

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITORS' REPORT

and

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

For the Year Ended March 31, 2023

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**INDEPENDENT AUDITORS' 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 statements of financial position as of March 31, 2023, and the related statements of activities and changes in net assets, of functional expenses, and cash flows for the year then ended and the related notes to these financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary Community Action Committee Association, Inc., as of March 31, 2023, 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 Opinions

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 opinions.

## 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.

## Auditors' 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 27, 2023, 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 internal control over financial reporting or on compliance. That report is an effectiveness of the Association's 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 27, 2023  
Morgan City, Louisiana

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

**STATEMENT OF FINANCIAL POSITION**

March 31, 2023

**ASSETS**

Current assets	
Cash	\$ 630,830
Grants receivable	622,636
Other receivables	12,674
	1,266,140
Noncurrent assets	
Fixed assets - less accumulated depreciation	5,798,152
Operating Lease - Right of Use	9,641
	5,807,793
Total assets	\$ 7,073,933

**LIABILITIES AND NET ASSETS**

Current liabilities	
Accounts payable and accrued expenses	\$ 699,583
Deferred revenue	2,972
Operating Lease Liability	3,445
	706,000
Long-Term Liabilities	
Operating Lease Liability	6,196
	6,196
Net assets	
Without donor restrictions	125,968
With donor restrictions:	
Fixed assets with explicit restrictions on use	\$ 5,421,023
Head Start Programs	142,150
Housing and utility assistance programs	229,422
Transportation programs	183,461
Family and childrens programs	202,753
Management and general	56,960
	6,235,769
Total net assets	6,361,737
Total liabilities and net assets	\$ 7,073,933

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, 2023**

Changes in net assets without donor restrictions	
Revenue	
Revenue from real estate operations	\$ 34,365
Support	
Grants	
Federal	1,075,238
State	64,619
Local	178,997
Contributions	348,413
Net assets released from restrictions:	
Satisfaction of program restrictions	8,602,584
Reduction of fixed assets with restrictions on use	<u>187,495</u>
Total support without donor restrictions	<u>10,491,611</u>
 Expenses	
Head Start programs	6,225,059
Housing and utility assistance programs	2,340,035
Transportation programs	472,024
Family and childrens programs	985,393
Management and general	<u>425,481</u>
Total expenses without donor restrictions	<u>10,447,992</u>
Increase (decrease) in net assets without donor restrictions	<u>43,619</u>
 Changes in net assets with donor restrictions:	
Support	
Grants	
Federal	8,389,618
Local	1,500
Net assets released from restrictions:	
Satisfaction of program restrictions	(8,602,584)
Reduction of fixed assets with donor restrictions	<u>(187,495)</u>
Increase (decrease) in net assets with donor restrictions	<u>(398,961)</u>
Increase (decrease) in net assets	(355,342)
Net assets at March 31, 2022	<u>6,717,079</u>
Net assets at March 31, 2023	<u>\$ 6,361,737</u>

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

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended March 31, 2023

<u>Expenses:</u>	<u>Head Start Programs</u>	<u>Housing and Utility Assistance Programs</u>	<u>Transportation Programs</u>	<u>Family and Children Programs</u>	<u>Management and General</u>	<u>Total</u>
Salaries and benefits	\$ 4,221,778	\$ 465,509	\$ 284,719	\$ 337,861	\$ 250,526	\$ 5,560,393
Utilization of Contributed:						
Supplies	311,589	-	-	-	-	311,589
Professional Services	36,824	-	-	-	-	36,824
Professional Services	154,788	26,464	8,890	4,178	14,156	208,476
Contractual						
Maintenance- Facilities	139,475	49,657	3,421	1,105	2,875	196,533
Rent	8,100	-	-	-	-	8,100
Services	55,820	49,233	2,253	289,172	(8,976)	387,502
Supplies	175,199	35,207	2,485	39,147	11,224	263,262
Travel and Transportation	75,298	62,251	57,371	2,162	2,159	199,241
Insurance	290,927	96,527	85,930	1,492	63,357	538,233
Benefits Provided to Community						
Emergency Assistance	-	-	-	-	4,971	4,971
Food	23,949	1,632	304	179,686	14,007	219,578
Utility Payments	-	-	-	66	-	66
Weatherization	-	1,370,285	-	-	-	1,370,285
Housing Assistance	-	-	-	-	-	-
Sanitation and Pest	(6,207)	6,207	-	-	-	-
Other	160,485	57,109	5,107	119,355	19,920	361,976
Depreciation	350,364	18,638	8,418	6,286	32,414	415,120
Utilities, Telephone, and Internet	226,670	101,316	13,126	4,883	18,848	364,843
<b>Total Unrestricted Expenses</b>	<b>\$ 6,225,059</b>	<b>\$ 2,340,035</b>	<b>\$ 472,024</b>	<b>\$ 985,393</b>	<b>\$ 425,481</b>	<b>\$ 10,447,992</b>

See accompanying notes and independent auditors' report.

