

CATHOLIC CHARITIES OF ACADIANA, INC.

Lafayette, Louisiana

Financial Report

For the Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of Catholic Charities of Acadiana, Inc. (CCA) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CCA as of June 30, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CCA and to meet our other ethical responsibilities relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CCA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CCA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CCA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of activities by component is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial 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, 2023, on our consideration of CCA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCA’s internal control over financial reporting and compliance.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
August 31, 2023

FINANCIAL STATEMENTS

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 1,152,787
Restricted Cash	68,794
Investments	4,166,131
Grants Receivable	875,703
Accounts Receivable	56,057
Inventory	535,735
Prepaid Expense	<u>3,529</u>
Total Current Assets	<u>6,858,736</u>

PROPERTY AND EQUIPMENT (NET)

4,707,630

OTHER ASSETS

Operating Lease Right-of-Use Assets	120,381
Deposits	<u>570</u>
	<u>120,951</u>

TOTAL ASSETS

\$ 11,687,317

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Portion of Operating Lease Obligations	\$ 43,425
Accounts Payable	422,365
Accrued Payroll and Related Liabilities	56,186
Accrued Compensated Absences	107,851
Due to Residents	437
Other Current Liabilities	55,683
Deferred Revenue	<u>444,225</u>
Total Current Liabilities	<u>1,130,172</u>

LONG-TERM LIABILITIES

Notes Payable - Line of Credit	199,769
Long-Term Debt (Less Current Maturities)	976,907
Operating Lease Obligations (Less Current Maturities)	<u>76,956</u>
	<u>1,253,632</u>

TOTAL LIABILITIES

2,383,804

NET ASSETS

Net Assets With Donor Restrictions	1,497,157
Net Assets Without Donor Restrictions	<u>7,806,356</u>
Total Net Assets	<u>9,303,513</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 11,687,317

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

NET ASSETS WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT

Donations:

Community Support	\$ 2,939,728
Total Public Support	<u>2,939,728</u>

REVENUES

Grants and Contracts	5,053,232
Diner Meals	18,799
Interpretation Services	424,918
Client Fees	68,008
Social Enterprises	520,023
Miscellaneous	13,605
In-Kind	16,173
Unrealized Gain/(Loss) on Investments	771,659
Gain on Disposal of Assets	<u>57,083</u>
Total Revenues	<u>6,943,500</u>

TOTAL PUBLIC SUPPORT AND REVENUES 9,883,228

Net Assets Released from Donor Restrictions 165,933

TOTAL PUBLIC SUPPORT, REVENUES AND NET
ASSETS RELEASED FROM RESTRICTIONS 10,049,161

EXPENSES

Program Services	8,856,181
Supporting Services:	
Fundraising	34,330
Management and General	<u>868,631</u>
Total Expenses	<u>9,759,142</u>

INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 290,019

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2023**

NET ASSETS WITH DONOR RESTRICTIONS	
Community Support	\$ <u>714,594</u>
Total Net Assets With Donor Restrictions	<u>714,594</u>
Net Assets Released from Donor Restrictions	<u>(165,933)</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	548,661
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>290,019</u>
INCREASE IN NET ASSETS	838,680
NET ASSETS AT BEGINNING OF YEAR	<u>8,464,833</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 9,303,513</u></u>

