

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL**  
**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL**  
**OF BATON ROUGE, LOUISIANA**  
**ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.**  
**ST. VINCENT DE PAUL PROPERTIES**  
**THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION**

**SEPTEMBER 30, 2022**

**BATON ROUGE, LOUISIANA**

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## Independent Auditor's Report

To the Board of Directors  
St. Vincent de Paul Baton Rouge Council  
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana  
St. Vincent de Paul Community Pharmacy, Inc.  
St. Vincent de Paul Properties  
The Society of St. Vincent de Paul Foundation  
Baton Rouge, Louisiana

### **Report on the Audit of Financial Statements**

We have audited the accompanying consolidated financial statements of the St. Vincent de Paul Baton Rouge Council, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties, and The Society of St. Vincent de Paul Foundation (the Organizations), which comprise the consolidated statements of financial position as of September 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of September 30, 2022, 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 (GAAS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organizations and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. In addition, the accompanying Consolidating Statement of Financial Position, Consolidating Statement of Activities, and Schedule of Compensation, Benefits and Other Payments to the President and CEO is presented for the purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 February 21, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Baton Rouge, Louisiana  
February 21, 2023

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL  
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ST. VINCENT DE PAUL PROPERTIES  
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS OF SEPTEMBER 30, 2022

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$ 5,870,768
Investments	7,472,077
Grants Receivable	268,328
Other Receivable	53,112
Accrued Interest	5,020
Prepaid Expenses	40,270
Inventory	235,436
	235,436

Total Current Assets	13,945,011
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<b>Property, Plant and Equipment, Net of Accumulated Depreciation</b>	7,533,885
<b>Investment in GCHP-One Stop, L.L.C.</b>	321,380

<b>Other Assets</b>	47,321
	47,321

Total Assets	\$ 21,847,597
	21,847,597

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts Payable	\$ 28,601
Accrued Liabilities	104,964
	104,964

Total Current Liabilities	133,565
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**Net Assets:**

Without Donor Restrictions	20,652,335
With Donor Restrictions:	
Restricted for Purpose or Time	988,871
Restricted in Perpetuity	72,826
	72,826

Total Net Assets	21,714,032
	21,714,032

Total Liabilities and Net Assets	\$ 21,847,597
	21,847,597

The accompanying notes are an integral part of this statement.

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CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue:</b>			
Public Support:			
Contributions	\$ 2,049,991	\$ 840,433	\$ 2,890,424
Conference Income	843,824	-	843,824
Donated Facilities/Commodities/ Inventory/Pharmaceuticals/Services	2,556,014	-	2,556,014
Total Public Support	5,449,829	840,433	6,290,262
Revenue:			
Grant Income	-	1,859,434	1,859,434
Sale of Merchandise	1,205,442	-	1,205,442
Miscellaneous Income	52,117	-	52,117
Net Loss on Investments	(1,782,327)	-	(1,782,327)
Gain on Disposition of Assets	1,964	-	1,964
Interest and Dividend Income	564,302	317	564,619
Total Revenue	41,498	1,859,751	1,901,249
Total Public Support and Revenue	5,491,327	2,700,184	8,191,511
Net Assets Released from Restrictions:			
Satisfaction of Restrictions	6,748,194	(6,748,194)	-
Total Public Support, Revenue, and Net Assets Released from Restrictions	12,239,521	(4,048,010)	8,191,511
<b>Expenses:</b>			
Program Services	8,807,117	-	8,807,117
Fund Raising	197,225	-	197,225
Management and General	573,691	-	573,691
Total Expenses	9,578,033	-	9,578,033
<b>Change in Net Assets</b>	2,661,488	(4,048,010)	(1,386,522)
<b>Net Assets at Beginning of Year</b>	17,990,847	5,109,707	23,100,554
<b>Net Assets at End of Year</b>	\$ 20,652,335	\$ 1,061,697	\$ 21,714,032

The accompanying notes are an integral part of this statement.