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

**STATEMENT OF CASH FLOWS**  
For the Year Ended March 31, 2023

Cash flows from operating activities:	
Received from grantors	\$ 9,857,700
Other revenues	382,564
Paid to employees	(5,560,393)
Paid to vendors	<u>(4,594,185)</u>
Net cash provided by operating activities	<u>85,686</u>
Cash flows from investing activities:	
Purchases of fixed assets	<u>(164,854)</u>
Net cash provided (used) by investing activities	<u>(164,854)</u>
Net increase in cash and cash equivalents	(79,168)
Cash and cash equivalents at beginning of year	<u>709,998</u>
Cash and cash equivalents at end of year	<u>\$ 630,830</u>

**NOTE:**

The Association received noncash contributions of supplies and professional services and equipment totaling \$348,413 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, 2023

**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, 2023:

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Community Services Block Grant (CSBG)	U.S. Dept. of Health and Human Services	To provide administrative assistance to non-profit community service organizations.
Revolving Loan Fund	U.S. Dept. Of Agriculture	To provide loans to small businesses located in rural areas.
Capital Reserve	Various	To provide unrestricted reserve operations funding in the event of agency wide budget cuts/ shortfalls.
Parish Council	St. Mary Parish Council, U.S. Dept of Transportation, and State of Louisiana Dept. Of Transportation	To supplement transportation services.
LIHEAP Utility Payments	U.S. Dept. of Health and Human Services	To assist eligible households to meet home energy costs.
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
ECN Covid-19 Community Childcare Recovery (CCR)	U.S. Dept. of Health & Human Services	To pursue support to aid in recovery from the impacts of Covid-19
Summer Feeding	U.S. Dept. of Agriculture	To supply nutritious foods to children during summer months.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
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
Head Start American Rescue Plan (ARP)	U.S. Dept. of Health & Human Services	To provide additional Head Start funding due to the ARP.
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

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of Accounting

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

### Use of Estimates

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

### Support and Revenues

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

### Expenses

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

### Utilization of Contributed 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, 2023. The amount accrued at March 31, 2023 is approximately \$87,000.

### 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, 2020 and prior.

## NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

Effective April 1, 2022, the Association adopted FASB ASC 842, Leases. The Association determines if an arrangement or contract contains a lease at inception based on whether the Association had the right to control the asset during the contract period and other facts and circumstances. The Association elected the package of practical expedient permitted under the transition guidance with the new standard, which among other things, allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in the recognition of operating a right of use asset and operating lease liability. The adoption of FASB ASC 842 did not have a material impact on the Association's statement of activities, cash flows or debt covenants.

Effective April 1, 2022, the Association adopted FASB ASC 958, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The adoption of FASB ASC 958 added additional note disclosures for the description of the Association's nonfinancial contributed goods and services. This change did not have an impact on the Association's financial statements.

## NOTE 3 – 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 two 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, 2023 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 \$333.

The Association received a total of \$34,365 in rental revenues from these properties in 2023.

**NOTE 4 - LIQUIDITY AND AVAILABILITY**

St. Mary Community Action Agency has \$1,266,140 of financial assets available within one year of the balance sheet date of which \$325,741 is without donor restrictions to meet cash needed for general expenditures and the remaining \$940,399 is with donor restrictions as follows:

<u>Program/ Restriction on Use</u>	<u>Cash</u>	<u>Grants Receivable</u>	<u>Other Receivable</u>	<u>Total</u>
Head Start				
Youth Programs	\$ 37,085	\$ -	\$ -	\$ 37,085
Vermillion Transit				
Transportation Program	173,358	1,658	-	175,016
Revolving Loan				
Job Assistance Program	36,278	-	1,168	37,446
Liwap				
Emergency Assistance Program	373	16,999	-	17,372
Parish Council				
Transportation Program	44,186	19,144	-	63,330
Liheap				
Emergency Assistance Program	4,774	78,527	214	83,515
Weatherization				
Housing Program	11,072	386,813	-	397,885
ECN PDG Youth Programs	92,690	-	-	92,690
ECN Covid-19				
Emergency Assistance Program	8,292	-	-	8,292
Housing Department				
Housing Program	17,548	-	-	17,548
Early Childhood Network				
Youth Program	2,628	-	-	2,628
Faith Place				
Housing Program	7,592	-	-	7,592
<b>Total</b>	<b>\$ 435,876</b>	<b>\$ 503,141</b>	<b>\$ 1,382</b>	<b>\$ 940,399</b>

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

## NOTE 5 - FIXED ASSETS

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

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Construction-in-process	\$ 186,943	
Land	76,029	
Land, rental property	15,000	
Buildings	7,805,763	35 years
Rental property	424,108	25 years
Building improvements	32,000	5 years
Vehicles	2,296,177	3 years
Furniture and fixtures	97,986	5 years
Machinery and equipment	1,486,470	5 years
Leasehold improvements	<u>96,472</u>	5 years
Total	12,516,948	
Less: accumulated depreciation	<u>6,718,796</u>	
	<u>\$ 5,798,152</u>	

Depreciation for the year ended March 31, 2023 totaled approximately \$416,000.

