



**INDEPENDENT ACCOUNTANTS’ REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Board of Directors  
Donaldsonville Area ARC, Inc.  
Donaldsonville, Louisiana

We have performed the procedures enumerated below, which were agreed to by Donaldsonville Area Arc, Inc. (the Arc) on the accounting records of the Arc as of June 30, 2022. The Arc’s management is responsible for the Arc’s accounting records.

The Arc has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the agreement which is to determine the accuracy of the Arc’s accounting records. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

**A) Bank Reconciliations**

We performed the procedures below on the following accounts:

<u>Bank</u>	<u>Book Balance as of June 30, 2022</u>
Capital One (GL Acct. 0500-C)	\$ 253,111
Whitney (GL Acct. 1051-C)	53,463
First American Savings (GL Acct. 1035-C)	4,017
First American (GL Acct. 1045-M)	1,757
Edward Jones Money Market (GL Acct. 1067-C)	118,585
	<u>\$ 430,933</u>

a) We agreed book balances to the bank reconciliations.

**Results:** We found no exceptions as a result of the procedures.

b) We agreed bank reconciliations to the 3<sup>rd</sup> party bank statements.

**Results:** We found no exceptions as a result of the procedures.

c) We mathematically checked the bank reconciliations.

**Results:** We found no exceptions as a result of the procedures.

- d) We inspected documentation that management has researched reconciling items that have been outstanding for more than 90 days.

**Results:** There was one outstanding check in the amount of \$5.00 that has been outstanding since September 13, 2021. There was no documentation that management has researched this reconciling item.

**B) Certificates of Deposit (CDs)**

- a) We agreed the listing of CDs provided by management to the general ledger book balance.

**Results:** The unadjusted general ledger book balance reported a balance of \$353,955. The client prepared list of CDs reported a balance of \$660,526.97.

- b) We agreed the CD balance and interest rate from the statements to the listing of CDs that was prepared by the client.

**Results:** One CD from the statement was not included on the listing of CD's that was prepared by the client.

- c) We recalculated interest receivable and agreed it to the general ledger book balance.

**Results:** There was no interest receivable recorded in the prior year. As a result, a difference of \$780 exists between the unadjusted book balance and the calculated amount. See results of calculation below.

	Unadjusted Book Balance June 30, 2022	Accrued Interest Calculated June 30, 2022
Goldman Sachs Bank USA	\$ -	\$ 433
American Express National Bank	-	318
United Community Bank	-	3
First American Bank	-	26
	\$ -	\$ 780

**C) Investments as of June 30, 2022**

- a) We agreed book balances to brokerage statements.

**Results:** An adjustment in the amount of \$45,206 to decrease the balance of investments for current year activity had not been recorded. This adjustment consisted of current year dividends of \$22,305 that had been reinvested had not been recorded and an unrealized loss of \$67,511 due to the fair market value of the investments at fiscal year end.

	Book Balance June 30, 2022	Brokerage Statement Balance June 30, 2022
Edward Jones	\$ 340,558	\$ 295,352

- b) We agreed interest revenues to brokerage statements.

**Results:** As noted above, the dividends earned on the investments had not been recorded as of year end.

**D) Accounts Receivable as of June 30, 2022**

- a) We obtained accounts receivable sub ledger and agreed it to the general ledger book balance.

**Results:** The subledger balance did not agree to the unadjusted general ledger balance due to the client not reversing a prior year accrual in the amount of \$196.

- b) We ensured that the sub ledger provided by client was mathematically accurate.

**Results:** The totals of the sub ledger were mathematically accurate.

- c) We obtained cash receipts greater than \$1,500 from the July 2022 bank statements and agreed those receipts to the respective invoice/reimbursement request/grant agreement.

**Results:** Six cash receipts totaling \$129,316.40 were tested. Each receipt agreed to the respective invoice/reimbursement request/grant agreement and was recorded in the proper period. No exceptions were noted as a result of this procedure.

**E) Accounts Payable as of June 30, 2022**

- a) We obtained the accounts payable sub ledger and agreed it to the general ledger balance.

