

**ST. AMANT'S DCH, INC.**

Denham Springs, Louisiana

Financial Report

Year Ended September 30, 2019

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of financial position	4
Statement of activities	5
Statement of functional expenses	6
Statement of cash flows	7
Notes to financial statements	8-14
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16-17
Independent Auditor's Report on Compliance on Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	18-19
Schedule of Expenditures of Federal Awards	20
Notes to schedule of expenditures of federal awards	21
Schedule of findings and questioned costs	22-23
Schedule of current and prior year audit findings and management's corrective action plan	24-26

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
St. Amant's DCH, Inc.  
Denham Springs, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of St. Amant's DCH, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 12 to the financial statements, the Organization implemented the provisions of the Financial Accounting Standard Board's Accounting Standards Update ASU 2016-14, *Not-for-Profit Entities (Topic 985): Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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. The 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 statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 March 13, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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

Abbeville, Louisiana  
March 13, 2020

## **FINANCIAL STATEMENTS**

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Statement of Financial Position  
September 30, 2019

ASSETS

Current assets:

Cash and cash equivalents

Administrative

S 479,272

General

10,662

Accounts receivable

5,786

Due from Department of Education

389,043

Other receivable

30,598

Prepaid expenses

205

Total current assets

915,566

Other assets:

Security deposits

2,500

Total assets

S 918,066

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable

S 10,422

Payroll and related liabilities

1,648

Other liabilities

33,573

Due to providers

816,311

Line of credit

69,000

Total liabilities

930,954

Net assets:

Without donor restrictions

(12,888)

Total liabilities and net assets

S 918,066

The accompanying notes are an integral part of this statement.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Statement of Activities  
For The Year Ended September 30, 2019

	<u>Total</u>
Revenues, Gains and Other Support	
Fundraising	\$ 176,881
Reimbursements:	
Administrative	927,280
Program	5,026,614
Other income	76,719
Gain on sale of assets	<u>7,503</u>
Total revenues, gains and other support	<u>6,214,997</u>
 Expenses -	
Program services	5,714,257
Supporting services:	
Fundraising expense	148,090
Management and general	<u>348,714</u>
Total expenses	<u>6,211,061</u>
Change in net assets	3,936
 Net assets, beginning	<u>(16,824)</u>
 Net assets, ending	<u>\$ (12,888)</u>

The accompanying notes are an integral part of this statement.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Statement of Functional Expenses  
For the Year Ended September 30, 2019

	Program Services	Management and General	Fundraising	Total Expenses
Advertising	\$ -	\$ 71	\$ 325	\$ 396
Equipment rental	-	31,781	2,127	33,908
Insurance	-	5,083	-	5,083
Interest	-	119	8	127
Minute Menu	32,034	-	-	32,034
Miscellaneous	-	48,530	72,783	121,313
Office rent	-	46,250	43,319	89,569
Office and supplies	-	14,620	4,708	19,328
Postage and printing	-	4,977	962	5,939
Professional fees	-	76,460	-	76,460
Provider payments	5,026,614	-	-	5,026,614
Salaries and benefits	546,544	92,492	18,557	657,593
Taxes - payroll	34,710	-	1,775	36,485
Telephone	-	10,334	2,440	12,774
Training/conference	-	1,500	-	1,500
Travel - monitoring	74,355	-	-	74,355
Utilities	-	4,650	1,086	5,736
Total expenses before depreciation	5,714,257	336,867	148,090	6,199,214
Depreciation	-	11,847	-	11,847
Total	<u>\$ 5,714,257</u>	<u>\$ 348,714</u>	<u>\$ 148,090</u>	<u>\$ 6,211,061</u>

The accompanying notes are an integral part of this statement.



ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Statement of Cash Flows  
For The Year Ended September 30, 2019

Cash flows from operating activities:	
Change in net assets	\$ 3,936
Adjustments to reconcile change in net assets to net cash flow from operating activities -	
Depreciation	11,847
Gain on disposal	(7,503)
(Increase) decrease in operating assets	
Accounts Receivable	(5,786)
Due from Department of Education	515,045
Prepaid expenses	(205)
Other receivable	5,920
Security Deposit	2,600
(Decrease) increase in operating liabilities	
Accounts payable	7,722
Payroll related liabilities	(42,105)
Other liabilities	10,823
Due to providers	(60,814)
Total adjustments	437,544
Net cash provided by operating activities	441,480
Cash flows from capital and related financing activities:	
Principal paid on long-term debt	(10,324)
Borrowings on line of credit	69,000
Net cash provided by capital and related financing activities	58,676
Net change in cash and cash equivalents	500,156
Cash and cash equivalents, beginning of year	(10,222)
Cash and cash equivalents, end of year	
Administrative	\$ 479,272
General	10,662
Total	\$ 489,934
Supplementary cash flow information:	
Interest paid	\$ 127