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 6- LEASES

At March 31, 2023, 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, 2023 totaled approximately \$10,800.

The operating right-of-use assets and operating lease liabilities at March 31, 2023 are as follows:

Lease Assets	
Operating lease right of use (new)	\$9,641
Lease liabilities	
Operating lease liabilities at March 31, 2023	9,641
Less current portion	<u>(3,445)</u>
Long term	<u>\$6,196</u>

## NOTE 6- LEASES

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

Year ended March 31,	
2024	\$10,800
2025	10,800
2026	6,300
2027	900
2028	--
Total	<u>\$28,800</u>

## NOTE 7 – CONTRIBUTIONS

The following in-kind contributions were received and recognized, for financial reporting purposes, by the Association during the year ended March 31, 2023:

<u>Program</u>	<u>Contribution</u>	<u>Amount</u>
Head Start	Education Training	\$12,624
Head Start	Professional Services	265,988
Early Head Start	Education Training	24,200
Early Head Start	Professional Services	<u>45,601</u>
Total recognized contributions received		<u>\$348,413</u>

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.

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 \$981,000.

## NOTE 8 - EMPLOYEE BENEFIT PLAN

The Association provides a 401(k) savings plan for its eligible employees. All employees with one year of service and an attained age of 20 ½ may participate. Participating employees may elect to contribute up to ten percent of their earnings. The Association may contribute an amount equal to the participants' contribution up to an amount equal to five percent of the participants' earnings. The Association contributed approximately \$87,000 to the plan for the year ended March 31, 2023.

#### NOTE 9 - CONCENTRATIONS

Ninety-two 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-seven percent of the Association's total funding for the year ended March 31, 2023.

The Association maintains accounts at several banks. However, the Association's accounts with its primary bank exceeded FDIC Coverage by approximately \$126,000 at year end.

#### NOTE 10 – SUBSEQUENT EVENTS

The Association's management evaluated whether any events and transactions occurred subsequent to March 31, 2023 through September 27, 2023, 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, 2023

Chief Executive Officer : Almetra J Franklin

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 109,523
Benefits-401(K)	5,251
Benefits-Insurance	3,580
Cell phone allowance	2,000
Automobile allowance	11,000
Reimbursement - Travel/Hotels	1,900
Total	<u>\$ 133,254</u>

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, 2023

	009 Head Start <u>COVID-19</u>	010 General <u>Fund</u>	015 Head Start <u>#22</u>	020 <u>CACFP</u>	022 Vermillion <u>Transit</u>	024 ECN Ready <u>Start</u>	028 Childcare Asst. <u>Program (CCAP)</u>	030 <u>CSBG</u>
Revenue								
Revenue from Real Estate Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support								
Grants								
Federal	-	-	-	453,399	141,408	156,026	15,663	-
State	-	-	-	-	-	1,941	-	-
Local	-	37,622	-	-	72,456	-	-	-
Other support								
Utilization of contributed professional services	-	-	311,589	-	-	-	-	-
Utilization of contributed supplies	-	-	36,824	-	-	-	-	-
Net assets released from restrictions:								
Satisfaction of program restrictions	79,438	-	5,460,139	-	-	-	-	200,764
Reduction of fixed assets with restrictions on use	-	-	187,495	-	-	-	-	-
Total support without donor restrictions	<u>79,438</u>	<u>37,622</u>	<u>5,996,047</u>	<u>453,399</u>	<u>213,864</u>	<u>157,967</u>	<u>15,663</u>	<u>200,764</u>
Expenses								
Salaries and benefits	58,002	6,252	3,920,182	183,423	108,074	64,735	18,552	180,593
Utilization of contributed supplies	-	-	311,589	-	-	-	-	-
Utilization of contributed professional services	-	-	36,824	-	-	-	-	-
Professional services	-	333	131,076	2,265	4,352	1,048	-	479
Contractual								
Maintenance - facilities	-	-	139,475	855	236	-	-	-
Rent	-	-	8,100	-	-	-	-	-
Services	-	4,300	72,032	4,208	1,588	17	-	290
Supplies	2,422	5,194	172,539	4,211	1,534	9,949	-	2,329
Travel and transportation	105	524	75,193	554	15,973	1,509	-	1,408
Insurance	-	5,030	290,927	280	46,655	-	-	327
Benefits provided to community:								
Emergency assistance	-	291	-	-	-	-	-	3,551
Food	12,476	2,466	11,473	165,825	152	-	152	5,977
Medical	-	-	-	-	-	-	-	-
Utility payments	-	-	-	66	-	-	-	-
Weatherization	-	-	-	-	-	-	-	-
Sanitation and Pest	-	-	(6,207)	-	-	-	-	-
Other	967	20,850	159,518	11,322	2,352	42,456	1,000	2,230
Depreciation	5,946	22,412	340,408	394	6,509	1,567	-	-
Utilities, Telephone, Internet	-	965	226,670	-	4,100	1,262	-	3,580
Total expenses	<u>79,918</u>	<u>68,617</u>	<u>5,889,799</u>	<u>373,403</u>	<u>191,525</u>	<u>122,543</u>	<u>19,704</u>	<u>200,764</u>