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		FUNDRAISING	MANAGEMENT AND GENERAL	
Compensation and Related Expenses				
Salaries	\$ 2,691,924	\$ -	\$ 477,839	\$ 3,169,763
Compensated Absences	305	-	-	305
Employee Benefits		-		
Insurance	271,483	-	55,106	326,589
Pension Plan	82,775	-	-	82,775
Payroll Taxes	201,267	-	-	201,267
	<u>3,247,754</u>	<u>-</u>	<u>532,945</u>	<u>3,780,699</u>
Background Checks	1,000	-	60	1,060
Bank Fees	16,976	-	43,239	60,215
Client Financial Assistance	2,410,512	-	-	2,410,512
Conference and Meetings	49,506	-	16,882	66,388
Cost of Goods Sold	245,899	-	-	245,899
Depreciation Expense	291,519	-	40,246	331,765
Dues and Subscriptions	52,116	-	-	52,116
Food	930,887	-	-	930,887
Fundraising/Newsletter	-	34,330	-	34,330
Furnishings and Equipment	1,035	-	-	1,035
Insurance	79,795	-	2,221	82,016
Interest Expense	34,586	-	-	34,586
Lease and Hotel Expense	543,182	-	521	543,703
Materials and Supplies	133,742	-	25,665	159,407
Miscellaneous	15,780	-	396	16,176
Operating Lease Cost	40,950	-	-	40,950
Postage and Shipping	5,614	-	6,764	12,378
Professional Fees	53,822	-	37,390	91,212
Public Relations	22,562	-	47,295	69,857
Rent Expense (Equipment)	5,774	-	-	5,774
Repairs and Maintenance	186,117	-	16,036	202,153
Technology and Software	101,152	-	7,508	108,660
Travel	42,876	-	11,001	53,877
Utilities	233,783	-	15,821	249,604
In-Kind Expenses	109,242	-	64,641	173,883
	<u>8,856,181</u>	<u>34,330</u>	<u>868,631</u>	<u>9,759,142</u>
TOTAL	\$ <u>8,856,181</u>	\$ <u>34,330</u>	\$ <u>868,631</u>	\$ <u>9,759,142</u>

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 838,680
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	331,765
Unrealized Gain on Investments	(771,659)
Gain on Disposal of Fixed Assets	(57,083)
Changes in Current Assets and Liabilities:	
Grant Receivables	(211,139)
Accounts Receivables	(33,453)
Inventory	229,283
Accounts Payable	14,124
Accrued Compensated Absences	305
Accrued Payroll and Related Liabilities	9,989
Deferred Revenue	(138,482)
Other Current Liabilities	<u>44,910</u>
Net Cash Provided By Operating Activities	<u>257,240</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from the Sale of Fixed Assets	60,993
Purchase of Fixed Assets	(335,613)
Purchase of Investments	<u>(1,632)</u>
Net Cash Used In Investing Activities	<u>(276,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of Notes Payable - Line of Credit	(20,448)
Repayment of Long-Term Debt	<u>(238,803)</u>
Net Cash Used In Financing Activities	<u>(259,251)</u>
DECREASE IN CASH AND EQUIVALENTS	(278,263)
CASH AND RESTRICTED CASH, BEGINNING	<u>1,499,844</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 1,221,581</u>

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

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(A) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Catholic Charities of Acadiana, Inc. (CCA) (formerly known as Catholic Services of Acadiana, Inc.) was established in 1973 under the auspices of the Roman Catholic Diocese of Lafayette and incorporated as a Louisiana Company (not-for-profit corporation) on October 8, 1981. Motivated by the Gospel, CCA offers services to preserve and enhance the lives of those experiencing hunger, poverty, and homelessness in Acadiana. The programs operating under the CCA corporation are: St. Joseph Shelter for Men, St. Joseph Diner, Monsignor A. O. Sigur Service Center, Rapid Re-Housing, Permanent Supportive Housing, St. Michael's Center for Veterans, St. Michael's Emergency Shelter for Veterans, Emily House, Stella Maris Center, Coordinated Entry, Disaster Response and Homeless Management Information Systems.

A portion of the Boustany Building on CCA's St. John campus houses a health clinic operated by Our Lady of Lourdes Hospital called St. Bernadette Community Clinic. The Clinic provides free medical and dental services to the community with the assistance of Lourdes' staff nurses and physicians Monday through Friday. In fiscal year 2003-2004, St. Bernadette Community Clinic expanded into a 5,900 square foot facility in a new section of the building, which was paid for and is being operated by Our Lady of Lourdes Hospital. CCA records \$64,641 in annual donated facilities as an in-kind contribution to reflect the annual rental value of the clinic portion of the building. Discussed in Note G.