The accompanying notes are an integral part of this statement.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

St. Amant's DCH, Inc. (hereafter referred to as the Organization) operates a Family Day Care Home Program under the Child and Adult Care Food Program, Section 17 of the Richard B. Russell National School Lunch Act. Under the provisions of this program, individuals who care for a small number of children in their homes are reimbursed for the costs of meals served to the children. The Organization monitors the composition of the meals to assure nutritional values, makes routine inspections of the homes to assure safety of the children who stay there, and acts as intermediary between the state and federal agencies who administer funds and the providers who care for the children. This program is funded totally by federal funds received from the State of Louisiana Department of Education and is the primary source of the Organization's revenues.

B. Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined, by the Internal Revenue Service, not to be a private foundation within the meaning of Section 509(a) of the code. The Organization received its latest determination letter on August 13, 1993, in which the Internal Revenue Service stated that the Organization was in compliance with the applicable requirements of the Internal Revenue Code (IRC). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

C. Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Financial Statements

*Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met, either (1) incurring expenses satisfying the restricted purpose (purpose restricted), and/or passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

E. Receivables

Receivables are stated at unpaid balances. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

F. Property and Equipment

Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. The Organization maintains a threshold level of \$500 or more for capitalizing capital assets. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Furniture and equipment	5 – 7 years
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G. Revenue and Expense Recognition

The Organization recognizes revenues on the accrual basis of accounting. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting. Fundraising revenue is recorded at gross proceeds. Material and direct fundraising costs are reported as fundraising expense in the statement of activities and other amounts are reported as program expenses. Proceeds generated from fundraisers are used for the general exempt purpose of the Organization or to supplement funding provided by grantors, unless the donor explicitly indicates a particular use in writing at the time of the fundraising event.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Financial Statements

H. Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated materials are valued at current market value at the time of the donation. Donated services and materials were considered to be immaterial.

I. Functional Allocation of Expenses

Expenses are summarized and categorized based on their function classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation based on time used for those function.

J. Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$396.

K. Use of Estimates

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

(2) Concentration of Credit Risk

The Organization's cash is deposited in one financial institution. Cash accounts at banks are insured by the FDIC for up to \$250,000. The Organization's had \$231,379 at September 30, 2019 in excess of FDIC coverage.

(3) Line of Credit

In May 2019, the Organization obtained a \$100,000 unsecured line of credit with a local bank, maturing May 29, 2020. Amounts borrowed under this agreement bear interest at the rate of 6.25%. At September 30, 2019, \$69,000 was outstanding on this line of credit.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Financial Statements

(4) Retirement Plan

The Organization offers employees, who meet predetermined eligibility requirements, to participate in the Organization's 401k. The Organization will match up to 3 percent of eligible employees' compensation for the fiscal year to the retirement account. The Organization's contribution was \$10,777.

(5) Operating Lease

The Organization is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of these agreements are not reflected in property and equipment.

The Organization entered into a lease beginning May 21, 2018 and ending on the last day of May 2021, with monthly payments of \$2,500. Additionally, the organization leases two copiers with Xerox. The lease was entered into January 2016 for a term of 60 months with monthly payments totaling \$1,249 per month. Rental expense for the year ended September 30, 2019 amounted to \$89,569.

<u>Year Ending</u>	<u>Amounts</u>
2020	\$ 44,988
2021	26,247
	<u>\$ 71,235</u>

(6) Risk Management

The Organization is exposed to risks of loss in the areas of general liability and property hazards. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements did not exceed insurance coverage.

(7) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Financial Statements

In accordance with a legal settlement, the Organization entered into a promissory noted dated December 2018, with an unrelated organization, wherein they were held responsible for rent and other costs related to prematurely vacating their Hammond, LA location. In accordance with the agreement, the Organization is liable for back pay of rent from the day of the last payment made and has agreed to make payments in the following amounts:

<u>Year Ending</u>	<u>Amounts</u>
2020	\$ 12,000
2021	12,000
2022	9,000
	<u>\$ 33,000</u>

The amount above has been recorded in Other Liabilities. Under the terms of the agreements, cash payments of \$2,000 were due from December 2018 through May 2019 and cash payments of \$1,000 are due from June 2019 through May 2022.

