

**ARC OF ST. MARY**  
Centerville, Louisiana

Financial Report

Year Ended June 30, 2021

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
ARC of St. Mary  
Centerville, Louisiana

We have reviewed the accompanying financial statements of the ARC of St. Mary (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

### *Accountant's Responsibility*

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

### *Accountant's Conclusion*

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 21, 2021

ARC OF ST. MARY  
Centerville, Louisiana

Statement of Financial Position  
June 30, 2021

ASSETS

Current assets:	
Cash and cash equivalents	\$ 271,568
Receivables	
Due from other agencies	18,401
Deposits	<u>7,490</u>
Total current assets	297,459
Property and equipment, net	<u>626,998</u>
Total assets	<u>\$ 924,457</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 4,115
Accrued and withheld payroll taxes	<u>2,593</u>
Total current liabilities	6,708
Long-term liabilities:	
Notes payable	<u>115,000</u>
Total liabilities	<u>121,708</u>
Net assets:	
Without donor restrictions	
Undesignated	416,902
With donor restrictions	<u>385,847</u>
Total net assets	<u>802,749</u>
Total liabilities and net assets	<u>\$ 924,457</u>

*See accompanying notes and independent accountant's review report.*

ARC OF ST. MARY  
Centerville, Louisiana

Statement of Activities  
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Gains:			
Loan forgiveness	\$ 43,600	\$ -	\$ 43,600
Support:			
Appropriations from state and local governments:			
Operating grants			
State of Louisiana - DOTD	9,938	40,369	50,307
State of Louisiana - State General Fund	200,000	-	200,000
Local governments	15,215	-	15,215
Contributions	3,412	-	3,412
Total support	228,565	40,369	268,934
Revenue:			
Program service fees	19,450	-	19,450
Membership fees	1,921	-	1,921
Medicaid/Medicare	39,083	-	39,083
Interest income	25	-	25
Other	1,559	-	1,559
Total revenue	62,038	-	62,038
Net assets released from restrictions	17,686	(17,686)	-
Total revenues, gains, and other support	351,889	22,683	374,572
<b>EXPENSES:</b>			
Program services:			
Adult habilitation	145,821	-	145,821
Support services:			
General and administrative	31,004	-	31,004
Total expenses	176,825	-	176,825
Change in net assets	175,064	22,683	197,747
Net assets, beginning	241,838	363,164	605,002
Net assets, ending	\$ 416,902	\$ 385,847	\$ 802,749

*See accompanying notes and independent accountant's review report.*

ARC OF ST. MARY  
Centerville, Louisiana

Statement of Functional Expenses  
Year Ended June 30, 2021

	<u>Program Services</u>		<u>Total Expenses</u>
	<u>Adult Habilitation</u>	<u>General and Administrative</u>	
Salaries	\$ 48,902	\$ 5,434	\$ 54,336
Payroll taxes	5,139	571	5,710
Total salaries and related expenses	54,041	6,005	60,046
Conference and meetings	193	-	193
Insurance	33,525	3,725	37,250
Office expense	8,816	980	9,796
Postage	-	197	197
Professional fees	1,155	8,545	9,700
Repairs and maintenance	1,978	220	2,198
Supplies	738	82	820
Telephone	4,528	503	5,031
Thrift store occupancy	2,443	-	2,443
Thrift store rent	8,800	-	8,800
Transportation	1,380	-	1,380
Utilities	4,447	234	4,681
Interest expense	432	48	480
Miscellaneous	3,103	344	3,447
Total expenses before depreciation	125,579	20,883	146,462
Depreciation expense	20,242	10,121	30,363
	<u>\$ 145,821</u>	<u>\$ 31,004</u>	<u>\$ 176,825</u>