In April 2018, CCA opened Emily House, a new emergency shelter serving primarily homeless women and children located in Lafayette, Louisiana. Primary services are food, shelter, clothing, after school tutoring, social service referrals, and life skills educational classes. Specific programs at the Emily House include emergency and transitional housing for women and children.

In July 2019, CCA acquired Foodnet of Acadiana, Inc., Rebuilding Together Acadiana, Inc., and Crossroads Collective Bookstore through separate joint merger agreements. Additionally, CCA began operating two programs previously managed by the Diocese of Lafayette. These programs are the Deaf Action Center and the Immigration and Refugee Office.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Basis of Accounting

The financial statements of Catholic Charities of Acadiana, Inc. (CCA) have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(A) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Recognition of Donor Restrictions

Contributions and grants, if received, are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions, if any, are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the totals of the same such amount in the statement of cash flows.

Cash	\$ 1,152,787
Restricted Cash	<u>68,794</u>
	<u>\$ 1,221,581</u>

Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been established, as it is CCA's policy to use the direct write-off method for accounts that are deemed to be uncollectible.

Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles of the United States of America. The Organization generally does not require collateral, and the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

Prepaid Expenses

Insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

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.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(A) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Deferred Revenue - Grants and Exchange Transactions

Some cost reimbursement type grants are actually "exchange transactions" that do not qualify as contributions under FASB-ASC 958. In such cases, revenue is not recognized until the services required by the grant are rendered. Until the revenue is recognized, any cash or grant receivable asset must be offset by a "deferred or unearned revenue" liability. These exchange transactions differ from contributions in that the method or type of services reimbursed is stipulated by the granting authority and not by the nonprofit organization.

Investments

Investments consist of mutual funds and stock held in publicly traded companies valued at fair market value as of June 30, 2023. Included in this account are shares donated during the year. The fair market value at the time of donation was recorded as a private grant. The changes in the current fair market value each year are recorded as Unrealized Gains (Losses) on Investments in the Statement of Activities.

Inventory

Inventory consists primarily of donated supplies and food, which are stated at market value at the time of donation. Other donated items such as clothing, furniture, and household equipment are also valued at thrift store value using IRS Regulations.

Inventory for Crossroads Collective Bookstore consists of books and general merchandise and is stated at cost.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$2,500 for property and equipment at historical cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$331,765 for the year ended June 30, 2023.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor- imposed restrictions.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(A) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Accordingly, net assets and changes therein are classified and reported as follows:

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CCA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Compensated Absences

Employees accrue personal leave time from the first day of employment with the amount being determined based on length of service. An employee is allowed to earn a maximum of leave based on length of employment, but they may not accrue more than this maximum balance. At the time of termination of employment, employees are entitled to receive payment for earned personal leave not yet taken. Accordingly, an accrual has been made for accumulated personal leave as of June 30, 2023 .

Income Taxes

CCA qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. There is no 990 filing requirement and no issues relative to federal and state statutes of limitations.

Fair Value Considerations

Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(A) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity's short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

Adoption of FASB ASC 842

Effective July 1, 2022, the Organization adopted FASB ASC 842, Leases. The new accounting standard requires the recognition on the balance sheet of right-of-use assets and lease liabilities for all leases having an original term of longer than twelve months. The Organization elected the optional transition method which allows the Organization to apply the provisions of the standard at the effective date without adjusting previous periods. As allowed under the new accounting standard, the Organization also elected certain practical expedients provided by the new standard, including not recording as asset or liability for leases having a term of twelve months or less. The lease asset, if any, is reflected within other noncurrent assets, and the current and noncurrent portions of the lease liability, if any, are reflected within other liabilities and other noncurrent liabilities, respectively on the balance sheet.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use assets of \$157,507 and lease liabilities of \$157,507 as of July 1, 2022. See Note K for more information on right-of-use leases for the year ended June 30, 2023. Results for periods beginning prior to July 1, 2022 continue to be reported in accordance with the historical accounting treatment.

