

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

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITORS' REPORT

and

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

For the Year Ended March 31, 2017

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of St. Mary Community Action Committee Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2017, and the related statements of activities and changes in net assets, 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 of 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary Community Action Committee Association, Inc. as of March 31, 2017, 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.

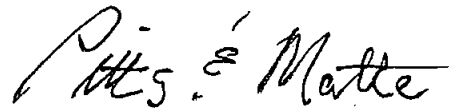
### **Other Matters**

#### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures, benefits and reimbursement to agency head, political subdivision head or chief executive officer and the statements of activity by program are presented for additional analysis and are not a required part of the basic financial statements of the St. Mary Community Action Committee Association, Inc. The accompanying schedule of expenditures of federal awards and related notes as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 August 31, 2017, on our consideration of St. Mary Community Action Committee Association, Inc.'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2017  
Morgan City, Louisiana

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2017

ASSETS

Current assets	
Cash	\$ 273,919
Grants receivable	233,358
Other receivables	12,460
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Total current assets	519,737
Noncurrent assets	
Fixed assets - less accumulated depreciation	6,479,187
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Total noncurrent assets	6,479,187
	<hr/>
Total assets	\$ 6,998,924
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LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 446,407
Notes payable	189,082
	<hr/>
Total current liabilities	635,489
	<hr/>
Net assets	
Unrestricted	172,705
Temporarily restricted for:	
Fixed assets with explicit restrictions on use	5,945,186
Housing programs	147,870
Emergency assistance programs	25,045
Youth programs	9,880
Job assistance programs	58,617
Transportation	4,132
	<hr/>
Total net assets	6,190,730
	<hr/>
Total net assets	6,363,435
	<hr/>
Total liabilities and net assets	\$ 6,998,924
	<hr/> <hr/>

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2017

Support	
Grants	
Federal	\$ 891,978
Local	192,936
Contributions	164,347
Rental Revenue	35,522
Net assets released from restrictions:	
Satisfaction of program restrictions	5,717,529
Reduction of fixed assets with restrictions on use	<u>167,269</u>
Total unrestricted support	<u>7,169,581</u>
Expenses	
Head Start programs	5,386,399
Housing and utility assistance programs	1,075,598
Transportation programs	329,326
Family and childrens programs	128,739
Management and general	<u>322,899</u>
Total unrestricted expenses	<u>7,242,961</u>
Decrease in unrestricted net assets	<u>(73,380)</u>
Changes in temporarily restricted net assets:	
Support	
Grants	
Federal	5,742,141
Net assets released from restrictions:	
Satisfaction of program restrictions	(5,717,529)
Reduction of fixed assets with restrictions on use	<u>(167,269)</u>
Decrease in temporarily restricted net assets	<u>(142,657)</u>
Decrease in net assets	(216,037)
Net assets at March 31, 2016	<u>6,579,472</u>
Net assets at March 31, 2017	<u>\$ 6,363,435</u>

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

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

STATEMENT OF CASH FLOWS  
For the Year Ended March 31, 2017

Cash flows from operating activities:	
Received from grantors	\$ 6,958,183
Other revenues	199,870
Paid to employees	(3,640,921)
Paid to vendors	<u>(3,443,833)</u>
Net cash provided (used) by operating activities	<u>73,299</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>(140,826)</u>
Net cash (used) in investing activities	<u>(140,826)</u>
Net decrease in cash and cash equivalents	(67,527)
Cash and cash equivalents at beginning of year	<u>341,446</u>
Cash and cash equivalents at end of year	<u>\$ 273,919</u>

Reconciliation of change in net assets to net cash provided by operating activities:

Change in net assets:		\$ (216,037)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 294,584	
Decrease in accounts receivables	131,128	
Decrease in accounts payable and accrued expenses	(126,458)	
Decrease in notes payable	<u>(9,918)</u>	
Net cash provided (used) by operating activities		<u>289,336</u>
Net cash provided (used) by operating activities		<u>\$ 73,299</u>

NOTE:

The Association received noncash contributions of food commodities and professional services totaling \$164,348 during the year.



ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements follows:

The Association is a not-for-profit corporation designated as St. Mary Parish's official agency for the enactment and oversight of many social, education, and welfare programs for the citizens of St. Mary Parish, Louisiana; including the operation of the local Head Start program. In addition, the Association also operates the Head Start program and certain other programs for Vermillion Parish. The Association receives Federal, state, and local funding to operate its various programs.

The following is a summary of the programs with significant activity and their primary functions applicable to the Association during the year ended March 31, 2017:

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Community Services Block Grant (CSBG)	U.S. Dept. of Health and Human Services	To provide administrative assistance to non-profit community service organizations.
Revolving Loan Program	U.S. Dept. Of Agriculture	To provide loans to small businesses located in rural areas.
Capital Reserve	Various	To provide unrestricted reserve operations funding in the event of agency wide budget cuts/ shortfalls.
Transitional Housing	U.S. Dept. of Housing and Urban Development	To help eligible clients obtain remain in permanent housing and increase their skills and/or income. This program ended in 2017.
HUD Homeless	U.S. Dept. of Housing and Urban Development	To provide assistance to eligible clients with utility assistance, rental assistance, deposits, foods, clothes, case management and life skills training that will strengthen, promote quality, and guide families into self sufficiency. This program ended in 2017.
Parish Council	St. Mary Parish Council, U.S. Dept of Transportation, and State of Louisiana Dept. Of Transportation	To supplement transportation services.
LIHEAP Utility Payments	U.S. Dept. of Health and Human Services	To assist eligible households to meet home energy costs.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Medicaid	State of Louisiana Dept. Of Treasury	To provide assistance to eligible individuals to qualify them to Receive Medicaid benefits. The Program closed in 2017.
Weatherization	U.S. Dept. of Energy	To weatherize dwellings of low-income individuals.
Summer Feeding	U.S. Dept. of Agriculture	To supply nutritious foods to children during summer months.
Housing Department	Earned fees and Louisiana Housing Corporation	To provide housing assistance, counseling, etc. regarding home ownership.
Early Childhood Pilot Program	Louisiana Dept. of Children & Family Services and U.S. Dept. of Health and Human Services	To provide unified Early Childhood System, which was directed by Act 3 of the 2012 Regular Legislative Session to develop a community network. The Early Childhood network will expand access to high quality, publicly funded early childhood programs to families to ensure more children enter school kindergarten ready.
Affordable Housing (Faith Place)	Federal Home Loan Bank of Dallas and Louisiana Housing Corporation	To provide affordable housing through development and construction.
Isaiah's House	Rent Revenue	To provide safe and affordable housing in the form of rental property to residents of St. Mary Parish.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of Accounting

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

### Use of Estimates

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

### Support and Revenues

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

Grant funds received from grant providers, who receive significant value in exchange for grant funds, are accounted for as exchange transactions and revenue is recognized as services are performed.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Expenses

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

### Utilization of Contributed Goods, Services or Facilities

In general contributed goods and facilities that meet the proper criteria are recorded as items of support or revenue with a like amount recorded as an expense or an asset upon receipt at fair market value.

In accordance with FASB Accounting Standards Codification, contributions of services shall be recognized only if the services received a) create or enhance nonfinancial assets or b) require specialized skills and the person providing the service possesses the specialized skill.

### Fixed Assets

Purchased furniture, fixtures, and other equipment are valued at their actual cost or estimated cost. Contributed items are valued at their estimated fair market value at the date of the contribution. Fixed assets are depreciated over their estimated useful lives on the straight-line basis.

Fixed assets purchased with grantor funds may need to be used for a specific purpose or time period and returned to the grantor, sold or retained by the organization in accordance with the respective grant agreements upon program completion. The Association accounts for the acquisition of fixed assets in one of two ways depending upon grantor restriction as shown below:

1. If the grantor does not stipulate the use, timeframe, and disposition of the fixed assets then the Association records fixed assets as unrestricted support when the assets are placed in service.
2. If the grantor specifies a particular use but no timeframe it is the Association's policy to record the fixed assets as restricted support and increase temporarily restricted net assets. The Association then records depreciation over the asset's useful life and net assets are periodically reclassified from temporarily restricted to unrestricted as the asset is depreciated.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Funds received that are restricted to the construction of fixed assets are reported as restricted support that increase temporarily restricted net assets, those restrictions expire when the construction is complete and the fixed assets are placed into service, at which time they are accounted for as described in 1 or 2 above.

Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. An accrual is made for the amount of compensation the employees will receive in the future based upon services performed through March 31, 2017. The amount accrued at March 31, 2017 is approximately \$65,000.

Net assets

In accordance with the FASB Accounting Standards Codification, the Association must report net assets in each of the following three classes:

- a. permanently restricted - net assets in this category are restricted by grantor or donor imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.
- b. temporarily restricted - net assets in this category are restricted by grantor or donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization.
- c. unrestricted - net assets in this category are not restricted by grantor or donor imposed restrictions.

The Association has unrestricted and temporarily restricted net assets.

The temporary restrictions result from grants or donations received with restrictions that expire when those grantor or donor imposed stipulations have been met. Once the stipulation related to the restriction has been met these temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Association considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

Income Tax Status

The Association operates as a not-for-profit organization. It is accorded tax exempt status under Section 501 (c) (3) of the Internal Revenue Code. Management believes the Association is no longer subject to income tax examination for years ended March 31, 2013 and prior.

NOTE 2 – RENTAL PROPERTY - SUBDIVISION DEVELOPMENT

In prior years the Association received grants through the Louisiana Housing Corporation (LHC) from HUD. The grants were used to purchase property and construct homes.

It was the intent of the Association and its funding grantors to make the sales price of the homes affordable to lower income buyers by recovering only a portion of the costs of the homes and the land. Therefore, the value of the completed homes still owned by the Association was reduced to the sales price in a prior year.

However the Association was unable to sale the four remaining homes that it owned and began renting them during 2017. Accordingly the Association reclassified the homes from Inventory – Subdivision Development to fixed assets Rental Property at an amount of \$257,010 (land \$20,000 and Rental Property \$237,010) during 2017.

NOTE 3 - FIXED ASSETS

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

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Construction-in-process	\$ 48,000	
Land	75,000	
Land, Rental Property	20,000	
Buildings	7,698,998	35 years
Rental Property	237,010	25 years
Building improvements	32,000	5 years
Vehicles	1,333,853	3 years
Furniture and fixtures	85,384	5 years
Machinery and equipment	1,396,817	5 years
Leasehold improvements	<u>96,471</u>	5 years
Total	11,023,533	
Less: accumulated depreciation	<u>4,544,346</u>	
	<u>\$ 6,479,187</u>	

Depreciation for the year ended March 31, 2017 totaled approximately \$295,000.

Certain grant requirements restrict the use of certain fixed assets. Substantially all buildings and vehicles acquired with grant funds would revert to the grantor if those fixed assets would cease to be used in that program.

NOTE 4 - NOTES PAYABLE

Notes payable at March 31, 2017 are as follows:

Description

\$200,000 non-interest bearing revolving loan due to Louisiana Housing Corporation, formerly Louisiana Housing Finance Agency used for Construction of Faith Place Subdivision; Outstanding balance due at March 31, 2017 (see Note 10)	\$184,000
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The Association maintains a line of credit bearing interest at a rate of 4% with a local bank in the amount of \$25,000. Outstanding indebtedness related to the line of credit at March 31, 2017	<u>5,082</u>
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Total Notes Payable	<u>\$189,082</u>
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#### NOTE 5- LEASES

At March 31, 2017, the Association had three significant operating leases in effect. The leases cover the buildings in various locations used to serve recipients of the Association's services. Total rent expense related to these operating leases for the year ended March 31, 2017 totaled approximately \$9,000.

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

Year ended March 31, 2018	<u>\$9,000</u>
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#### NOTE 6 – CONTRIBUTIONS

The following in-kind contributions were received and recognized, for financial reporting purposes, by the Association during the year ended March 31, 2016:

<u>Program</u>	<u>Contribution</u>	<u>Amount</u>
Head Start	Food Commodities	\$ 14,831
Head Start	Professional Services	<u>149,516</u>
Total recognized contributions received		<u>\$ 164,347</u>

In addition to the contributions recognized for financial statement purposes, the Association receives other donations primarily from parent volunteers in the Head Start Program. These contributed services and certain other items were not recognized for financial reporting purposes because they do not meet the criteria set forth in FASB Accounting Standards Codification, however, these contributions do meet the matching requirements set forth in the Head Start grant. The sum of recognized and unrecognized "in-kind" contributions and other matching contributions qualifying for the Head Start Program total approximately \$1,163,000.

