINDING

2024-01 Annual Financial Statement

Criteria: In accordance with Louisiana Revised Statute 24:513, the Organization must complete and submit their financial statements within six months of the close of their fiscal year to the Legislative Auditor's office.

Condition: The Organization's annual financial statements for the fiscal year ended December 31, 2024, which were subject to an independent accountant's review, were not submitted to the Louisiana Legislative Auditor within the required six-month period.

Cause: The Organization's management did not take appropriate actions to ensure the annual financial statements were completed and submitted within the statutory time frame.

Effect: The Organization did not comply with the reporting requirements of Louisiana Revised Statute 24:513.

Recommendation: The Organization should take the necessary actions to ensure its annual financial statements are completed and submitted to the Louisiana Legislative Auditor within six months of the close of each fiscal year.

Management's Response: Management will take appropriate actions to ensure that future annual financial statements are completed and submitted timely in accordance with Louisiana Revised Statute 24:513.

ST. JAMES ARC

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

December 31, 2024

COMPLIANCE FINDING

2023-01 Annual Financial Statement

Criteria: In accordance with Louisiana Revised Statute 24:513, the Organization must complete and submit an audit of their financial statements within six months of the close of their fiscal year to the Legislative Auditor's office.

Condition: The annual audited financial statements were not filed timely for fiscal year ended December 31, 2023.

Cause: The Organization's management did not take appropriate actions to ensure its annual financial statement audit was completed within six months of the close of their fiscal year.

Effect: The Organization did not comply with Louisiana Revised Statute 24:513.

Recommendation: The Organization should take necessary actions to ensure their annual financial statement audit is submitted within six months of the close of their fiscal year.

Management's Response: Management will take appropriate actions to ensure their annual financial statement audits are submitted timely.

Status: Repeated in current year findings.