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL  
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Services								Supporting Services			Total Program and Support	
	Store	Dining Room	Shelter	Particular Council	Properties	Council	Foundation	Pharmacy	Total Program	Fund Raising	Management and General		Total Support
Salaries and Employee Benefits	\$ 594,935	\$ 289,922	\$ 1,196,756	\$ 28,800	\$ -	\$ -	\$ -	\$ 144,122	\$ 2,254,535	\$ 89,737	\$ 309,263	\$ 399,000	\$ 2,653,535
Payroll Taxes	48,023	22,687	92,155	4,400	-	-	-	10,833	178,098	5,857	21,920	27,777	205,875
Advertising	140,814	1,725	17,553	-	-	-	-	480	160,572	16,870	4,308	21,178	181,750
Auto	54,048	3,265	10,459	-	-	-	-	-	67,772	-	2,657	2,657	70,429
Assistance to Needy and Disaster Relief	2,501	5,002	224,522	-	-	-	-	-	232,025	5,002	27,509	32,511	264,536
Assistance to Needy by Conferences	-	-	-	-	-	1,085,187	-	-	1,085,187	-	-	-	1,085,187
Dues & Publications	1,132	2,263	4,806	-	-	-	-	-	8,201	2,263	12,448	14,711	22,912
Employee Benefits	11,141	9,961	43,721	-	-	-	-	10,531	75,354	4,360	16,281	20,641	95,995
Food Supply Expense	-	566,627	129,302	-	-	-	-	-	695,929	-	31	31	695,960
Insurance	95,860	43,601	153,867	27,000	-	-	-	13,409	333,737	11,221	13,836	25,057	358,794
Legal and Professional	21,148	5,619	30,264	2,700	3,100	-	4,675	2,700	70,206	3,804	27,828	31,632	101,838
Miscellaneous	43,168	50,793	38,990	-	-	-	-	-	132,951	1,485	36,454	37,939	170,890
Events	664	2,940	2,655	-	-	-	-	-	6,259	18,069	7,302	25,371	31,630
Printing	774	1,548	4,946	-	-	-	-	43	7,311	9,498	8,516	18,014	25,325
Pharmacist Hours (Donated)	-	-	-	-	-	-	-	8,347	8,347	-	-	-	8,347
Pharmaceuticals (Donated)	-	-	-	-	-	-	-	636,854	636,854	-	-	-	636,854
Pharmaceuticals Purchased	-	-	-	-	-	-	-	62,040	62,040	-	-	-	62,040
Repairs and Maintenance	100,435	38,841	232,176	-	-	-	-	18,132	389,584	842	33,350	34,192	423,776
Rent Expense	160,717	-	4,386	6,000	-	-	-	-	171,103	59	-	59	171,162
Store & Uniform Expense	1,345,601	-	6,247	-	-	-	-	-	1,351,848	-	-	-	1,351,848
Supplies	32,959	51,648	146,701	-	-	-	-	6,554	237,862	3,836	15,501	19,337	257,199
Postage	905	1,241	3,509	-	-	-	-	110	5,765	6,158	6,823	12,981	18,746
Telephone	29,208	2,323	20,851	-	-	-	-	4,357	56,739	11,183	3,783	14,966	71,705
Travel and Conventions	4,089	915	1,830	-	-	-	-	-	6,834	915	5,034	5,949	12,783
Utilities	66,617	27,564	96,303	-	-	-	-	19,300	209,784	6,066	9,029	15,095	224,879
Subtotal	2,754,739	1,128,485	2,461,999	68,900	3,100	1,085,187	4,675	937,812	8,444,897	197,225	561,873	759,098	9,203,995
Depreciation	128,457	31,638	190,681	-	-	-	-	11,444	362,220	-	11,818	11,818	374,038
Total	\$ 2,883,196	\$ 1,160,123	\$ 2,652,680	\$ 68,900	\$ 3,100	\$ 1,085,187	\$ 4,675	\$ 949,256	\$ 8,807,117	\$ 197,225	\$ 573,691	\$ 770,916	\$ 9,578,033

The accompanying notes are an integral part of this statement.