Additionally, in March 2015, a building was donated to the Association with no restrictions regarding its use or disposition. The Association has determined the fair value at the date of donation was \$38,000 and accordingly recognized \$38,000 of revenue as a contribution. The Association has decided to make certain repairs and improvements and then hold the building for rental or sale. Since acquiring the building the Association has made \$10,000 in improvements to the building, however the building is not yet ready for occupancy. Accordingly, the building is reflected in these financial statements as construction-in-process in the amount of \$48,000.

#### NOTE 7 - EMPLOYEE BENEFIT PLAN

The Association provides a 401(k) savings plan for its eligible employees. All employees with one year of service and an attained age of 20 ½ may participate. Participating employees may elect to contribute up to ten percent of their earnings. The Association may contribute an amount equal to the participants' contribution up to an amount equal to five percent of the participants' earnings. The Association contributed approximately \$63,000 to the plan for the year ended March 31, 2017.

#### NOTE 8 - RELATED ENTITIES

The Association is a participant in a Limited Partnership as a General Partner sharing .5% in profits and losses and .5% in ownership capital. Because of the Association's small amount of ownership and because of certain provisions of the partnership agreement that restrict the Association's activities, the Association does not account for their investment in the partnership under the equity method. Rather, the Association records its share of income or loss when reported by the partnership. The partnership was formed for the purpose of constructing and maintaining a 30 unit low to moderate income townhouse community, "Sparrow Gardens Townhouses", located in Centerville, Louisiana. The total cost of the project was approximately \$1,376,000. This project was completed in 1996.

The Association acting in the capacity of a Community Housing Development Organization (CHDO) is the administrative manager of the complex. The accounting and financial management of the complex is handled by another partner.

The Partnership's year end is December 31, 2016. Total net assets (deficit) of the partnership total is (\$848,112) at December 31, 2016. The partnership incurred a net loss of \$90,000 for 2016. The amount of this loss attributable to the Agency is \$449.

The Association is planning to acquire the ownership interests of the other partners.

#### NOTE 9 - CONCENTRATIONS

Ninety-three percent of the Association's funding is obtained from federal grants. The largest federal grant administered by the Association is the Head Start program which accounts for sixty-three percent of the Association's total funding for the year ended March 31, 2016.

#### NOTE 10 - SUBSEQUENT EVENTS

The Association's management evaluated whether any events and transactions occurred subsequent to March 31, 2017 through August 31, 2017, the date the Association's financial statements are available to be issued, and determined that there were no material events or transactions that would require recognition in the Association's financial statements. However there is one subsequent event that the Association is disclosing as follows: After year end the Association and Louisiana Housing Cooperative (LHC) are arranging to cancel the loan due to LHC by the Association. Upon finalization the Association will remove the indebtedness from its financial statements. See Note 4 for more information on this loan.

SUPPLEMENTARY INFORMATION

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC**  
Schedule of Compensation, Benefits, and Reimbursements to  
Agency Head, Political Subdivision Head, or Chief Executive Officer  
For the Year Ended March 31, 2017

Chief Executive Officer : Almetra J Franklin

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 86,310
Benefits-401(K)	4,202
Benefits-Insurance	408
Cell phone allowance	2,741
Automobile allowance	11,400
Reimbursement-Travel/Hotels	<u>1,051</u>
Total	<u>\$ 106,112</u>

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

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
STATEMENT OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2017