Changes in net assets without donor restrictions	(480)	(30,995)	106,248	79,996	22,339	35,424	(4,041)	-
Other changes in net assets without donor restrictions:								
Transfer in	-	22,983	75	-	-	9,099	-	-
Transfer out	-	(21,602)	-	-	-	(9,099)	-	-
Increase (decrease) in net assets without donor restrictions:	<u>(480)</u>	<u>(29,614)</u>	<u>106,323</u>	<u>79,996</u>	<u>22,339</u>	<u>35,424</u>	<u>(4,041)</u>	<u>-</u>
Changes in net assets with donor restrictions								
Support								
Grants								
Federal	75,923	-	5,332,503	-	-	-	-	178,303
Local	-	-	1,500	-	-	-	-	-
Net assets released from restrictions:								
Satisfaction of program restrictions	(79,438)	-	(5,460,139)	-	-	-	-	(200,764)
Reduction of fixed assets with donor restrictions	-	-	(187,495)	-	-	-	-	-
Increase (decrease) in net assets with donor restrictions	<u>(3,515)</u>	<u>-</u>	<u>(313,631)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,461)</u>
Increase (decrease) in net assets	(3,995)	(29,614)	(207,308)	79,996	22,339	35,424	(4,041)	(22,461)
Net assets at March 31, 2022	<u>12,832</u>	<u>443,861</u>	<u>4,796,233</u>	<u>269,675</u>	<u>202,753</u>	<u>24,292</u>	<u>11,117</u>	<u>5,937</u>
Net assets at March 31, 2023	<u>\$ 8,837</u>	<u>\$ 414,247</u>	<u>\$ 4,588,925</u>	<u>\$ 349,671</u>	<u>\$ 225,092</u>	<u>\$ 59,716</u>	<u>\$ 7,076</u>	<u>\$ (16,524)</u>

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
SCHEDULES OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2023

	035 Revolving <u>Loan Fund</u>	037 <u>LIWAP</u>	038 Capital <u>Reserve</u>	040 Parish <u>Council</u>	060 <u>LIHEAP</u>	070 <u>Weatherization</u>	085 ECN PDG <u>Seats</u>	090 ECN COVID-19 <u>CCR</u>
Revenue								
Revenue from Real Estate Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support								
Grants								
Federal	-	-	-	195,883	-	-	-	-
State	-	-	-	14,420	-	-	-	-
Local	-	-	-	48,688	-	-	-	-
Other support								
Utilization of contributed professional services	-	-	-	-	-	-	-	-
Utilization of contributed supplies	-	-	-	-	-	-	-	-
Net assets released from restrictions:								
Satisfaction of program restrictions	-	-	-	-	276,687	1,836,522	352,655	44,922
Reduction of fixed assets with restrictions on use	-	-	-	-	-	-	-	-
Total support without donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,991</u>	<u>276,687</u>	<u>1,836,522</u>	<u>352,655</u>	<u>44,922</u>
Expenses								
Salaries and benefits	-	19,933	6,400	176,645	154,457	285,123	23,613	-
Utilization of contributed supplies	-	-	-	-	-	-	-	-
Utilization of contributed professional services	-	-	-	-	-	-	-	-
Professional services	-	256	13,169	4,538	3,853	2,519	-	-
Contractual								
Maintenance - facilities	-	-	2,875	3,185	2,708	2,778	-	-
Rent	-	-	-	-	-	-	-	-
Services	-	-	(13,566)	665	2,750	903	284,947	-
Supplies	-	1,351	3,699	951	13,510	17,444	320	23,097
Travel and transportation	-	-	227	41,398	635	59,177	25	-
Insurance	-	1,212	58,000	39,275	7,761	53,798	-	-
Benefits provided to community:								
Emergency assistance	-	-	-	-	-	-	-	-
Food	-	-	1,568	152	152	231	-	-
Medical	-	-	-	-	-	-	-	-
Utility payments	-	-	-	-	-	-	-	-
Weatherization	-	-	-	-	-	1,369,644	-	-
Sanitation and Pest	-	-	-	-	-	-	-	-
Other	(3)	120	3,961	2,755	10,256	29,110	43,750	17,500
Depreciation	-	-	10,002	1,909	3,347	7,311	-	4,325
Utilities, Telephone, Internet	-	3,621	265	9,026	77,258	8,484	-	-
Total expenses	<u>(3)</u>	<u>26,493</u>	<u>86,600</u>	<u>280,499</u>	<u>276,687</u>	<u>1,836,522</u>	<u>352,655</u>	<u>44,922</u>