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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

**Cash Flows From Operating Activities:**

Change in Net Assets	\$ (1,386,522)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	374,038
Gain on Disposition of Assets	(1,964)
Net (Gains) Losses on Investments	1,782,327
Changes in Assets and Liabilities:	
(Increase) Decrease in Grants Receivable and Estate Receivable	4,222,629
(Increase) Decrease in Other Receivables	(19,205)
(Increase) Decrease in Accrued Interest	1,637
(Increase) Decrease in Prepaid Expenses	6,676
(Increase) Decrease in Inventory	14,047
(Increase) Decrease in Other Assets	(18,982)
Increase (Decrease) in Accrued Liabilities	26,044
Increase (Decrease) in Accounts Payable	(20,193)
Cash Provided by Operating Activities	4,980,532

**Cash Flows From Investing Activities:**

Investment in GCHP-One Stop, L.L.C.	(30,599)
Net Purchases of Investments	(4,784,587)
Purchases of Building and Equipment	(723,372)
Proceeds from the Sale/Disposition of Assets	2,437
Net Cash Used in Investing Activities	(5,536,121)

**Net Decrease in Cash and Cash Equivalents** (555,589)

**Cash and Cash Equivalents - Beginning of Year** 6,426,357

**Cash and Cash Equivalents - End of Year** \$ 5,870,768

**Supplemental Disclosure of Cash Flow Information:**

Cash Payments for:	
Interest	\$ 191

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

**Note 1 - Summary of Significant Accounting Policies -**

These consolidated financial statements include the activity of St. Vincent de Paul Baton Rouge Council and its wholly-owned subsidiaries, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana and its subsidiary, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties, and The Society of St. Vincent de Paul Foundation (collectively, the “Organizations”). All significant intercompany balances and transactions have been eliminated in consolidation.

Nature of Activities

The Society of St. Vincent de Paul Baton Rouge Council (“Council”) is a nonprofit corporation organized under the laws of the State of Louisiana for the following purpose: (a) foster, encourage and carry out the works of charity in the spirit of the Society of St. Vincent de Paul, a lay organization of the Catholic Church; (b) unite all St. Vincent de Paul Conferences in the Diocese of Baton Rouge, Louisiana; (c) ensure that all Baton Rouge St. Vincent de Paul Conferences conduct their affairs according to the Rule set forth in the manual of the Society of St. Vincent de Paul in the United States. The members of the Council are the presidents of those Baton Rouge SVDP Conferences that are aggregated and in good standing with the Council. The Organization is exempt from income taxes under 501(c)(3) of the Internal Revenue Code.

The Particular Council of St. Vincent de Paul of Baton Rouge (“Particular Council”) is a nonprofit corporation organized under the laws of the State of Louisiana for the purpose of operating special works as the Society of St. Vincent de Paul, a lay organization of the Catholic Church; operating salvage stores; providing a feeding facility for the needy; providing four shelters and one day center for the homeless; an apartment complex for homeless individuals; and employment, rehabilitation and opportunities for personal growth to disadvantaged individuals. The sole member of the Particular Council is the St. Vincent de Paul Baton Rouge Council. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

St. Vincent de Paul Community Pharmacy, Inc. (“Pharmacy”) is a nonprofit corporation organized under the laws of the State of Louisiana for the purpose of providing a pharmacy for disadvantaged individuals. The Pharmacy operates as a special work of the Society of St. Vincent de Paul, a lay organization of the Catholic Church. The sole member of the Pharmacy is the Particular Council of St. Vincent de Paul Baton Rouge, Louisiana. The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

St. Vincent de Paul Properties (“Properties”) is a nonprofit Organization organized and operated for the exclusive purpose of holding title of property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, a lay organization of the Catholic Church. The sole member of Properties is St. Vincent DePaul Baton Rouge Council. The Organization is exempt from income taxes under 501(c)(3) of the Internal Revenue Code.