*See accompanying notes and independent accountant's review report.*

ARC OF ST. MARY  
Centerville, Louisiana

Statement of Cash Flows  
Year Ended June 30, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 197,747
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Department of Transportation grant for vehicles	(40,369)
Depreciation	30,363
Changes in assets and liabilities:	
Due from other agencies	(18,401)
Prepaid insurance	4,183
Accounts payable	(875)
Accrued and withheld payroll taxes	(229)
Forgiveness of short-term loans	(43,600)
Net cash provided by operating activities	<u>128,819</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from borrowings	115,000
Principal payments on long-term debt	<u>(86,630)</u>
Net cash provided by financing activities	<u>28,370</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of property and equipment	<u>(4,780)</u>
Net increase in cash	152,409
Cash and cash equivalents, beginning	<u>119,159</u>
Cash and cash equivalents, ending	<u>\$ 271,568</u>
Supplemental disclosures:	
Noncash investing activities:	
Property and equipment obtained through DOTD grant	<u>\$ 40,369</u>
Interest paid	<u>\$ 1,296</u>

*See accompanying notes and independent accountant's review report.*

ARC OF ST. MARY  
Centerville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of activities

The ARC of St. Mary (“ARC”) operates a non-profit day vocation program located in Centerville, Louisiana. The ARC provides adult day services to developmentally disabled adults in St. Mary Parish. Individuals perform a wide variety of vocational activities such as recycling, horticultural and janitorial services. The ARC is supported primarily through Medicare/Medicaid waiver and support reimbursements from the Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities.

B. Income tax status

The ARC is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

C. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Basis of accounting

The financial statements of ARC have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Substantially all revenues are recognized when earned. Expenses are recognized in the period incurred.

ARC has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* which modifies the presentation of net assets on the basic financial statements. In accordance with FASB ASU 2016-14, net assets are presented in two classes – net assets without donor restrictions and net assets with donor restrictions. Presentation in a particular net asset class is based on the existence or absence of donor-imposed restrictions on the use of the net assets. Accordingly, the net assets of ARC and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature. These restrictions will be satisfied by actions of ARC or by the passage of time.

Net Assets without Donor Restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ARC. These net assets may be used at the discretion of ARC’s management and board of directors.



ARC OF ST. MARY  
Centerville, Louisiana

Notes to Financial Statements (continued)

E. Cash and cash equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. At June 30, 2021 there were no investments which were determined to be cash equivalents.

F. Property and equipment

Property and equipment are capitalized at purchased cost. Donated property and equipment are capitalized at its fair value on the date of the donation. It is the ARC's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	10 - 40
Furniture and equipment	5 - 10
Vehicles	5

G. Contributions

In accordance with *FASB Accounting Standards Codification 958-605, Revenue Recognition*, contributions are recognized when the donor makes a promise to give and are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net assets class. When a qualifying expenditure occurs, or a time restriction expires, assets with donor restrictions are recognized in net assets without donor restrictions as "net assets released from restrictions" in the statement of activities. However, if a restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as without donor restrictions.

The ARC reports contributions of assets other than cash at their estimated fair value at the date of the gift and are reported as revenues of the unrestricted net asset class unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenues of the with donor restrictions net asset class. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the ARC reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

ARC OF ST. MARY  
Centerville, Louisiana

Notes to Financial Statements (continued)

H. Support and revenue

The ARC receives Medicare/Medicaid payments for billable client services. Revenues for these services are recorded when earned.

I. Program revenue

The ARC receives program service fees from janitorial services, recycling programs, and selling of second-hand items. Support and revenue are recognized when earned.

J. Advertising

Advertising costs are expensed as they are incurred. Advertising expense for the year ended June 30, 2021 was \$128.

K. Functional Allocation of Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Specific expenses that are readily identifiable to a program or activity are charged directly. Expenses attributable to more than one program or activity are allocated on a reasonable basis that is consistently applied. Allocated expenses include depreciation and occupancy which are allocated based upon square footage and salaries and benefits which are allocated based upon time and effort.

(2) Credit Risk

Financial instruments which potentially subject the ARC to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents at June 30, 2021 consisted of cash and demand deposits at financial institutions which management believes are high quality institutions. The cash and cash equivalents possess credit risk to the extent the deposits at financial institutions exceed FDIC insured limits. The ARC has no policy to actively monitor credit risk. At June 30, 2021, the ARC has deposits in two separate financial institutions, and deposits in each financial institution do not exceed FDIC insured limits; therefore, the ARC is not exposed to credit risk.