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	010 General Fund	015 Head Start #22	020 CACFP	022 Vermilion Transit	030 CSBG	035 Revolving Loan Fund
Support						
Grants						
Federal			\$ 518,222	\$ 28,701		
State						
Local	\$ 37,127			61,731		
Other support						
Utilization of contributed professional services		\$ 149,516				
Utilization of contributed supplies		14,831				
Rental Revenue						
Net assets released from restrictions:						
Satisfaction of program restrictions		4,550,837			\$ 215,121	
Reduction of fixed assets with restrictions on use	20,712	146,422				
<b>Total unrestricted support (deficiency)</b>	<b>57,839</b>	<b>4,861,606</b>	<b>518,222</b>	<b>90,432</b>	<b>215,121</b>	<b>-</b>
Expenses						
Salaries	3,747	2,861,590	168,248	53,595	152,859	
Benefits	2,864	324,044	23,369	5,551	20,851	
Utilization of contributed supplies		14,831				
Utilization of contributed professional services		149,516				
Professional services	710	78,824	11,118	28	2,973	
Contractual						
Maintenance - facilities		43,474	961			
Rent		9,000				
Services	33,031	367,902	45,625	4,063	1,030	
Supplies	6,959	180,362	6,747	2,113	2,762	
Travel and transportation	2,965	105,611	1,014	13,651	12,376	
Insurance	217	190,398	18,000	5,000	4,000	
Benefits provided to community:						
Emergency assistance	736				2,694	
Food	2,286	56,872	226,040	67	182	
Utility payments						
Weatherization						
Housing assistance					5,286	
Other	11,073	34,103	13,554	918	2,585	
Depreciation	20,712	254,984	1,120			
Utilities, Telephone, Internet	4,708	190,095	8,997	2,843	7,523	
<b>Total unrestricted expenses</b>	<b>90,008</b>	<b>4,861,606</b>	<b>524,793</b>	<b>87,829</b>	<b>215,121</b>	<b>-</b>

Changes in unrestricted net assets	(32,169)	-	(6,571)	2,603	-	-
Other changes in unrestricted net assets:						
Transfer in	14,297			1,529		
Transfer out	(14,493)					
Increase (decrease) in unrestricted net assets	(32,365)	-	(6,571)	4,132	-	-
Changes in temporarily restricted net assets						
Support						
Grants						
Federal		4,550,893			210,224	
Net assets released from restrictions:						
Satisfaction of program restrictions		(4,550,837)			(215,121)	
Reduction of fixed assets with restrictions on use	(20,712)	(146,422)				
Increase (decrease) in temporarily restricted net assets	(20,712)	(146,366)	-	-	(4,897)	-
Increase (decrease) in net assets	(53,077)	(146,366)	(6,571)	4,132	(4,897)	-
Net assets at March 31, 2016	650,533	5,498,271	61,092	-	4,448	58,617
Net assets at March 31, 2017 before Residual equity transfer	597,456	5,351,905	54,521	4,132	(449)	58,617
Residual equity (deficit) transfer	11,930	-	-	-	-	-
Net assets at March 31, 2017	\$ 609,386	\$ 5,351,905	\$ 54,521	\$ 4,132	\$ (449)	\$ 58,617

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
 STATEMENT OF ACTIVITY BY PROGRAM  
 FOR THE YEAR ENDED MARCH 31, 2017

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	038 Capital <u>Reserve</u>	009 Transitional <u>Housing</u>	039 HUD <u>Homeless</u>	040 Parish <u>Council</u>	060 <u>LIHEAP</u>	065 <u>Medicaid</u>
Support						
Grants						
Federal				\$ 138,711		
State						
Local	\$ 13,254			78,283		
Other support						
Utilization of contributed professional services						
Utilization of contributed supplies						
Rental Revenue						
Net assets released from restrictions:						
Satisfaction of program restrictions					110,925	
Reduction of fixed assets with restrictions on use						
<b>Total unrestricted support (deficiency)</b>	<b>13,254</b>	<b>-</b>	<b>-</b>	<b>216,994</b>	<b>110,925</b>	<b>-</b>
Expenses						
Salaries		12,512	2,066	170,875	33,425	
Benefits		3,729	710	21,528	2,943	
Utilization of contributed supplies						
Utilization of contributed professional services						
Professional services	1,465			1,718	4,271	
Contractual						
Maintenance - facilities						
Rent						
Services	2,500			6,875	1,904	
Supplies	1,222	157	157	1,077	4,955	
Travel and transportation				28,452	2,567	
Insurance				4,000	1,105	
Benefits provided to community:						
Emergency assistance						
Food				165	57	
Utility payments					58,326	
Weatherization						
Housing assistance						
Other	2,149	2,501	141	4,416	1,372	
Depreciation	10,434					
Utilities, Telephone, Internet		327	108	2,391		
<b>Total unrestricted expenses</b>	<b>17,770</b>	<b>19,226</b>	<b>3,182</b>	<b>241,497</b>	<b>110,925</b>	<b>-</b>