Changes in net assets without donor restrictions	3	(26,493)	(86,600)	(21,508)	-	-	-	-
Other changes in net assets without donor restrictions:								
Transfer in	-	-	-	-	-	-	-	-
Transfer out	-	-	(5,000)	-	-	21,527	-	-
	<u>3</u>	<u>(26,493)</u>	<u>(91,600)</u>	<u>(21,508)</u>	<u>-</u>	<u>21,527</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets without donor restrictions								
Changes in net assets with donor restrictions								
Support								
Grants								
Federal	-	35,741	-	-	272,579	1,726,201	375,539	40,000
Local	-	-	-	-	-	-	-	-
Net assets released from restrictions:								
Satisfaction of program restrictions	-	-	-	-	(276,687)	(1,836,522)	(352,655)	(44,922)
Reduction of fixed assets with donor restrictions	-	-	-	-	-	-	-	-
	<u>-</u>	<u>35,741</u>	<u>-</u>	<u>-</u>	<u>(4,108)</u>	<u>(110,321)</u>	<u>22,884</u>	<u>(4,922)</u>
Increase (decrease) in net assets with donor restrictions								
	3	9,248	(91,600)	(21,508)	(4,108)	(88,794)	22,884	(4,922)
Net assets at March 31, 2022	50,955	-	(177,651)	17,014	65,536	184,362	68,616	29,847
Net assets at March 31, 2023	<u>\$ 50,958</u>	<u>\$ 9,248</u>	<u>\$ (269,251)</u>	<u>\$ (4,494)</u>	<u>\$ 61,428</u>	<u>\$ 95,568</u>	<u>\$ 91,500</u>	<u>\$ 24,925</u>

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
SCHEDULES OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2023

	120 Summer Feeding	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	\$ -	\$ -	\$ -	\$ 18,405	\$ 15,960	\$ -	\$ 34,365
Support							
Grants							
Federal	45,917	66,942	-	-	-	-	1,075,238
State	-	48,158	-	-	-	-	64,519
Local	-	20,231	-	-	-	-	178,997
Other support							
Utilization of contributed professional services	-	-	-	-	-	-	311,589
Utilization of contributed supplies	-	-	-	-	-	-	36,824
Net assets released from restrictions:							
Satisfaction of program restrictions	-	-	251,332	-	22,421	77,704	8,602,584
Reduction of fixed assets with restrictions on use	-	-	-	-	-	-	187,495
Total support without donor restrictions	<u>45,917</u>	<u>135,331</u>	<u>251,332</u>	<u>18,405</u>	<u>38,381</u>	<u>77,704</u>	<u>10,491,611</u>
Expenses							
Salaries and benefits	27,605	25,882	243,594	47	-	57,281	5,560,393
Utilization of contributed supplies	-	-	-	-	-	-	311,589
Utilization of contributed professional services	-	-	-	-	-	-	36,824
Professional services	609	9,220	7,500	4,004	6,868	175	192,264
Contractual							
Maintenance - facilities	250	34,171	-	10,000	-	-	196,533
Rent	-	-	-	-	-	-	8,100
Services	-	35,608	-	6,457	3,515	-	403,714
Supplies	219	3,071	238	68	31	1,085	263,262
Travel and transportation	74	2,380	-	59	-	-	199,241
Insurance	-	12,306	-	14,438	8,224	-	538,233
Benefits provided to community:							
Emergency assistance	-	-	-	-	-	1,129	4,971
Food	13,709	578	-	519	152	3,996	219,578
Medical	-	-	-	-	640	-	640
Utility payments	-	-	-	-	-	-	66
Weatherization	-	-	-	-	-	-	1,369,644
Sanitation and Pest	-	2,069	-	2,069	2,069	-	-
Other	3,207	7,706	-	922	1,998	-	361,977
Depreciation	-	5,047	4,010	2,400	533	-	416,120
Utilities, Telephone, Internet	-	11,185	-	1,962	2,427	14,038	364,843
Total expenses	<u>45,673</u>	<u>149,223</u>	<u>255,342</u>	<u>42,945</u>	<u>26,457</u>	<u>77,704</u>	<u>10,447,992</u>

Changes in net assets without donor restrictions	244	(13,892)	(4,010)	(24,540)	11,924	-	43,619
Other changes in net assets without donor restrictions:							
Transfer in	-	-	-	-	-	-	32,157
Transfer out	-	(12,983)	-	-	(5,000)	-	(32,157)
	<u>244</u>	<u>(26,875)</u>	<u>(4,010)</u>	<u>(24,540)</u>	<u>6,924</u>	<u>-</u>	<u>43,619</u>
Increase (decrease) in net assets without donor restrictions:	<u>244</u>	<u>(26,875)</u>	<u>(4,010)</u>	<u>(24,540)</u>	<u>6,924</u>	<u>-</u>	<u>43,619</u>
Changes in net assets with donor restrictions							
Support							
Grants							
Federal	-	-	273,479	-	-	79,350	8,389,618
Local	-	-	-	-	-	-	1,500
Net assets released from restrictions:							
Satisfaction of program restrictions	-	-	(251,332)	-	(22,421)	(77,704)	(8,602,584)
Reduction of fixed assets with donor restrictions	-	-	-	-	-	-	(187,495)
	<u>-</u>	<u>-</u>	<u>22,147</u>	<u>-</u>	<u>(22,421)</u>	<u>1,646</u>	<u>(398,961)</u>
Increase (decrease) in net assets	244	(26,875)	18,137	(24,540)	(15,497)	1,646	(355,342)
Net assets at March 31, 2022	<u>1,886</u>	<u>115,499</u>	<u>36,959</u>	<u>135,482</u>	<u>426,927</u>	<u>(5,053)</u>	<u>6,717,079</u>
Net assets at March 31, 2023	<u>\$ 2,130</u>	<u>\$ 88,624</u>	<u>\$ 55,096</u>	<u>\$ 110,942</u>	<u>\$ 411,430</u>	<u>\$ (3,407)</u>	<u>\$ 6,361,737</u>

