

ARC OF ST. MARY

Centerville, Louisiana

Financial Report

Year Ended June 30, 2024

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Board of Directors
ARC of St. Mary
Centerville, Louisiana

We have reviewed the accompanying financial statements of the ARC of St. Mary (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

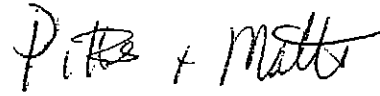
Accountant's Responsibility

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

We are required to be independent of the ARC of St. Mary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

A handwritten signature in black ink, appearing to read "Pitts & Matte", written in a cursive style.

Pitts & Matte, A Corporation of
Certified Public Accountants

Morgan City, Louisiana
March 24, 2025

ARC OF ST. MARY
Statement of Financial Position
June 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 197,385
Due from other agencies	13,855
	<hr/>
Total current assets	211,240

NONCURRENT ASSETS

Fixed assets - less accumulated depreciation	612,493
Operating lease - right of use	1,599
	<hr/>
Total noncurrent assets	614,092
	<hr/>
Total assets	\$ 825,332

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 16,626
Accrued and withheld payroll taxes	7,372
Operating lease liability	1,599
Notes payable - current portion	2,439
	<hr/>
Total current liabilities	28,036

LONG-TERM LIABILITIES

Notes payable - less current portion	96,633
	<hr/>
Total Long-Term Liabilities	96,633
	<hr/>
Total liabilities	124,669

NET ASSETS

Without donor restrictions	700,663
	<hr/>
Total net assets	700,663

TOTAL LIABILITIES AND NET ASSETS	\$ 825,332
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The accompanying notes are an integral part of these financial statements.

ARC OF ST. MARY
Statement of Activity and Changes in Net Assets
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>
Revenues and Other Support	
Support	
Operating Grants	
State of Louisiana - State General Fund	\$ 200,000
State of Louisiana - DOTD	1,207
Local governments	27,000
Contributions	41,550
Total support	<u>269,757</u>
Revenues	
Program service fees	67,236
Membership fees	1,066
Medicaid/Medicare	224,055
Other	377
Total revenues	<u>292,734</u>
Total revenues and other support	<u>562,491</u>
Expenses	
Program services:	
Adult habilitation	388,748
Support services:	
General and administrative	80,858
Total expenses	<u>469,606</u>
Increase (decrease) in net assets	<u>92,885</u>
Net assets at June 30, 2023	<u>607,778</u>
Net assets at June 30, 2024	<u>\$ 700,663</u>

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

ARC OF ST. MARY
Schedule of Functional Expenses
For the Year Ended June 30, 2024

<u>Expenses:</u>	<u>Adult Habilitation</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 181,340	\$ 20,149	\$ 201,489
Payroll Taxes	15,190	1,688	16,878
Conferences and meetings	222	-	222
Insurance	67,393	7,488	74,881
Office expense	30,330	3,370	33,700
Postage	-	505	505
Professional fees	-	31,329	31,329
Repairs and maintenance	6,147	683	6,830
Supplies	578	64	642
Telephone	5,133	570	5,703
Thrift store rent	9,600	-	9,600
Transportation	26,392	-	26,392
Utilities	9,652	508	10,160
Interest expense	2,480	276	2,756
Miscellaneous	181	20	201
Depreciation	34,110	14,208	48,318
	<hr/>	<hr/>	<hr/>
Total Unrestricted Expenses	\$ 388,748	\$ 80,858	\$ 469,606
	<hr/>	<hr/>	<hr/>

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

ARC OF ST. MARY

STATEMENT OF CASH FLOWS For the Year Ended June 30, 2024

Cash flows from operating activities:	
Received from other governments	\$ 228,282
Other revenues	334,284
Paid to employees	(201,489)
Paid to vendors	(194,475)
Payments on operating leases	<u>(9,508)</u>
Net cash provided by operating activities	<u>157,094</u>
Cash flows from investing activities:	
Purchases of fixed assets	<u>(55,266)</u>
Net cash provided (used) by investing activities	<u>(55,266)</u>
Cash flows from financing activities	
Repayment of debt	<u>(928)</u>
Net cash provided (used) by financing activities	<u>(928)</u>
Net increase in cash and cash equivalents	100,900
Cash and cash equivalents at beginning of year	<u>96,485</u>
Cash and cash equivalents at end of year	<u>\$ 197,385</u>
Supplemental disclosures:	
Interest paid	<u>\$ 2,756</u>