Changes in unrestricted net assets	(4,516)	(19,226)	(3,182)	(24,503)	-	-
Other changes in unrestricted net assets:						
Transfer in	5,190	1,042	4,862	12,083		
Transfer out	(23,151)	(3,779)	(51)		(3,262)	(41)
	<u>(22,477)</u>	<u>(21,963)</u>	<u>1,629</u>	<u>(12,420)</u>	<u>(3,262)</u>	<u>(41)</u>
Increase (decrease) in unrestricted net assets						
Changes in temporarily restricted net assets						
Support						
Grants						
Federal					135,455	
Net assets released from restrictions:						
Satisfaction of program restrictions					(110,925)	
Reduction of fixed assets with restrictions on use						
Increase (decrease) in temporarily restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,530</u>	<u>-</u>
Increase (decrease) in net assets	(22,477)	(21,963)	1,629	(12,420)	21,268	(41)
Net assets at March 31, 2016	<u>247,262</u>	<u>25,680</u>	<u>6,584</u>	<u>(91,606)</u>	<u>3,777</u>	<u>41</u>
Net assets at March 31, 2017 before Residual equity transfer	<u>224,785</u>	<u>3,717</u>	<u>8,213</u>	<u>(104,026)</u>	<u>25,045</u>	<u>-</u>
Residual equity (deficit) transfer	<u>-</u>	<u>(3,717)</u>	<u>(8,213)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at March 31, 2017	<u>\$ 224,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (104,026)</u>	<u>\$ 25,045</u>	<u>\$ -</u>



ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
STATEMENT OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2017

	070	120	655	690	725	735	Total
	<u>Weatherization</u>	<u>Summer Feeding</u>	<u>Housing Department</u>	<u>Early Childhood Pilot Program</u>	<u>Faith Place</u>	<u>Isaiah's House</u>	<u>All Programs</u>
Support							
Grants							
Federal		\$ 85,816	\$ 82,758	\$ 37,770			\$ 891,978
State							-
Local			2,541				192,936
Other support							
Utilization of contributed professional services							149,516
Utilization of contributed supplies							14,831
Rental Revenue			8,322		\$ 9,000	\$ 18,200	35,522
Net assets released from restrictions:							
Satisfaction of program restrictions	\$ 840,646						5,717,529
Reduction of fixed assets with restrictions on use	135						167,269
<b>Total unrestricted support (deficiency)</b>	<u>840,781</u>	<u>85,816</u>	<u>93,621</u>	<u>37,770</u>	<u>9,000</u>	<u>18,200</u>	<u>7,169,581</u>
Expenses							
Salaries	123,989	27,190	18,177	12,648			3,640,921
Benefits	14,214	2,992	3,725	1,432			427,952
Utilization of contributed supplies							14,831
Utilization of contributed professional services							149,516
Professional services	5,568	6,000	5,178		2,500	3,127	123,480
Contractual							
Maintenance - facilities			207				44,642
Rent							9,000
Services		450	9,530		1,745	4,980	479,635
Supplies	10,651	68	9,501	25,743	55	1,747	254,276
Travel and transportation	22,478	372	5,281	3,045	219	850	198,881
Insurance	12,500	1,000	6,002				242,222
Benefits provided to community:							
Emergency assistance							3,430
Food		33,192	182	60		64	319,167
Utility payments							58,326
Weatherization	643,471						643,471
Housing assistance							5,286
Other	6,374	10,798	4,741	3,749	713	755	99,942
Depreciation	135		2,400		4,800		294,585
Utilities, Telephone, Internet	1,401		11,551		743	2,711	233,398
<b>Total unrestricted expenses</b>	<u>840,781</u>	<u>82,062</u>	<u>76,475</u>	<u>46,677</u>	<u>10,775</u>	<u>14,234</u>	<u>7,242,961</u>