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended March 31, 2023**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENDITURES INCURRED
<u>U.S. Department of Agriculture</u>				
Rural Housing Preservation Grant	10.433		\$ 58,227	\$ 58,227
Passed through Louisiana Department of Education				
Child and Adult Care Food Program	10.558		453,389	358,918
Summer Food Service Program for Children	10.559		<u>45,917</u>	<u>45,673</u>
Total U.S. Department of Agriculture			<u>\$ 557,543</u>	<u>\$ 462,818</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Louisiana Housing Corporation (LHC)				
Housing Counseling Assistance Program	14.189		<u>8,715</u>	<u>8,715</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 8,715</u>	<u>\$ 8,715</u>
<u>U.S. Department of Transportation</u>				
Passed through Louisiana Department of Transportation and Development:				
Passed through the Vermillion Parish Policy Jury				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RU18-57-23	\$ 141,408	\$ 191,525
Passed through the City of Franklin				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RU18-51-23	<u>195,883</u>	<u>280,499</u>
Total for Formula Grants for Rural Areas	20.509		<u>\$ 337,291</u>	<u>\$ 472,024</u>
Total U.S. Department of Transportation			<u>\$ 337,291</u>	<u>\$ 472,024</u>
<u>U.S. Department of Energy</u>				
Passed through Louisiana Housing Corporation (LHC),				
Weatherization Assistance for Low-income Persons	81.042	29172855	\$ 1,723,201	\$ 1,836,522
Total U.S. Department of Energy			<u>\$ 1,723,201</u>	<u>\$ 1,836,522</u>

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENDITURES INCURRED
<u>U.S. Department of Health and Human Services</u>				
Passed through Louisiana Department of Education's Department of Children & Family Services				
Every Student Succeeds Act/Preschool Development Grant	93.434		\$ 375,539	\$ 352,655
Every Student Succeeds Act/Preschool Development Grant (Ready Start Network PDG)	93.434	28-21-RSB5-91	<u>55,104</u>	<u>44,334</u>
Total for Every Student Succeed Act/Preschool Development Grant	93.434		\$ <u>430,643</u>	\$ <u>396,989</u>
Child Care and Development Block Grant (EC Network Lead Agencies - CCDF)	93.575	28-21-CO-91	16,207	7,693
Child Care and Development Block Grant (Ready Start Network - CCDF)	93.575	28-21-RSCC-91	34,667	33,400
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Ready Start Network - CRRSA)	93.575	28-21-RSNC-91	50,048	33,608
Child Care and Development Block Grant (Coronavirus Response and Relief Supplemental CRRSA 2121 P.L. 116-261-Believe Category 1 CCRSA)	93.575	28-21-CCCR-91	30,000	30,000
Child Care and Development Block Grant (American Rescue Plan Act ARPA 2021 P.L. 117-002-Believe Category 4 CCDBG)	93.575	28-21-BYCC-91	<u>10,000</u>	<u>10,000</u>
Total for Child Care Development Block Grant	93.575		\$ <u>140,922</u>	\$ <u>114,704</u>
Child Care Mandatory and Matching Fund of the Child Care and Development Fund (Child Care Assistance Program)	93.575		15,663	19,704
Passed through Louisiana Housing Corporation (LHC),				
Low Income Home Energy Assistance	93.568		272,579	276,687
Passed through Louisiana Department of Labor				
Community Services Block Grant	93.569		178,303	200,764
Community Services Block Grant (Coronavirus Aid Relief and Economic Security Act)	93.569		<u>79,350</u>	<u>77,704</u>
Total for Community Service Block Grant	93.569		\$ <u>257,653</u>	\$ <u>278,468</u>
Head Start	93.600	06CH010878	5,332,503	5,331,899
Head Start (American Rescue Plan)	93.600	06HE000451	255,342	251,332
Head Start (COVID-19 P.L. 116-260)	93.600	06HE000451	<u>75,923</u>	<u>79,438</u>
Total for Head Start	93.600		\$ <u>5,663,768</u>	\$ <u>5,662,669</u>
Total U.S. Department of Health and Human Services			\$ <u>6,781,228</u>	\$ <u>6,749,218</u>
Total Federal Financial Assistance			\$ <u>9,410,978</u>	\$ <u>9,529,297</u>

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, 2023**

**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, 2023. 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 10% de minimis cost rate for year ending March 31, 2023.