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

ARC OF ST. MARY
Centerville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of activities

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

B. Income tax status

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

C. Estimates

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

D. Basis of accounting

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

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

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

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

E. Cash and cash equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. At June 30, 2024 there were no investments which were determined to be cash equivalents.

F. Property and equipment

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

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

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

G. Contributions

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

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

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

H. Support and revenue

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

I. Program revenue

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

J. Advertising

Advertising costs are expensed as they are incurred. There are no advertising expenses for the year ended June 30, 2024.

K. Functional Allocation of Expenses

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

(2) Credit Risk

Financial instruments which potentially subject the ARC to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents at June 30, 2024 consisted of cash and demand deposits at financial institutions which management believes are high quality institutions. The cash and cash equivalents possess credit risk to the extent the deposits at financial institutions exceed FDIC insured limits. The ARC has no policy to actively monitor credit risk. At June 30, 2024, the ARC has deposits in two separate financial institutions, and deposits in each financial institution do not exceed FDIC insured limits; therefore, the ARC is not exposed to credit risk.

(3) Liquidity and Availability of Resources

At June 30, 2024, the ARC has \$211,240 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$197,385 and receivables of \$13,855. The ARC has no policy to invest cash and cash equivalents in excess of daily requirements or structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

(4) Due From other Agencies

As of June 30, 2024, amounts due from other agencies were comprised of:

Medicaid/Medicare:

Louisiana Department of Health and Hospitals	<u>\$ 13,855</u>
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(5) Capital Assets

Capital assets consisted of the following at June 30, 2024:

Capital assets being depreciated	
Buildings and improvements	\$ 716,967
Furniture and equipment	61,433
Vehicles	<u>158,087</u>
	936,487
Less: accumulated depreciation	<u>(323,994)</u>
	<u>\$ 612,493</u>

Depreciation expense for the year ended June 30, 2024 totaled \$48,318.

(6) Operating Leases

At June 30, 2024, the ARC is obligated under a noncancelable operating lease agreement for 60 months with monthly payments of \$800, expiring August 2024.

The following is a maturity analysis of the annual undiscounted cash flows (payments) of the operating lease liability as of June 30, 2024:

Year Ending <u>June 30</u>	<u>Amount</u>
2025	\$ <u>1,600</u>
Total operating lease liability payments	\$ <u>1,600</u>

The following is a reconciliation of total operating lease liability – payments on the schedule above to the operating lease liability on the accompanying statement of net position as of June 30, 2024:

Total operating lease liability - payments		\$ 1,600
Operating lease liability - current portion	\$ 1,599	
Total operating lease liability		<u>1,599</u>
Present value adjustment		<u>\$ 1</u>

Operating lease cost of \$126 is included in the statement of activities for the year ended June 30, 2024. The weighted average of the remaining lease term was 0.17 years and the weighted average discount rate used was 1.33%.

(7) Long-Term Debt

Long-term debt is comprised of the following at June 30, 2024:

Economic Injury Disaster Loan bearing interest at 2.75%, payable in monthly installments of \$428 including interest, beginning August 5, 2021 and maturing in August 2050, secured by all tangible and intangible personal property. Loan issued under the terms of the Small Business Act.

\$ 99,072

The terms of the Economic Injury Disaster Loan require the ARC to pay monthly installments of \$428 beginning twelve months from the date of the loan or July 9, 2021. The terms also provide that each payment be applied first to accrued interest and the balance, if any, applied to principal. During the year ended June 30, 2024, the ARC made payments on the loan totaling \$5,424, \$4,996 of which was applied to interest. The current portion of the long-term debt related to the Economic Injury Disaster Loan is \$2,439 at June 30, 2024.