(3) Liquidity and Availability of Resources

At June 30, 2021, the ARC has \$289,969 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$278,568 and receivables of \$18,401. The ARC has no policy to invest cash and cash equivalents in excess of daily requirements or structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

ARC OF ST. MARY  
Centerville, Louisiana

Notes to Financial Statements (continued)

(4) Capital Assets

Capital assets consisted of the following at June 30, 2021:

Capital assets being depreciated	
Buildings and improvements	\$ 715,663
Furniture and equipment	82,088
Vehicles	<u>179,630</u>
	977,381
Less: accumulated depreciation	<u>(350,383)</u>
	<u>\$ 626,998</u>

Depreciation expense for the year ended June 30, 2021 totaled \$30,363.

Certain capital assets with a net book value of \$385,847 have donor-imposed restrictions on the disposal of these assets.

(5) Long-Term Debt

Long-term debt is comprised of the following at June 30, 2021:

Note Payable bearing interest at 1%, payable in monthly installments of \$1,696 including interest, beginning July 16, 2022 and maturing in March 2023. Note issued under the terms of the Paycheck Protection Program. The principal and accrued interest may be partially or completely forgiven.	\$ 15,000
Economic Injury Disaster Loan bearing interest at 2.75%, payable in monthly installments of \$428 including interest, beginning August 5, 2021 and maturing in August 2050, secured by all tangible and intangible personal property. Loan issued under the terms of the Small Business Act.	100,000
Less: current portion	<u>-</u>
Long-term debt, net of current portion	<u>\$ 115,000</u>

The terms of the Economic Injury Disaster Loan require the ARC to begin paying monthly installments of \$428 beginning August 5, 2021. Scheduled monthly payments to be made during the year ending June 30, 2022 will be applied to interest only. Therefore, the current portion of the long-term debt related to the Economic Injury Disaster Loan is \$0 at June 30, 2021.

ARC OF ST. MARY  
Centerville, Louisiana

Notes to Financial Statements (continued)

Principal maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ -	\$ 4,708
2023	16,782	3,618
2024	2,466	2,670
2025	2,535	2,601
2026	2,605	2,531
2027 - 2031	14,156	11,524
2032 - 2036	16,240	9,440
2037 - 2041	18,630	7,050
2042 - 2046	21,373	4,307
2047 - 2051	20,213	1,204
	<u>\$ 115,000</u>	<u>\$ 49,653</u>

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which established the Payroll Protection Program (PPP). Under the terms of the PPP, all or a portion of loans received may be forgiven if certain criteria are met. The ARC has accounted for loan proceeds from the PPP in accordance with FASB *Accounting Standards Codification 470, Debt*.

In the prior fiscal period, the ARC obtained loans under the PPP through the Small Business Administration (SBA) totaling \$43,600 which were subject to being forgiven if certain requirements were satisfied by the ARC. During the current fiscal period, the ARC satisfied those requirements, and the loans were forgiven by the SBA. The resulting gains from loan forgiveness are reported as revenues, gains, and other support on the Statement of Activities.

(6) Line of Credit

The ARC has a revolving line of credit for up to \$50,000 as of June 30, 2021. Interest on the line of credit is payable monthly at a rate of 5.50% per annum. The ARC has no outstanding advances on the line of credit as of June 30, 2021. The line is secured by possessory collateral.

(7) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30, 2021:

Book value of property and equipment purchased with grant funds which are restricted as to disposition	<u>\$ 385,847</u>
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ARC OF ST. MARY  
Centerville, Louisiana

Notes to Financial Statements (continued)

(8) Contingent Liabilities

The ARC receives grants and funding from governmental agencies that are subject to review and audit by the agencies providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants and agreements. In the opinion of management, such disallowances, if any, would be immaterial.

(9) Fund-raising Costs

The ARC did not occur fund-raising costs during the year ended June 30, 2021.

(10) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Louisiana Legislature amended R.S. 24:513A requiring additional disclosure of total compensation, benefits, reimbursements, or other payments made to the head of a political subdivision or quasi-public agency. The following is a summary of such payments made to/for Kristal Hebert, Executive Director, during the year ended June 30, 2021:

Salary	\$ 26,303
Reimbursements-Travel	<u>95</u>
Total	<u>\$ 26,398</u>

(11) Subsequent Events

On October 18, 2021, the ARC received notification that the note agreement in the amount of \$15,000 through the U.S. Small Business Administration's Paycheck Protection Program was completely forgiven.