**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:

<u>Program</u>	<u>Contract ID #</u>	<u>Federal Revenues</u>	<u>Total Expenditures</u>
Vermillion Transportation	RU18-57-22	<u>\$141,408</u>	<u>\$191,525</u>
Parish Council	RU18-51-22	<u>\$195,883</u>	<u>\$280,499</u>

**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:

	<u>Head Start</u>
Total unrestricted expenses per Statement of Activity by Program	\$5,889,799
Less: Depreciation expense (\$318,416) and (\$21,992)	(340,408)
Utilization of in-kind contributions	(348,413)
Add: Purchase of fixed assets with grant funds	<u>130,921</u>
Total expenditures incurred per Schedule of Expenditures of Federal Awards	<u>\$5,331,899</u>
Total Federal Support per Statement of Activity by Program	\$5,332,503

**NOTE 5 – HEAD START (American Rescue Plan)**  
**(FEDERAL ASSISTANCE LISTING #93.600)**

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

Total unrestricted expenses per Statement of Activity by Program	\$255,342
Less: Depreciation expense	(4,010)
Add: Purchase of fixed assets with grant funds	<u>--</u>
Total expenditures incurred per Schedule of Expenditures of Federal Awards	<u>\$251,332</u>

**NOTE 6 – HEAD START (COVID P.L.116260)**  
**(FEDERAL ASSISTANCE LISTING #93.600)**

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

Total unrestricted expenses per Statement of Activity by Program	\$79,918
Less: Depreciation expense	(967)
Add: Purchase of fixed assets with grant funds	<u>487</u>
Total expenditures incurred per Schedule of Expenditures of Federal Awards	<u>\$79,438</u>

**NOTE 7:**

Every Student Succeed Act/ Preschool Development Grant (FEDERAL ASSISTANCE LISTING #93.434)  
 Child Care and Development Block Grant (FEDERAL ASSISTANCE LISTING # 93.575)  
 Child Care Mandatory and matching Funds of the Child Care and Development Fund  
 (FEDERAL ASSISTANCE LISTING #93.575)

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 <u>93.434</u>	FEDERAL ASSISTANCE LISTING NUMBER <u>93.575</u>	FEDERAL ASSISTANCE LISTING NUMBER <u>93.575</u>	FEDERAL ASSISTANCE LISTING NUMBER <u>93.575</u>			
	Every Student Succeed Act/ Preschool Development Grant (Ready Start Network PDG)	Child Care Development Block Grant (Ready Start Network- CCDF)	Child Care Development Block Grant (EC Network Lead Agencies- CCDF)	Child Care Mandatory and matching Funds of the Child Care and Development Fund (Ready Start Networks CRRSA)	State and Local Revenue	Depreciation expense	Total Unrestricted expense per Statement of Activity by Program
Total expenditures incurred per Schedule of Expenditures of Federal Awards	\$44,334	\$33,400	\$7,693	\$33,608	\$1,941	\$1,567	\$122,543
Total revenue recognized per Schedule of Expenditures of Federal Awards	\$55,104	\$34,867	\$16,207	\$50,948	\$ 1,941		\$157,967

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE  
AND OTHER MATTERS



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2023, 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 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 St. Mary Community Action Committee Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.



CERTIFIED PUBLIC ACCOUNTANTS

September 27, 2023  
Morgan City, Louisiana



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.  
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 St. Mary Community Action Committee Association, Inc.'s major federal programs for the year ended March 31, 2023. St. Mary Community Action Community Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, St. Mary Community Action Committee Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2023.

***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.

We are required to be independent of St. Mary Community Action Committee Association, Inc. 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 St. Mary Community Action Committee Association, Inc. 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 St. Mary Community Action Committee Association, Inc.'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 St. Mary Community Action Committee Association, Inc.'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 St. Mary Community Action Committee Association, Inc.'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 St. Mary Community Action Committee Association, Inc.'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 St. Mary Community Action Committee Association, Inc.'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 St. Mary Community Action Community Association, Inc.'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. He & Metts*

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana  
September 27, 2023

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS, AND QUESTIONED COSTS**  
**For the Year Ended March 31, 2023**

**A. SUMMARY OF AUDIT RESULTS**

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

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**NO MATTERS TO BE REPORTED**

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

NO MATTERS TO BE REPORTED

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

NO MATTERS TO BE REPORTED

**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, 2023

WITH

AGREED UPON PROCEDURES REPORT

BY

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' 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, 2022 through March 31, 2023. 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, 2022 through March 31, 2023. 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.

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 & Matts*

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana  
September 27, 2023

**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, 2023**

Guide to Presentation Format

This report contains these items presented in this order:

Statewide Agreed-Upon Procedures (AUPS) 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:

<u>Order of Presentation</u>	<u>Presentation Format</u>
Area or function	<b>Centered all CAPITALS IN BOLD TYPE</b>
Statewide Agreed-Upon Procedures Prescribed (AUPS) 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 <b>Procedure Performed:</b> (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as <b>Findings:</b> (in bold type) followed by findings in regular type
Management's response to findings	Denoted as <b>Management's Response:</b> (in bold type) followed by <i>managements response in italics</i>

## 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).

## WRITTEN POLICIES AND PROCEDURES (CONTINUED)

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**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(s) rate 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 the specified functions listed above, with the exception of reviewing and approving overtime worked.