Principal maturities of long-term debt are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,439	\$ 2,697
2026	2,506	2,630
2027	2,576	2,560
2028	2,648	2,488
2029	2,722	2,414
2030 - 2034	14,789	10,891
2035 - 2039	16,966	8,714
2040 - 2044	19,464	6,216
2045 - 2049	22,329	3,351
2050	<u>12,633</u>	<u>472</u>
	<u>\$ 99,072</u>	<u>\$ 42,434</u>

(8) Line of Credit

The ARC has a revolving line of credit up to \$50,000 as of June 30, 2024. Interest on the line of credit is payable monthly at a rate of 5.50% per annum. The ARC has no outstanding advances on the line of credit as of June 30, 2024. The line is secured by possessory collateral.

(9) Contingent Liabilities

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

(10) Fundraising Costs

The ARC did not occur fundraising costs during the year ended June 30, 2024.

(11) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Louisiana Legislature amended R.S. 24:513A requiring additional disclosure of total compensation, benefits, reimbursements, or other payments made to the head of a political subdivision or quasi-public agency. The following is a summary of such payments made to/for Kristal Hebert, Executive Director, during the year ended June 30, 2024:

Salary	\$ 53,447
Reimbursements-Travel	3,228
Reimbursements-Mileage	1,825
Phone	<u>1,440</u>
Total	<u>\$ 59,940</u>

(12) Subsequent Events

Management has inspected subsequent events through March 24, 2025, the date on which the financial statements were available for issue.

REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE*

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES**

The Board of Directors ARC of St. Mary and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the compliance of the ARC of St. Mary (hereinafter “ARC”) with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire (Exhibit A) during the fiscal year ended June 30, 2024, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The management of the ARC is responsible for its financial records and compliance with applicable laws and regulations.

The ARC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding the ARC’s compliance with certain laws and regulations contained in the accompanying Louisiana Compliance Questionnaire (Exhibit A) and report on exceptions based upon the procedures performed. Additionally, the Louisiana Legislative Auditor (LLA) has agreed to and acknowledged that the procedures performed are appropriate to meet its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions, if any, are as follows:

Federal, State, and Local Awards

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

The ARC did not expend any federal, state, or local government grant awards during the fiscal year. Therefore, procedures 2-7 below are not applicable.

2. For each federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in Procedure 2, trace the six disbursements to supporting documentation as to proper amount and payee.

4. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.
5. For the items selected in Procedure 2, determine whether the six disbursements received approval from proper authorities.
6. For each selected disbursement made for federal grant awards, obtain the Compliance Supplement for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the Compliance Supplement, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

Eligibility

Reporting

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

Open Meetings

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

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

Budget

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

The ARC did not receive any federal, state, or local government grant awards for the fiscal year.

Reporting

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

The ARC has not provided a timely report for the fiscal year ending June 30, 2024, in accordance with RS 24:513.

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

Management represented that the ARC did not enter into any contracts utilizing state funds while not in compliance with R.S. 24:513.

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

No exceptions were found as a result of applying this procedure.

Prior Year Comments

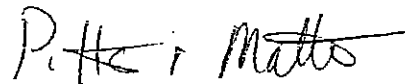
13. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

The prior year agreed-upon procedures report did not include any suggestions, exceptions, recommendations, or comments.

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

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

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



Pitts & Matte, A Corporation of
Certified Public Accountants

Morgan City, Louisiana
March 24, 2025

ARC OF ST. MARY
Centerville, Louisiana

Schedule of Findings
Year Ended June 30, 2024

Findings Reported in Accordance with Government Auditing Standards

2024-001 Lack of Segregation of Duties

Year Initially Occurring: Unknown

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

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

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

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

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

2024-002 Bank Reconciliations

Year Initially Occurring: 2019

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

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

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

ARC OF ST. MARY
Centerville, Louisiana

Schedule of Findings (continued)
Year Ended June 30, 2024

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

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

2024-003 Failure to File Review Report on Time

Year Initially Occurring: 2023

CONDITION: The report for the ARC's required engagement was not completed and submitted to the Office of the Louisiana Legislative Auditor within six months of year end.