The Society of St. Vincent de Paul Foundation (“Foundation”) is a nonprofit corporation organized under the laws of the State of Louisiana to be operated exclusively for the benefit of the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, a lay organization of the Catholic Church. The Foundation’s primary role is to raise financial resources for the Particular Council. The sole member of the Foundation is St. Vincent de Paul Baton Rouge Council. The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organizations may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended September 30, 2022.

The Organizations file income tax returns in the U.S. federal tax jurisdiction. With few exceptions, the Organizations are no longer subject to federal income tax examinations by tax authorities for years before 2018. Any interest and penalties assessed by income taxing authorities are not significant and are included in general and administrative expenses in these financial statements.

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### Basis of Presentation

The Organizations are required to report information regarding their financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions can be restricted for purpose, restricted for time, or restricted in perpetuity. These net assets classifications are described as follows:

Net Assets Without Donor Restrictions - not subject to donor-imposed restrictions. Net assets may be designated for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions - subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resource be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Net assets restricted in perpetuity include endowment funds on these financials.

#### Revenue Recognition

The significant revenues of the Organizations are contributions, conference income, grant income, sale of merchandise, promises to give, and donated assets, goods and services. Contributions, promises to give, and donated assets, goods and services are discussed in detail below. A significant portion of the Organization’s grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as

barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances. Sale of merchandise revenue is recognized when the sale takes place as the goods are delivered to the buyer. Refunds and non-collection of revenue sources have historically been insignificant. Conference income is recognized upon receipt of donations from members and church box collections.

### Contributions

All contributions are considered available for use without donor restrictions 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 donor restricted support, either for time or purpose or in perpetuity, that increases net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated Statement of Activities as net assets released from restrictions.

It is the Organizations' policy to report contributions of long-lived assets without donor restrictions on the use of the long-lived assets as revenue without donor restriction. Contributions of cash or other assets restricted to acquisition or construction of long-lived assets are recorded as contributions with donor imposed restrictions for purpose. Once the long-lived assets are acquired or placed into service and if there are no donor restrictions on the long-lived asset's use, the donor restrictions are considered met and are released and reclassified to the net assets without donor-imposed restrictions.

### Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

### Adoption of New Accounting Standard

During the year ended September 30, 2022, the Organizations adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the consolidated financial statements, with the exception of increased disclosure.

### Donated Assets, Goods and Services

Land, buildings and equipment received as donations are recognized in the accompanying consolidated financial statements at their estimated fair market value at the date they are received.

The value of donated items received for resale in the salvage store is recognized in the accompanying consolidated financial statements at their estimated fair value only to the extent that the items were resold. Any items not resold are not recorded as donations in the consolidated financial statements because there is no objective basis available to value such items.

The Organizations recognize contribution revenue for certain services received at the fair value of those services provided those services create or enhance nonfinancial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended September 30, 2022, donated services of the pharmacist and accounting services were recorded as the services were performed. The value of other contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Nevertheless, a number of volunteers donate a significant amount of time in the operations of the stores and dining hall.

The value of donated food received at the dining hall is recognized in the accompanying consolidated financial statements based on the number of meals served. Donated pharmaceuticals are reflected as contributions at the time used.

St. Vincent de Paul donates space to two dentists to provide dental services for shelter residents. The dentists provide all of their own supplies. The Organizations do not record donated revenue for these services because they merely provide the space.

### Estimates

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

### Cash and Cash Equivalents

For purposes of the consolidated Statement of Cash Flows, the Organizations consider all highly liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents.

### Receivables

Receivable balances are examined periodically to determine whether they are reasonably collectable based on current information. If there is a significant risk that a particular receivable or a portion thereof may not be collected, an allowance for the amount deemed uncollectable is established. Management believes that all receivables at year-end are collectable, and therefore no allowance has been provided in the consolidated financial statements.