**Results:** The subledger did not agree to the unadjusted general ledger balance due to the client not reversing a prior year accrual in the amount of \$1,839.

- b) We ensured that the sub ledger provided by client was mathematically accurate.

**Results:** The totals of the sub ledger were mathematically accurate.

- c) We selected all non-recurring cash disbursements greater than \$1,500 made between July 1, 2022 and July 31, 2022, and agreed to the invoice and copy of the check.

**Results:** Six disbursements totaling \$32,684.37 were tested. Each disbursement had an appropriate invoice and check copy. We noted one invoice in the amount of \$2,647.47 that was incorrectly excluded from accounts payable at year end.

**F) Accrued Salaries as of June 30, 2022**

- a) We traced the accrued salaries general ledger balance to the client payroll summary and recalculated the June 30, 2022 accrual.

**Results:** There was no accrual necessary for June 30, 2022.



**G) Revenues and Expenses**

- a) We extracted all cash disbursements greater than \$2,500, excluding payroll tax payments through EFTPS, that were posted to the accounting records between July 1, 2021 and June 30, 2022. This resulted in:

13 transfers between bank accounts totaling \$600,000  
27 cash disbursements totaling \$172,706.50

We performed the following:

- i. We agreed the disbursement to the invoice and check copy.

**Results:** We found no exceptions as a result of the procedures.

- ii. We observed the invoice to verify documentation of review and approval by client personnel.

**Results:** We found 6 cash disbursements totaling \$36,656.50 that did not have evidence of proper approval by client personnel. See summary of exceptions below.

<u>Disbursement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Exception</u>
LDH Division of Fiscal Mgmt.	9/9/21	\$7,429.00	Verbal approval noted on invoice due to Hurricane Ida.
LA Worker's Compensation Corp	9/9/21	\$4,374.75	Verbal approval noted on invoice due to Hurricane Ida.
LDH Division of Fiscal Mgmt.	12/2/21	\$7,348.25	Check signed by Marlene, but amount exceeds approval authority.
The Arc of the United States	1/13/22	\$2,808.00	Check signed by Marlene, but amount exceeds approval authority.
LDH Division of Fiscal Mgmt.	3/10/22	\$7,267.50	Check signed by Marlene, but amount exceeds approval authority.
LDH Division of Fiscal Mgmt.	6/8/22	\$7,429.00	Check signed by Marlene, but amount exceeds approval authority.

- iii. We observed that the disbursement was recorded in the proper general ledger account.

**Results:** We found 3 disbursements in the amount of \$37,365 that were not recorded in the proper general ledger account. See summary of exception below.

<u>Disbursement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Exception</u>
Premier South Roofing & Sheet Metal	8/4/21	\$27,050.00	Disbursement was recorded as maintenance expense but should have been capitalized.
The Décor Shoppe - flooring	7/29/21	\$5,000.00	Disbursement was recorded as maintenance expense but should have been capitalized.
The Décor Shoppe - flooring	8/25/21	\$5,315.00	Disbursement was recorded as maintenance expense but should have been capitalized.

b) We extracted the largest payroll check from each department from the first payroll register in September 2021 and performed the following:

i. We agreed the disbursement to supporting documentation.

**Results:** We found no exceptions as a result of the procedures.

ii. We observed the documentation to see evidence of review and approval by client.

**Results:** We found 1 paycheck in the amount of \$2,257.86 that did not have evidence of proper approval by client personnel. See summary of exceptions below.

<u>Disbursement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Exception</u>
Payroll Check	9/9/21	\$2,257.86	Verbal approval noted on payroll coversheet due to Hurricane Ida.

iii. We observed that the disbursement was recorded in the proper general ledger account.

**Results:** We found no exceptions as a result of the procedures.

c) We extracted the largest disbursement less than \$2,500 that was posted to the accounting records of each of the months of August 2021, November 2021, January 2022, March 2022, and May 2022. We performed the following:

i. We agreed the receipt to the bank statement.

**Results:** We found 2 cash disbursements totaling \$397.76 that did not contain adequate supporting documentation. See summary of exceptions below.