CRITERIA: Louisiana's Audit Law, RS 24:513 et seq, provides for the completion of required engagements within six months of the close of the entity's fiscal year.

CAUSE: The condition results from a failure to comply with statutory provisions.

EFFECT: The ARC may not be compliant with RS 24:513.

RECOMMENDATION: We recommend that the ARC institute policies and procedures to ensure its annual report is completed and submitted to the Louisiana Legislative Auditor within six months of year end.

ARC OF ST. MARY
Centerville, Louisiana

Summary Schedule of Prior Findings
Year Ended June 30, 2024

2023-001 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

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

STATUS: See schedule of findings item 2024-001.

2023-002 Bank Reconciliations

CONDITION: Bank reconciliations were not prepared.

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

STATUS: See schedule of findings item 2024-002.

2023-003 Late Report Submission

CONDITION: The ARC's annual financial report was submitted beyond the six month due date for the report as required by state law.

RECOMMENDATION: The ARC should implement policies and procedures to ensure its annual report is completed and submitted within the required time frame.

STATUS: See schedule of findings item 2024-003.

Arc of St. Mary/Center of Hope
P.O. Box 3
100 Missouri St.
Centerville, LA 70522
337-836-9445/FAX 337-836-9419

Kristal Hebert
Executive Director

Billy Duhon, Sr.
Board President

March 24, 2025

Mr. Michael J. "Mike" Waguespack, CPA
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

The ARC of St. Mary respectfully submits the following corrective action plan for our period ended June 30, 2024.

CORRECTIVE ACTION:

Person Responsible: Kristal Hebert
ARC of St. Mary
100 Missouri Street
Centerville, LA 70522

Time for Completion: June 30, 2025

Material Weaknesses:

RE: Item No. 2024-001 Lack of Segregation of Duties

Auditors' Comment: During the course of our engagement, our auditors discovered that there is very little segregation of duties within the ARC's accounting function.

Corrective Action: We have reviewed this situation and have decided that the additional control derived by employing an additional person in our bookkeeping area is outweighed by the additional personnel cost.

RE: Item No. 2024-002 Bank Reconciliations

Auditors' Comment: The ARC did not properly prepare bank reconciliations on a periodic basis.

Corrective Action: Policies and procedures will be implemented in which bank reconciliations are prepared and reconciled on a periodic basis.

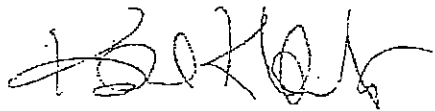
Items of Non-Compliance:

RE: Item No. 2024-003 Failure to File Review Report on Time

Auditors' Comment: The ARC's annual financial report was submitted beyond the six month due date for the report as required by state law.

Corrective Action: We will take necessary steps to ensure that financial statements are accurate and submitted within the prescribed time period.

ARC of St. Mary

A handwritten signature in black ink, appearing to read 'Kristal Hebert', written over a horizontal line.

Kristal Hebert
Executive Director

LOUISIANA ATTESTATION QUESTIONNAIRE

Exhibit A

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

Pitts & Mather (Date Transmitted)

Pitts & Mather (CPA Firm Name)

P.O. Box 2363 (CPA Firm Address)

Morgan City, LA 70381 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of _____ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

Open Meetings

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

Yes ☒ No ☐ N/A ☐

Budget

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

Yes ☒ No ☐ N/A ☐

Reporting

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☒ No ☐ N/A ☐

Prior-Year Comments

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

Yes ☒ No ☐ N/A ☐

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐ N/A ☐

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

We have provided you with all relevant information and access under the terms of our agreement.

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

We are not aware of any material misstatements in the information we have provided to you.

Yes ☒ No ☐ N/A ☐

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes ☒ No ☐ N/A ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes ☒ No ☐ N/A ☐

The previous responses have been made to the best of our belief and knowledge.

<u>Charoli L Pradon</u>	Secretary	<u>2-7-25</u>	Date
<u>Charoli L Pradon</u>	Treasurer	<u>2-7-25</u>	Date
<u>Billy W. Pradon</u>	President	<u>2-11-25</u>	Date