Changes in unrestricted net assets	-	3,754	17,146	(8,907)	(1,775)	3,966	(73,380)
Other changes in unrestricted net assets:							
Transfer in			10,170	150			49,323
Transfer out					(2,400)	(2,146)	(49,323)
Increase (decrease) in unrestricted net assets	-	3,754	27,316	(8,757)	(4,175)	1,820	(73,380)
Changes in temporarily restricted net assets							
Support							
Grants							
Federal	845,569						5,742,141
Net assets released from restrictions:							
Satisfaction of program restrictions	(840,646)						(5,717,529)
Reduction of fixed assets with restrictions on use	(135)						(167,269)
Increase (decrease) in temporarily restricted net assets	4,788	-	-	-	-	-	(142,657)
Increase (decrease) in net assets	4,788	3,754	27,316	(8,757)	(4,175)	1,820	(216,037)
Net assets at March 31, 2016	33,466	(5,330)	131,708	238	(45,233)	(76)	6,579,472
Net assets at March 31, 2017 before Residual equity transfer	38,254	(1,576)	159,024	(8,519)	(49,408)	1,744	6,363,435
Residual equity (deficit) transfer	-	-	-	-	-	-	-
Net assets at March 31, 2017	\$ 38,254	\$ (1,576)	\$ 159,024	\$ (8,519)	\$ (49,408)	\$ 1,744	\$ 6,363,435

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

Schedule of Expenditures of Federal Awards  
For the Year Ended March 31, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENSES INCURRED
<u>U.S. Department of Agriculture</u>				
Passed through Louisiana Department of Education				
Child and Adult Care Food Program	10.558		\$ 518,222	\$ 536,309
Summer Food Service Program for Children	10.559		<u>85,816</u>	<u>82,062</u>
Total U.S. Department of Agriculture			<u>\$ 604,038</u>	<u>\$ 618,371</u>
<u>U.S. Department of Housing and Urban Development</u>				
Supportive Housing Program				
Passed through Louisiana Housing Corporation (LHC)	14.235		\$ -	\$ 22,408
Home Investment Partnerships Program	14.239		<u>82,758</u>	<u>76,419</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 82,758</u>	<u>\$ 98,827</u>
<u>U.S. Department of Transportation</u>				
Passed through Louisiana Department of Transportation and Development				
Passed through the Vermillion Parish Policy Jury Formula Grants for Rural Areas				
	20.509	RU18-57-17	\$ 28,701	\$ 43,914
Passed through the City of Franklin Formula Grants for Rural Areas				
	20.509	RU18-51-17	<u>\$ 138,711</u>	<u>\$ 126,586</u>
Total for Formula Grants for Rural Areas	20.509		<u>\$ 167,412</u>	<u>\$ 170,500</u>
Total U.S. Department of Transportation			<u>\$ 167,412</u>	<u>\$ 170,500</u>
<u>U.S. Department of Energy</u>				
Passed through Louisiana Housing Corporation (LHC),				
Weatherization Assistance for Low-income Persons				
	81.042		<u>\$ 845,569</u>	<u>\$ 840,646</u>
Total U.S. Department of Energy			<u>\$ 845,569</u>	<u>\$ 840,646</u>

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	REVENUE RECOGNIZED	EXPENSES INCURRED
<u>U.S. Department of Health and Human Services</u>				
Passed through LHC				
Low income Home Energy Assistance	93.568		\$ 135,455	\$ 110,925
Passed through Louisiana Department of Labor				
Community Services Block Grant	93.569	2016 N0041 2017 N0041	210,224	214,672
Passed through Louisiana Department of Education's Department of Children & Family Services				
Child Care and Development Block Grant	93.575	28-16-CO	37,770	38,008
Administration for Children and Families				
Head Start	93.600		<u>4,550,893</u>	<u>4,550,837</u>
Total U.S. Department of Health and Human Services			<u>\$ 4,934,342</u>	<u>\$ 4,914,442</u>
Total Federal Financial Assistance			<u>\$ 6,634,119</u>	<u>\$ 6,642,786</u>

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended March 31, 2017**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of St. Mary Community Action Committee Association, Inc. (Association) under programs of the federal government for the year ended March 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

**NOTE 2 - REPORTING METHOD**

Except for Head Start and Weatherization, all revenues and expenses on this schedule are reported on the basis of generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. The Association did not use the 10% de minimis cost rate for year ending March 31, 2017.