In accordance with ASC Topic 606, Revenue from Contracts with Customers, as of September 30, 2021, Grants Receivable totaled \$490,957, Estate Receivable totaled \$4,000,000, and Other Receivable totaled \$33,907.

### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are included in the Consolidated Statement of Activities. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities accounts will occur in the near term and that such changes could materially affect the amounts reported in the Consolidated Statement of Activities.

### Inventory

Inventory is valued at the lower of cost or market. Cost is determined using the first-in, first-out method. Inventory is primarily purchased uniforms.

### Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets, which range from 5 to 39 years, using the straight-line and various accelerated methods.

### Contributed Facilities

The Organizations operate, without charge, certain premises upon which their salvage store and shelters are located. The estimated fair rental value of the premises is reported as support and expense in the year in which the premises are used.

### Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimation of the time spent on each program. All expenses of the Particular Council have been allocated based on time spent on each program or supporting service. Expenses for other entities within the Organization are recorded directly in the program service or supporting service classification in which they were incurred.

### Recent Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*, which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and liability for the corresponding lease obligation for leases with terms of more than twelve months. In November 2019, the FASB issued ASU 2019-10 delaying the effective date for non-public companies to fiscal years beginning after December 15, 2020. In response to the COVID-19 pandemic, ASU 2020-05 was issued in June 2020 delaying the effective date for Topic 842 to fiscal years beginning after December 15, 2021. The Organizations are evaluating the impact the pronouncement may have on the financial statements.

### Subsequent Events

The management of the Organizations evaluated subsequent events and transactions for possible recognition or disclosure in the financial statements through February 21, 2023, the date which the financial statements were available to be issued.

## **Note 2 - Liquidity and Availability -**

The following reflects the Organizations' financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor imposed restrictions within one year of the statement of financial position date:

Consolidated Financial Assets at year end:	
Cash and Cash Equivalents	\$ 5,870,768
Investments	7,472,077
Grants Receivable	268,328
Other Receivable	53,112
	<u>13,664,285</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(988,871)
Restricted by donor in perpetuity	(72,826)
	<u>(1,061,697)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 12,602,588</u>

The Organizations' goal is to maintain liquid financial assets to meet 30 days of operating expenses. The Organizations invest cash in excess of daily requirements in interest bearing savings accounts and investment accounts held by financial institutions.

### Note 3 - Property, Plant and Equipment -

A summary of fixed assets as of September 30, 2022 follows:

	Particular <u>Council of SVDP</u>	St. Vincent de Paul <u>Pharmacy</u>	St. Vincent de Paul <u>Properties</u>	Consolidated <u>Total</u>
Buildings and Leasehold Improvements	\$ 8,616,702	\$ 4,806	\$ -	\$ 8,621,508
Equipment, Furnishings and Vehicles	1,923,844	85,945	-	2,009,789
	10,540,546	90,751	-	10,631,297
Less: Accumulated Depreciation	<u>(4,239,071)</u>	<u>(41,066)</u>	<u>-</u>	<u>(4,280,137)</u>
	6,301,475	49,685	-	6,351,160
Construction in Progress	17,850	-	-	17,850
Land	875,794	-	289,081	1,164,875
	<u>\$ 7,195,119</u>	<u>\$ 49,685</u>	<u>\$ 289,081</u>	<u>\$ 7,533,885</u>

Depreciation expense for the year ended September 30, 2022 was \$374,038.

### Note 4 - Concentrations -

Concentrations of credit risk and revenue sources are limited due to the large number of contributions comprising the Organizations' contributor base.

The Organizations maintain cash accounts with commercial banks, which are insured by the Federal Deposit Insurance Corporation up to the maximum allowed. Periodically, cash may exceed the federally insured amount. In addition, cash is on deposit with the Diocese of Baton Rouge and funds are secured by the investment in the Deposit and Loan Fund and by the guaranty of the Diocese.