### **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 contracts.

**Findings:** Found the Association has written policies and procedures that include the specified functions listed above, with the exception of legal review.

### **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 listed above, with the exception of dollar thresholds by category of expense.

## WRITTEN POLICIES AND PROCEDURES (CONTINUED)

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### 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, and (5) monitoring card usage (e.g., determine 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 listed 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:** Discussed the findings with management.

## WRITTEN POLICIES AND PROCEDURES (CONTINUED)

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### **Sexual Harassment**

- xii) 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:***

*The Association has policies and procedures in place for all the areas above, with the exception of Payroll/Personnel as it relates to reviewing and approving overtime, Ethics, Debt Service, and Sexual Harassment. These policies and procedures are not applicable to the Association as a non-profit entity.*

*We will put written policies and procedures in place in the area of Contracting, as it relates to legal review and in the area of Travel and Expense Reimbursements, as it relates to the dollar thresholds by category of expense.*

## BOARD OR FINANCE COMMITTEE

---

### 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:** 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 that the Association met with a quorum for all quarterly board meetings and its annual finance committee meeting required by the Association's bylaws.

- ii) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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 nonprofit accounting model and public funds comprised more than 10% of the Association's collections during the fiscal period, we observed the Association's board meeting minutes for the fiscal period.

**Findings:** Found that the Association minutes included 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 section is not applicable.**

## BOARD OR FINANCE COMMITTEE

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- 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.

**Not applicable to the Association because it did not have any audit findings in the previous audit report.**

*Management's response:*

*No comment.*

## BANK RECONCILIATIONS

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### 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 (e.g., initialed and dated, 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 the listing of bank accounts from management and received management's written representation that the listing is complete. Inquired of management and obtained written confirmation that the Association does not have a main operating account. One account is responsible for approximately 55% of the Association's stated revenues. We selected this account and randomly selected 4 additional bank accounts out of a total of 28 accounts. Randomly selected one month from the fiscal period. Obtained and inspected the corresponding bank statements and reconciliations for each selected account.

**Findings:**

- i) Observed there is evidence that each bank reconciliation was not prepared within 2 months of the related statement closing date.
- ii) Observed there is evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.
- iii) Found that there were 13 outstanding checks in the main account and 26 outstanding checks within the other selected accounts. Obtained documentation from management reflecting that they researched all the outstanding checks.

**Management' response:**

*In the future, we will prepare our bank reconciliations within 2 months of the related statement closing date.*

## COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

---

### 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:** 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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 each collection do not share cash drawers/registers.
- ii) Each employee responsible for collecting cash is not 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 agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Procedure Performed:** Obtained the listing of cash/check/money order (cash) collections locations for the Association's one deposit site and management's written representation that the listing is complete. Inspected written policies and procedures relating to employee job duties.

## COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

**Findings:** The Association has 4 cash collection locations.

- i) Employees responsible for collections do not share a cash drawer/register.
- ii) Employees responsible for collecting cash are not responsible for preparing/making bank deposits.
- iii) Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledgers.
- iv) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions 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 the bond or insurance policy for theft was enforced during the fiscal period.

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

**Findings:** The Association's insurance policy for theft was enforced 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.

## **COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)**

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**Procedure Performed:** Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 (selected the next deposit date chronologically if no deposit was made on the date randomly selected and randomly selected a deposit if multiple deposits were made on the same day). Obtained the Association's collection documentation (copies of checks, ACH transmittal reports, drawdown reports, deposit slip images, and bank statements) for each deposit, traced collection documentation to deposit slips, traced deposit slips to bank statements, and traced deposits per bank statement to the general ledger. Observed dates on collection documentation and compared to dates of deposit per bank statements.

**Findings:**

- a) Found the Association does not use sequentially pre-numbered receipts.
- b) Found collection documentation agreed to deposit slips
- c) Found deposit slips agreed to bank statements
- d) Observed all deposits were made within one day of receipt at the collection location.
- e) Found all actual deposits per bank statements were recorded in the general ledger.

**Management's response:**

*No comment*

**NON-PAYROLL DISBURSEMENTS – (EXCLUDING CARD PURCHASE/PAYMENTS,  
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

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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)**

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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)**

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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**

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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**

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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**

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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**

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

## FRAUD NOTICE

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### 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:** Inquired of management and obtained management's written representation that the Association did not have any misappropriation of public funds and assets during the fiscal period.

**Findings:** Found the Association did not have any misappropriation of public funds and assets during the fiscal period.

- 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 on its premises and website, the notice required by RS 24:523.1.

**Findings:** Found the Association posted on its premises and website, the notice required by RS 24:523.1

***Management's response:***

*No Comment*

## **INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY**

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### **13. Information Technology Disaster Recovery/ Business Continuity**

- A) Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, 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.**
  - ii) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if 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.**
  - iii) 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.**
- B) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.**

**Procedure Performed:** We performed the procedures.

**Findings:** Verbally discussed the results with management.

## PREVENTION OF SEXUAL HARRASSMENT

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