<u>Disbursement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Exception</u>
Sunset Pharmacy	11/30/21	\$248.28	Adequate support for disbursement not provided.
Sunset Pharmacy	5/10/22	\$149.48	Adequate support for disbursement not provided.

ii. We observed the invoice to see documentation of review and approval by client.

**Results:** We found no exceptions as a result of the procedures.

iii. We observed that the disbursement was recorded in the proper general ledger account.

**Results:** We found no exceptions as a result of the procedures.

d) We extracted all cash receipts greater than \$10,000 that were posted to the accounting records between July 1, 2021 and June 30, 2022. This resulted in:

- 13 cash receipts totaling \$313,077.47
- 13 transfers between bank accounts totaling \$600,000.00
- 1 CD maturity in the amount of \$20,327.67

We performed the following:

- i. We agreed the receipt to the bank statement.

**Results:** We found no exceptions as a result of the procedures.

- ii. We agreed the amount received to the invoice/reimbursement request/grant agreement.

**Results:** We found no exceptions as a result of the procedures.

- iii. We observed that the receipt was recorded in the proper general ledger account.

**Results:** Of the 14 cash receipts, 1 receipt in the amount of \$14,210.89 was incorrectly recorded. Additionally, the CD maturity was incorrectly recorded. See summary of exceptions below.

Receipt Description	Date	Amount	Exception
Insurance Proceeds	11/23/21	\$14,210.89	Insurance proceeds of \$14,210.89 was incorrectly recorded as a reduction of the asset balance rather than as part of the gain on disposal of assets.
CD Maturity	11/26/21	\$20,327.67	Interest earnings of \$327.67 was recorded in the proper revenue account; however, the initial CD balance of \$20,000 was incorrectly recorded as interest revenue rather than a reduction to the CD balance.

- e) We extracted the largest cash receipt less than \$10,000 that was posted to the accounting records in each of the months of August 2021, November 2021, January 2022, March 2022, and May 2022. This resulted in:

9 cash receipts totaling \$45,103.24

1 transfer between bank accounts totaling \$936.38

We performed the following:

- i. We agreed the receipt to the bank statement.

**Results:** We found no exceptions as a result of the procedures.

- ii. We agreed the amount received to the invoice/reimbursement request/grant agreement.

**Results:** We found no exceptions as a result of the procedures.

- iii. We observed that the receipt was recorded in the proper general ledger account.

**Results:** We found no exceptions as a result of the procedures.





We were engaged by the Arc to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on if the accounting records are accurate. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The purpose of this report is to describe the procedures performed and the results of the procedures. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of the Arc, and is not intended to be and should be used by anyone other than the specified party.

*Postlethwaite & Netterville*

Donaldsonville, Louisiana  
October 4, 2022

# Donaldsonville Area Arc, Inc.

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## MANAGEMENT'S RESPONSE

### A) Bank Reconciliations

- d) Management has identified the item as an outstanding payment for winnings of a fundraiser. The check was never cashed and it has now been voided.

### B) Certificates of Deposit

- a) Management used ending balance from internal spreadsheet. Management will balance internal spreadsheet with EDJ statements.
- b) Management used ending balance from internal spreadsheet. Management will balance internal spreadsheet with EDJ statements.
- c) Management will ensure all CD interest is recorded.

### C) Investments

- a) An adjustment as made to record the dividends earned and the current year unrealized gain.
- b) An adjustment as made to record the dividends earned and the current year unrealized gain.

### D) Accounts Receivable

- a) Management will ensure aged receivable report total agrees with trial balance.

### E) Accounts Payable

- a) Management will ensure the sub-ledger and the general ledger balances agree and invoices are booked to the proper year.
- c) Management will ensure the sub-ledger and the general ledger balances agree and invoices are booked to the proper year.

### G) Revenues and Expenses

- a ii) Management will discuss with the board if fixed cost is greater than \$5000 need approval with board president.





- a iii) An adjustment was made to properly reflect the transaction in the proper general ledger account.
- b ii) Management will verify through email if unable to get signature approval.
- c i) Management will continue to get the receipts for purchases from the pharmacy.
- d iii) An adjustment was made to properly reflect the transaction in the proper general ledger account.

  
Marlene Domingue, Director

10-4-2022

Date