(8) Concentrations

The Organization received substantially all of its total revenue from the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226. The revenue received is reported on the Statement of Activities as Reimbursements: Administrative and Program. The Organization does not expect that the support from this governmental agency will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

(9) Subsequent Events

The Organization has evaluated subsequent events through March 13, 2020, the date which the financial statements were available to be issued.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Financial Statements

(10) Executive Director Compensation

The schedule of compensation, benefits, and other payments to William Miller, IV, Executive Director follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 92,492
Health insurance	10,391
Car insurance & allowance	12,051
Cell phone allowance	3,668
Conference travel	<u>1,233</u>
Total	<u>\$ 119,835</u>

(11) Liquidity and Availability of Resources

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

<u>Purpose</u>	<u>Amount</u>
Cash and cash equivalents	\$ 489,934
Accounts receivable	5,786
Due from Department of Education	389,043
Prepaid expenses	<u>205</u>
Total	<u>\$ 884,968</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(12) Change in Accounting Pronouncement

In August 2016, the FASB issued Accounting Standards Update No. 2016-14, Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements. The new standards change the following aspects of the Organization's financial statements: the temporarily restricted and permanently restricted net assets have been combined into a single net asset class called net assets with donor restrictions; the unrestricted net asset class has been renamed net assets without donor restrictions; and the financial statements include a disclosure about liquidity and availability of resources.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Financial Statements

(13) Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be more entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On July 9, 2015, the FASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for annual periods beginning after December 31, 2018 and is not expected to have a significant impact on the Organization's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.



**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

To the Board of Directors  
St. Amant's DCH, Inc.  
Denham Springs, Louisiana

We have audited, in accordance with the 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 St. Amant's DCH, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of September 30, 2019 and the related statements of activities, 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 March 13, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Abbeville, Louisiana  
March 13, 2020

# KOLDER, SLAVEN & COMPANY, LLC

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

To the Board of Directors  
St. Amant's DCH, Inc.  
Denham Springs, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited St. Amant's DCH, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Organization's compliance.

## Opinion on Each Major Federal Program

In our opinion, the Organization 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 September 30, 2019.

## Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Abbeville, Louisiana  
March 13, 2020

ST. AMANT'S DCH, INC.  
Hammond, Louisiana

Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass - Through Identifying No.	Expenditures
<u>United States Department of Agriculture-</u>			
Passed through the Louisiana Department of Education			
Child and Adult Care Food Program	10.558	N/A	<u>\$ 5,953,894</u>

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2019

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule" includes the federal award activity of St. Amant's DCH, Inc. (the Organization) under programs of the federal government for the year ended September 30, 2019. 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 the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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 reimbursement.

(3) Indirect Cost Rate

The Organization has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended September 30, 2019

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of St. Amant's DCH, Inc. were prepared in accordance with GAAP.
2. No instances of significant deficiencies in internal control were disclosed during the audit of the financial statements of St. Amant's DCH, Inc. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of St. Amant's DCH, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over the major federal award programs were reported during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for St. Amant's DCH, Inc. expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.
7. The major program was:  
  
United States Department of Agriculture:  
Child and Adult Care Food Program, CFDA 10.558
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. St. Amant's DCH, Inc. did not qualify as a low-risk auditee.



ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2019

Part II. Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

A. Internal Control Findings –

None reported.

B. Compliance Findings –

None reported.

Part III. Findings and questioned costs for major Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

There are no findings and questioned costs related to federal programs that are required to be reported under the above guidance.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended September 30, 2019

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

There are no internal control findings to be reported.

B. Compliance

There are no compliance findings to be reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2017

CONDITION: The St. Amant's DCH, Inc. did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

CORRECTIVE ACTION TAKEN: Management has reassigned duties to ensure proper segregation of duties is accomplished. Additionally, management has contracted with an outside firm of certified public accountants to assist with the duties of the finance function to include posting of all transactions and reconciliation of major accounts.

CURRENT STATUS: Resolved

2018-002 Financial Accounting Records

Fiscal year finding initially occurred: 2017

CONDITION: The Organization did not maintain accurate financial accounting records throughout the year, including, accurate support for revenues.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended September 30, 2019

RECOMMENDATION: The Organization should keep supporting documentation for revenues and expenses.

CORRECTIVE ACTION TAKEN: With the assistance of a contracted certified public accounting firm, management has established procedures to properly maintain supporting documentation for all transactions.

CURRENT STATUS: Resolved.

2018-003      Documentation and use of credit cards

Fiscal year finding initially occurred: 2017

CONDITION: The Organization was unable to provide written documentation required by their credit card policy.

RECOMMENDATION: Management should comply with its written policies and procedures and provide support for charges. Additionally, statements should be reconciled monthly and reviewed by the Board, quarterly.

CORRECTIVE ACTION TAKEN: With the assistance of a contracted certified public accounting firm, management has established procedures to reconcile major account balances on a monthly basis.

CURRENT STATUS: Resolved.

2018-004      Written Policies and Procedures over Personal Use of Organization Automobile

Fiscal year finding initially occurred: 2017

CONDITION: The Organization provides the Executive Director with a vehicle for personal use; however, written policies and procedures for the personal use of the Organization's automobile could not be located and we were unable to determine if this was a taxable fringe benefit.