(B) **INVESTMENTS**

Investments are carried at their fair value, which equals quoted market value. Investments at June 30, 2023 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation / (Depreciation)</u>
Mutual Funds	\$ 32,235	\$ 56,717	\$ 24,482
Stocks	<u>5,030,642</u>	<u>4,109,414</u>	<u>(921,228)</u>
	<u>\$ 5,062,877</u>	<u>\$ 4,166,131</u>	<u>\$ (896,746)</u>

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(C) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

Land and Improvements	\$ 138,945
Leasehold Improvements	45,201
Buildings	6,606,672
Vehicles/Trailers	302,948
Furniture and Equipment	711,112
CIP	<u>501,402</u>
Total	8,306,280
Less: Accumulated Depreciation	<u>(3,598,650)</u>
Net Property and Equipment	<u>\$ 4,707,630</u>

(D) NOTES PAYABLE – LINE OF CREDIT

On February 22, 2023, CCA entered into a financing agreement with the Diocese of Lafayette for a line of credit for construction costs. The line of credit allows for draws up to \$2,000,000 and bears interest at the prevailing interest rate (currently 3%). The line of credit is to be repaid through donations and reimbursement grants that the Organization has been awarded, applied first to interest and then to principal until repaid in full. At the completion of the construction projects, the Organization is required to pay the outstanding balance on this line of credit. As of June 30, 2023, the outstanding balance on this line of credit was \$199,769. Because the ultimate completion of the construction projects is unknown, the entire balance is reported as a long-term liability on the Statement of Financial Position.

(E) LONG-TERM DEBT

On October 14, 2021, CCA entered into a financing agreement with the Diocese of Lafayette in the amount of \$1,401,279 for the purchase of a building. CCA agrees to the payment of the outstanding balance of the loan according to the terms of the Cooperative Deposit and Loan Program at the prevailing interest rate (currently at 3%) and adjusted with each subsequent interest rate change. Payments on the loan will be made monthly and will be applied first to interest and then to principal until repaid in full. As of June 30, 2023, the outstanding balance on this financing agreement was \$976,907. Because the balance has no set maturity schedule and is to be paid monthly based off a percentage of contributions received by the Organization, the entire balance is reported as a long-term liability on the Statement of Financial Position.

(F) CLIENT SERVICES PROVIDED

For the year ending June 30, 2023, CCA programs provided services to prevent homelessness, alleviate hunger and poverty, and assist some of the most vulnerable populations in our community.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(F) CLIENT SERVICES PROVIDED (continued)

CCA provided emergency shelter to 572 individuals and families experiencing homelessness of which 227 households moved into a permanent housing solution. Another 103 individuals were provided intensive case management and housing through CCA's Permanent Supportive Housing Projects. In its Food and Nutrition programs, 41,152 food bags were distributed to individuals through partner pantries across the region by FoodNet Food Bank, and another 186,918 meals were shared through St. Joseph Diner. CCA's Msgr. Sigur Center for Financial Assistance distributed \$1,170,956.49 in financial assistance to 1,530 households.

Additionally, CCA provided 128 people each with immigration legal services, 10,301 hours of interpretation including ASL through the Deaf Action Center, completed 51 long-term recovery projects for homeowners impacted by Hurricane Ida, Laura, Delta, and regional tornado events, and another 29 homeowners were assisted through Rebuilding Together Acadiana with major and minor rehabilitation work repairs and/or wheelchair ramps that provided access in and out of their home.

(G) DONATED SERVICES, MATERIALS, AND FACILITIES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. CCA has recorded the professional services of \$0 and volunteer labor of \$108,982 (all departments and programs combined) as both revenue and expense, based on the criteria described above. Many other skilled services were provided but could not be measured and are not recorded. These include construction project management, computer consulting, legal consulting, advertising, management council services and others.