**NOTE 3 - HEAD START**

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

Total unrestricted expenses per financial statement	\$4,861,606
Less: Depreciation expense	
Total depreciation (\$254,984)	(254,984)
Utilization of in-kind contributions	(164,347)
Add: Purchase of fixed assets with grant funds	<u>108,562</u>
Total expenses incurred per Schedule of Expenditures of Federal Awards	<u>\$4,550,837</u>

NOTE 4 – WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS

Reconciliation of expenses incurred on the financial statements to expenses reported on the Schedule for Weatherization is as follows:

Total unrestricted expenses per financial statement	\$840,781
Less: Depreciation expense	<u>( 135)</u>
 Total expenses reported per Schedule of Expenditures of Federal Awards	 <u>\$840,646</u>

NOTE 5 - SUPPORTIVE HOUSING

Expenses for supportive housing programs as reported on the Schedule, is reported in two funds in the financial statements as follows:

	<u>Expenses</u>
Transitional Housing	\$19,226
HUD Homeless	<u>3,182</u>
Total Revenue and Expenses recognized per Schedule of Expenditure of Federal Awards	<u>\$22,408</u>

NOTE 6 – FORMULA GRANTS FOR RURAL AREAS

Formula Grants for Rural Areas are jointly funded with Federal and Local funding. The following table shows all Federal funding and the total program expenses and the Federal proportionate share of the expenses.

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

<u>Fund</u>	<u>Contract ID #</u>	<u>Federal Revenues</u>	<u>Federal Total Expenses</u>	<u>Share of Expense(50%)</u>
Vermillion Transportation	RU18-57-17	<u>\$28,701</u>	<u>\$87,829</u>	<u>\$43,914</u>
Parish Council	RU18-51-17	\$138,711	241,497	
CSBG	RU18-51-17		9,280	
General Fund	RU18-51-17		<u>2,394</u>	
Total for RU18-51-17		<u>\$138,711</u>	<u>\$253,171</u>	<u>\$126,586</u>

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE  
AND OTHER MATTERS



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting (internal control) 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 St. Mary Community Action Committee Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control.



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

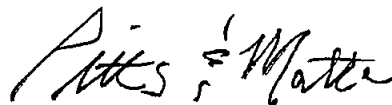
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Mary Community Action Committee Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2017  
Morgan City, Louisiana



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

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

Report on Compliance for Each Major Federal Program

We have audited St. Mary Community Action Committee Association, Inc.'s 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 St. Mary Community Action Committee Association, Inc.'s major federal programs for the year ended March 31, 2017. The St. Mary Community Action Committee Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of St. Mary Community Action Committee Association, Inc.'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 St. Mary Community Action Committee Association, Inc.'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 St. Mary Community Action Committee Association, Inc.'s compliance.

#### Opinion on Each Major Federal Program

In our opinion, St. Mary Community Action Committee Association, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2017.

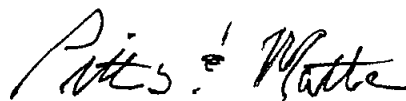
#### Report on Internal Control Over Compliance

Management of St. Mary Community Action Committee Association, Inc. 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 St. Mary Community Action Committee Association, Inc.'s internal control over compliance with the 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 St. Mary Community Action Committee Association, Inc.'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 described 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 considered a public record and may be distributed by the Legislative Auditor.

A handwritten signature in cursive script, appearing to read "Pitts & Matte".

CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2017  
Morgan City, Louisiana

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS, AND QUESTIONED COSTS**  
**For the Year Ended March 31, 2017**

**A. SUMMARY OF AUDIT RESULTS**

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

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**NO MATTERS TO BE REPORTED**

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

NO MATTERS TO BE REPORTED

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

NO MATTERS TO BE REPORTED