Management has evaluated subsequent events through December 21, 2021, the date which the financial statements were available for issue.

**REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE***

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the compliance of ARC of St. Mary (hereinafter "ARC") with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire (Exhibit A) during the fiscal year ended June 30, 2021, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The management of the ARC is responsible for its financial records and compliance with applicable laws and regulations.

The ARC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding the ARC's compliance with certain laws and regulations contained in the accompanying Louisiana Compliance Questionnaire (Exhibit A). Additionally, the Louisiana Legislative Auditor (LLA) has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. However, this report may not be suitable for any other purpose. This agreed-upon procedures engagement involves performing specific procedures that the ARC and LLA have agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on exceptions based upon the procedures performed. 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 exceptions are as follows:

### *Federal, State, and Local Awards*

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

*The ARC provided us with the following list of expenditures made for federal, state and local grant awards received during the fiscal year ended June 30, 2021:*

<i>Federal, State, or Local Grant Name</i>	<i>Award Year</i>	<i>Assistance Listing Number</i>	<i>Amount</i>
<i>United States Department of Transportation</i>			
<i>Passed through the Louisiana Department of Transportation</i>			
<i>Enhanced Mobility for Seniors and Individuals with Disabilities - Operating</i>	2020-2021	20.513	\$ 9,938
<i>United States Department of Transportation</i>			
<i>Passed through the Louisiana Department of Transportation</i>			
<i>Enhanced Mobility for Seniors and Individuals with Disabilities - Capital</i>	2020-2021	20.513	39,306
<i>Local Award</i>			
<i>Parish Transportation Funds</i>			
<i>Enhanced Mobility for Seniors and Individuals with Disabilities - Capital</i>	2020-2021	-	1,064
<i>United States Small Business Administration</i>			
<i>Economic Injury Disaster Loan</i>	2020-2021	59.008	<u>100,000</u>
<i>Total Expenditures</i>			<u>\$ 150,308</u>

2. For each federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

*Six (6) disbursements from the Enhanced Mobility for Seniors and Individuals with Disabilities operating grant award and six (6) disbursements from the Economic Inquiry Disaster Loan listed above were selected. The Enhanced Mobility for Seniors and Individuals with Disabilities capital grant provided a bus to the ARC. There are no disbursements reimbursed with federal, state, or local funds made by the ARC under this grant.*

3. For the items selected in Procedure 2, trace the six disbursements to supporting documentation as to proper amount and payee.

*We examined supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee.*

4. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.

*Each of the selected disbursements was properly coded to the correct fund and general ledger account.*

5. For the items selected in Procedure 2, determine whether the six disbursements received approval from proper authorities.

*Inspection of supporting documentation for each of the selected disbursements indicated appropriate approvals.*

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



#### Activities allowed or unallowed

*We reviewed supporting documentation for each of the previously mentioned disbursements and found that each of the disbursements were considered to be allowable under the applicable grant program.*

#### Eligibility

*We reviewed supporting documentation for each of the previously mentioned disbursements and determined that all disbursements were in accordance with eligibility requirements.*

#### Reporting

*We reviewed supporting documentation for each of the previously mentioned disbursements and found that each of the disbursements had been properly included in applicable required reports.*

7. For the programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

*The programs tested in Procedure 2 did not have a required close-out report.*

#### Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

*The ARC is not considered a "public body" as defined by R.S. 42:13. Additionally, the ARC has not been designated or funded as an agency to perform a government function or perform services entrusted to public bodies, nor does the ARC exercise policymaking, advisory, or administrative functions. Therefore, the ARC is not considered a public body for purposes of the Open Meetings Law and thus, is not required to comply with the Open Meetings Law.*

#### Budget

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

*The ARC provided comprehensive budgets to the Louisiana Department of Transportation for the previously mentioned program. The budget specified the anticipated uses of the funds and estimates of the duration of the programs. The Economic Injury Disaster Loan did not require a budget submission.*

#### Reporting

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

*The ARC provided for a timely report in accordance with RS 24:513.*

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

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

12. Report whether the agency complied the RS 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits, and other payments to the agency head, political subdivision head, or chief executive officer.