Donated facilities are considered contributed assets and not services, and are recognized in the statement of activities at the fair market value as both revenue and expense in the period it is received and used.

Our Lady of Lourdes Hospital (OLOL) funded the leasehold improvements and funds the annual operations of the medical and dental clinic portion of St. Bernadette's Clinic in the CCA building. The annual rental value of the donated facilities provided by the Clinic is reflected at \$64,641 in the financial statements. The value of the donated services provided by OLOL doctors and nurses and volunteer dentists at the new dental clinic is not valued in the CCA financial statements since this is an outreach program run by OLOL.

Additionally, OLOL rents space on the St. John campus and provides medical care to the general community, including the residents of CCA's shelter programs. Under the terms of the lease in 2012, OLOL hospital has exercised a lease renewal option for an additional 10-year term expiring July 31, 2022. The rent charged to the hospital is \$12 per year, paid annually. At the expiration of the lease term, the lease has continued on a month-to-month basis at the same rental rate.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(H) NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2023, net assets with donor restrictions are available for the following purpose:

For Support of Disaster	\$ 922,834
For Support of Rebuilding Together	567,529
For Support of Special Projects	<u>6,794</u>
	<u>\$ 1,497,157</u>

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors/grantors. Total amount released from restrictions during the year was \$165,933.

(I) RETAIL STORE

The Organization operates a retail store that sells books and other religious items. Income and expenses for the bookstore were the following for the year ended June 30, 2023:

Sales	\$ 521,052
Cost of Goods Sold	<u>(245,899)</u>
Gross Profit	<u>\$ 275,153</u>

Sales revenue and cost of goods sold are reported net of discounts, estimated returns, and sales taxes.

(J) RETIREMENT PLAN

The Organization's employees participate in the Diocese of Lafayette group retirement plan. This plan is a 403 (B) profit-sharing plan whereby the employer contributes 3% of the salary of eligible participants. Total retirement plan expense for the year ended June 30, 2023 was \$82,775.

(K) LEASES

The Organization leases office space under operating leases with various expiration dates. Some leases include renewal options which can extend the lease term. The exercise of these renewal options is at sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of lease assets and liabilities. As the Organization's leases typically do not contain a readily determinable implicit rate, the Organization determines the present value of the lease liability using its incremental borrowing rate at the lease commencement date.

The Organization leases space under a lease agreement. The lease began in July 2019 and matured on June 30, 2023. The lease was extended for one additional year through June 30, 2024 with a monthly rental payment of \$5,213. This lease is considered cancelable by the lessor; therefore, it has not been included in the measurement of the lease liability at June 30, 2023 and the disclosures that follow as the ultimate lease term is unknown. Rent expense associated with this lease was \$62,556 for the year ended June 30, 2023.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(K) LEASES (continued)

The Organization leases retail space under a lease agreement. The lease began February 1, 2021 and matures on April 30, 2026 with monthly payments ranging from \$3,375 to \$3,769. Rent expense associated with this lease was \$40,950 for the year ended June 30, 2023.

The following summarizes the line items on the Statement of Financial Position which include amounts for operating leases as of June 30, 2023:

Operating Lease Right-of-Use Assets	<u>\$ 120,381</u>
Current Portion of Operating Lease Obligations	\$ 43,425
Operating Lease Obligations (Less Current Maturities)	<u>76,956</u>
Total operating lease liabilities	<u>\$ 120,381</u>

The Organization's lease costs recognized for the year ended June 30, 2023 consist of the following:

Operating Lease Cost	<u>\$ 40,950</u>
Total Lease Cost	<u>\$ 40,950</u>

Other information for the year ended June 30, 2023 is as follows:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash flows - Operating Leases	\$ 40,950
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 157,507
Weighted-average remaining lease term - operating leases	2.83 yrs
Weighted-average discount rate - operating leases	3.00%

The aggregate annual lease obligations as of June 30, 2023 are as follows:

6/30/2024	\$ 43,425
6/30/2025	44,662
6/30/2026	<u>37,685</u>
Total undiscounted lease obligations	\$ 125,772
Less imputed interest	<u>(5,391)</u>
Present value of lease obligations	<u>\$ 120,381</u>

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(L) CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject CCA to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with three high quality financial institution. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of June 30, 2023, CCA had \$565,840 of cash in excess of FDIC limits. It is the opinion of management that the solvency of the referenced financial instruments is not of particular concern at this time.