RECOMMENDATION: The Organization should implement written policies and procedures and a system of accounting for the personal use of the Organization's automobiles to ensure that the portion of use that is personal is properly reimbursed back to the Organization or treated as a taxable fringe benefit.

ST. AMANT'S DCH, INC.  
Denham Springs, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended September 30, 2019

CORRECTIVE ACTION TAKEN: With the assistance of a contracted certified public accounting firm, management has established procedures to govern the personal use of the Organization's assets and reimbursement expenses. The personal use of the Organization's asset is now prohibited.

CURRENT STATUS: Resolved.



**William Miller IV  
Executive Director**

## **St. Amant's DCH, Inc.**

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St. Amant's DCH, Inc. respectfully submits the following schedule of prior audit findings for the year ended September 30, 2019.

### **Audit conducted by:**

Kolder, Slaven & Company, LLC  
200 South Main Street  
Abbeville, LA 70510

### **Material Weakness**

2018-001    **CONDITION:** The St. Amant's DCH, Inc. did not have adequate segregation of functions within the accounting system.

**CORRECTIVE ACTION TAKEN:** Management has reassigned duties to ensure proper segregation of duties is accomplished. Additionally, management has contracted with an outside firm of certified public accountants to assist with the duties of the finance function to include posting of all transactions and reconciliation of major accounts.

**CURRENT STATUS:** Resolved

2018-002    **CONDITION:** The Organization did not maintain accurate financial accounting records throughout the year, including, accurate support for revenues.

**CORRECTIVE ACTION TAKEN:** With the assistance of a contracted certified public accounting firm, management has established procedures to properly maintain supporting documentation for all transactions.

**CURRENT STATUS:** Resolved.

2018-003    **CONDITION:** The Organization was unable to provide written documentation required by their credit card policy.

**CORRECTIVE ACTION TAKEN:** With the assistance of a contracted certified public accounting firm, management has established procedures to reconcile major account balances on a monthly basis.

**CURRENT STATUS:** Resolved.

2018-004    **CONDITION:** The Organization provides the Executive Director with a vehicle for personal use; however, written policies and procedures for the personal use of the Organization's automobile could not be located and we were unable to determine if this was a taxable fringe benefit.

**CORRECTIVE ACTION TAKEN:** With the assistance of a contracted certified public accounting firm, management has established procedures to govern the personal use of the Organization's assets and reimbursement expenses. The personal use of the Organization's asset is now prohibited.

**CURRENT STATUS:** Resolved.

**ST. AMANT'S DCH, INC.**  
Denham Springs, Louisiana

Agreed-Upon Procedures Report

Fiscal Period October 1, 2018 through September 30, 2019

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of  
St. Amant's DCH, Inc.,  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by St. Amant's DCH, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2018 through September 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **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.
  - c) **Disbursements**, including processing, reviewing, and approving.

- d) ***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).
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***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.

#### ***Board or Finance Committee***

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2. We obtained and inspected 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:
  - a) We observed 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.
  - b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.



- c) For governmental entities, we obtained the prior year audit report and we observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, we observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

### ***Bank Reconciliations***

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- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, we obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included evidence that a member of management/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
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***Collections***

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- 4. We obtained 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 selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), we obtained and inspected 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 we observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) 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.
  - c) Each employee responsible for collecting cash is not 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.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). Alternately, we used 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. We obtained supporting documentation for each of the 10 deposits and:
  - a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed 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).
  - e) Traced the actual deposit per the bank statement to the general ledger.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
  - a) Observed that the disbursement matched the related original invoice/billing statement.

- b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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- 11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
- 12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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- 14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

## ***Contracts***

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15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
  - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

## ***Payroll and Personnel***

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16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
- a) Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### ***Debt Service***

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21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

### ***Other***

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23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. We observed 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.

### ***Findings:***

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In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Board or Finance Committee, Collections, Non-Payroll Disbursements, Credit/Debit/Fuel Cards, Travel and Expense Reimbursement, Contracts, Payroll and Personnel, Ethics, Debt Service, and Other.

No exceptions were found as a result of applying procedures listed above except:

#### **Written Policies and Procedures:**

The Entity does not have written policies and procedures addressing budgeting, including monitoring the budget, and amending the budget.

The Entity does not have written policies and procedures addressing contracting, including types of services requiring contracts, standard terms and conditions, legal review, approval process, and monitoring process.

The Entity does not have written policies and procedures addressing disaster recovery/business continuity, including identification of critical data/frequency of backup, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes and tools needed to recover operations after a critical event.

**Management's Response:**

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Management of St. Amant's DCH, Inc. concurs with the exceptions and is working to address the deficiencies identified.

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 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.

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 is distributed by the LLA as a public document.

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

Abbeville, Louisiana  
March 13, 2020