*No exceptions were identified as a result of applying this procedure.*

*Prior Year Comments*

13. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

*Our prior agreed-upon procedures report dated December 23, 2020 did not include and suggestions, exceptions, recommendations, or comments.*

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

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

The purpose of this report is solely to describe the scope of testing performed on the ARC's compliance with certain laws and regulations contained in the accompanying Louisiana Compliance Questionnaire (Exhibit A), as required by R.S. 24:513 and the *Louisiana Governmental Audit Guide*, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the ARC's management and Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 21, 2021

ARC OF ST. MARY  
Centerville, Louisiana

Summary Schedule of Prior Findings  
Year Ended June 30, 2021

2020-001 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: The Board is aware of this inadequacy and has concluded that the cost of hiring additional personnel to achieve complete segregation of duties would exceed the benefits. No additional response is deemed necessary.

STATUS: See schedule of findings item 2021-001.

2020-002 Bank Reconciliations

CONDITION: Bank reconciliations were not prepared.

RECOMMENDATION: The ARC of St. Mary should implement policies and procedures to ensure that bank reconciliations are properly prepared and reviewed.

STATUS: Not resolved. See schedule of findings item 2021-002.

ARC OF ST. MARY  
Centerville, Louisiana

Schedule of Findings  
Year Ended June 30, 2021

Findings Reported in Accordance with *Government Auditing Standards*

2021-001 Inadequate Segregation of Duties

CONDITION: Due to the limited number of personnel performing administrative functions, the ARC of St. Mary does not have adequate segregation of duties within its accounting and financial functions.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The ARC of St. Mary’s internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The ARC of St. Mary does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud may occur and not be prevented and/or detected.

RECOMMENDATION: The Board is aware of this inadequacy and has concluded that the cost of hiring additional personnel to achieve complete segregation of duties would exceed the benefits. No additional response is deemed necessary.

2021-002 Bank Reconciliations

CONDITION: Bank reconciliations were not prepared on a periodic basis.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The ARC of St. Mary’s internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The ARC of St. Mary failed to prepare periodic bank reconciliations.

EFFECT: Errors in the ARC of St. Mary’s general ledger cash balances may not be able to be detected by the ARC of St. Mary.

RECOMMENDATION: We recommend that the ARC of St. Mary implement policies and procedures to ensure that bank reconciliations are properly prepared and reviewed.

ARC OF ST. MARY  
Centerville, Louisiana

Corrective Action Plan for Current Findings  
Year Ended June 30, 2021

2021-001 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: The Board has determined that it is not economically feasible to hire additional personnel. At the present time the Director is handling the duties under the oversight of the Board.

2021-002 Bank Reconciliations

CONDITION: Bank reconciliations were not prepared on a periodic basis.

MANAGEMENT'S RESPONSE: Policies and procedures will be implemented in which bank reconciliations are prepared and reviewed on a periodic basis.

**LOUISIANA ATTESTATION QUESTIONNAIRE**

**Exhibit A**

**ARC of St. Mary**  
**Louisiana Attestation Questionnaire**  
**Year Ended June 30, 2021**

Kolder, Slaven & Company, LLC, CPAs  
Post Office Box 3438  
Morgan City, Louisiana

In connection with your review of our financial statements as of June 30, 2021 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of the date noted on the last page of this questionnaire.

**Federal, State, and Local Awards**

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

Yes  No [ ]

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

Yes  No [ ]

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

Yes  No [ ]

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

Yes  No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/lla/nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes  No [ ] not applicable

**Budget**

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

Yes  No [ ]

**Reporting / State Audit Law**

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

Yes  No [ ]

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

Yes  No [ ]

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

Yes  No [ ]

**Prior-Year Comments**

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

Yes  No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No [ ]

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

Yes  No [ ]

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

Yes  No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No [ ]

  
Agency head

7-1-2021  
Date