The majority of CCA'S revenues and accounts receivable are from contracts with two major federal grantors – the Department of Housing and Urban Development (HUD) and Department of the Treasury, support from which approximately 47.44% and 34.16% of total cash support/revenues, respectively.

(M) CASH FLOW DISCLOSURES

Cash paid during the year for:

Interest: \$ 34,586

Non-Cash Financing Activities:

Financed Fixed Asset Purchases \$ 220,217

(N) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

(O) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to the CEO, Kimberly Boudreaux, for the year ended June 30, 2023:

	<u>Purpose</u>	
Salary		\$ 127,935
Benefits - Insurance		7,680
Benefits - Life Insurance		264
Benefits Retirement		<u>3,838</u>
Total		<u>\$ 139,717</u>

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(P) LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in interest bearing deposits and money market funds.

The following table reflects the Organization's financial assets as of June 30, 2023. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

Cash and Interest Bearing Deposits	\$ 1,152,787
Grant Receivables	875,703
Accounts Receivables	<u>56,057</u>
Total Financial Assets	<u>\$ 2,084,547</u>

Financial Assets Available to Meet Cash Needs	
For General Expenditures Within One Year	<u>\$ 2,084,547</u>

(Q) COMMITMENTS

In February 2023, the Organization entered into a construction contract for the renovation and expansion of the Low Barrier Shelter. The total amount of the construction contract, including change orders is \$1,230,035. As of June 30, 2023, the Organization has been billed \$392,118 including \$39,212 in retainage payable. Retainage payable is reflected as other liabilities in the financial statements.

(R) SUBSEQUENT EVENTS

Subsequent events were evaluated through August 31, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**INTERNAL CONTROL, COMPLIANCE
AND OTHER GRANT INFORMATION**

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

Program Title	Assistance Listing Number	Grant Number	Expenditures	Subrecipients
U.S. Department of Housing and Urban Development				
Passed through Lafayette City-Parish Consolidated Government:				
Home Investment Partnerships Program	14.239	None	\$ 21,111	\$ -
Passed through Louisiana Housing Corporation:				
Emergency Solutions Grant Program	14.231	None	94,556	-
Emergency Solutions Grant Program-COVID	14.231	None	268,393	-
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)-Safe Haven Low Barrier Shelter	14.269	None	471,914	-
	*	STELLA-LA0023L6H002114		
Continuum of Care Program	14.267	/LA0023L6H002115	120,705	-
Continuum of Care Program	14.267	* HMIS-LA0007L6H002114	186,623	-
Continuum of Care Program	14.267	* PSH-LA337L6H002102	351,959	-
Continuum of Care Program	14.267	* PSH OLD-LA0219L6H00200/ /LA219L6H002108	522,708	-
Total for U.S. Department of Housing and Urban Development			<u>2,037,969</u>	<u>-</u>
U.S. Department of Veterans Affairs				
VA Homeless Providers Grant and Per Diem Program	64.024	CSAC497-2961-502-CG-22	20,448	-
VA Homeless Providers Grant and Per Diem Program	64.024	CSAC497-1444-502-PD-21	719,663	-
Total for U.S. Department of Veterans Affairs			<u>740,111</u>	<u>-</u>
U.S. Department of the Treasury				
Passed through Lafayette City-Parish Consolidated Government				
Emergency Rental Assistance Program - COVID	21.023	* None	<u>1,467,645</u>	<u>-</u>
U. S. Department of Agriculture				
Rural Housing Preservation Grants	10.433	None	<u>50,223</u>	<u>-</u>
Total Expenditures			<u>\$ 4,295,948</u>	<u>\$ -</u>

* - denotes a major program

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

(A) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of CCA under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CCA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CCA.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(C) INDIRECT COST RATE

CCA has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Indirect Costs are allocated based on actual expenditures.

(D) RELATIONSHIP TO THE FINANCIAL STATEMENTS

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports

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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

The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Catholic Charities of Acadiana, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, 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, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CCA'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 CCA internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
August 31, 2023

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

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The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Catholic Charities of Acadiana, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of CCA's major federal programs for the year ended June 30, 2023. CCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion CCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CCA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CCA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CCA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CCA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CCA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CCA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CCA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 CCA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
August 31, 2023

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

We have audited the financial statements of Catholic Charities of Acadiana, Inc. as of and for the year ended June 30, 2023, and have issued our report thereon dated August 31, 2023. 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. Our audit of the financial statements as of June 30, 2023 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

b. *Federal Awards*

Major Programs Identification

CCA at June 30, 2023 had two major programs:

- Department of Homeland Security – Emergency Rental Assistance – Assistance Listing Number 21.023
- Department of Housing and Urban Development – Continuum of Care Program – Assistance Listing Number 14.267

Low-Risk Auditee

CCA is considered a low-risk auditee for the year ended June 30, 2023.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2023.

Auditors' Report - Major Programs

An unmodified opinion has been issued on CCA's compliance for its major program as of and for the year ended June 30, 2023.

Significant Deficiencies - Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

CATHOLIC CHARITIES OF ACADIANA, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

There were no prior year findings.

CATHOLIC CHARITIES OF ACADIANA, INC.
Lafayette, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management of
Catholic Charities of Acadiana, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Catholic Charities of Acadiana, Inc.'s management is responsible for those control and compliance areas identified in the SAUPs.

Catholic Charities of Acadiana, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for 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 findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- iii. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and do address the functions noted above.
 - iv. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and do address the functions noted above.

- iii. **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and do address the functions noted above.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Written policies and procedures were obtained and do address the functions noted above.
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Written policies and procedures were obtained and do address the functions noted above.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained and do address the functions noted above.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and do address the functions noted above.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Written policies and procedures were obtained and do address the functions noted above.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity’s ethics policy.
This section is not applicable for nonprofit organizations.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
This section is not applicable for nonprofit organizations.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Written policies and procedures were obtained and do address the functions noted above.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No exceptions noted.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
This section is not applicable for nonprofit organizations.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
This section is not applicable for nonprofit organizations.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
Obtained the prior year audit report and observed that there were no audit findings.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- Obtained listing of bank accounts from management and management's representation that the listing was complete.
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
No exceptions noted.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
No exceptions noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites and management's representation that the listing was complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

Obtained listing of collection locations from management and management's representation that the listing was complete.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

No exceptions noted.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
No exceptions noted.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
No exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained listing of locations that process payments and management's representation that the listing was complete.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions noted.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions noted.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions noted.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.
No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
Obtained listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing was complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
No exceptions noted.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions noted.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement,

and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained listing of travel and travel-related expense reimbursements and management’s representation that the listing was complete.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

Obtained listing of all contracts in effect and management’s representation that the listing was complete.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
No exceptions noted.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
No exceptions noted.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Obtained listing of employees and management’s representation that the listing was complete. Authorized salaries/pay rates traced to personnel files without exception.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
No exceptions noted.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exceptions noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records; and
No exceptions noted.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
No exceptions noted.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management’s

termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

This section is not applicable for nonprofit organizations.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

This section is not applicable for nonprofit organizations.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

This section is not applicable for nonprofit organizations.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

This section is not applicable for nonprofit organizations.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section is not applicable for nonprofit organizations.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No misappropriations of public funds or assets noted.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

We were engaged by Catholic Charities of Acadiana, Inc. 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 applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
August 31, 2023