## Note 5 - 403(b) Program -

The Particular Council and the Pharmacy each have a 403(b) program for its employees. Under the programs, qualified employees are able to make elective deferrals and the Organizations contribute up to a maximum of 6% of qualified wages. The total contribution for the year ended September 30, 2022 for the Particular Council and the Pharmacy was \$84,910 and \$5,938, respectively.

## Note 6 - Endowment Funds -

The Particular Council has adopted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). This law provides standards to establish investment policies in a prudent manner by establishing a duty to minimize cost, diversify the investments, investigate facts relevant to the investment of the fund, consider tax consequences of investment decisions and to ensure that investment decisions are made in light of the fund's entire portfolio as a part of an investment strategy having risk and return objectives reasonably suited to the fund and to the organization. UPMIFA also permits the Particular Council to accumulate for expenditure so much of an endowment fund as the Particular Council determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established, thereby eliminating the restriction that a fund could not be spent below its historical dollar value. Seven criteria are to be used to guide the Particular Council in its yearly expenditure decisions:

- (1) duration and preservation of the endowment funds,
- (2) the purposes of the Particular Council and the endowment funds,
- (3) general economic conditions,
- (4) effect of inflation or deflation,
- (5) the expected total return from income and the appreciation of investments,
- (6) other resources of the Particular Council, and
- (7) the investment policy of the Particular Council.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organizations' to retain as a fund of perpetual duration. There are no donor-restricted endowment funds (underwater endowments) with fair value below a minimum required amount as of September 30, 2022.

The Organizations' have a policy that permits spending from underwater endowments depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There was no expenditures from underwater endowment funds during the year.

The Particular Council has followed the policy of investing its endowment funds in its savings account. As required by generally accepted accounting principles, and in accordance with the terms of the fund agreements, these endowment funds and the net appreciation (depreciation) of these funds are recorded as net assets with donor-imposed restrictions in these financial statements. The historical cost of the net assets associated with the endowment funds will be preserved, and any remaining net appreciation (depreciation) that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor imposed restrictions for purpose.

Endowment net asset composition by type of fund as of September 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions Restricted For Purpose	Restricted In Perpetuity	Total Endowment Assets
Donor Restricted Endowment Funds	\$ -	\$ -	\$ 72,826	\$ 72,826



Changes in endowment net assets for the year ended September 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total Endowment Assets
		Restricted For Purpose	Restricted In Perpetuity	
Endowment Net Assets, Beginning of Year	\$ -	\$ -	\$ 72,826	\$ 72,826
Investment Income	-	317	-	317
Amounts Appropriated for Expenditure	-	(317)	-	(317)
Endowment Net Assets, End of Year	\$ -	\$ -	\$ 72,826	\$ 72,826

#### Note 7 - Investments -

At September 30, 2022, the fair values of the Foundation and Council's investments were as follows:

	Foundation	Council	Total
Mutual Funds:			
Equities	\$ 4,633,452	\$ 25,226	\$ 4,658,678
Fixed Income	2,708,416	795	2,709,211
Common Equity	-	88,905	88,905
U.S. Government Agencies Bonds	-	7,573	7,573
U.S. Corporation Bonds	-	7,710	7,710
	\$ 7,341,868	\$ 130,209	\$ 7,472,077

Net unrealized losses of \$(2,215,047) and realized gains of \$483,184, net of investment management and custodial expenses of \$50,464, were recognized for the year ended September 30, 2022.

#### Note 8 - Fair Value Measurements -

The fair value measurement accounting literature provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Foundation and Council have the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the asset.

The Foundation and Council use appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis at September 30, 2022:

Level 1 - Mutual Funds and Common Equity - Valued at fair value based on quoted market price of the shares held by the Foundation and Council at year end.

Level 2 - U.S. Government Agencies and U.S. Corporation Bonds - Valued at the closing price reported on the active or observable market on which the individual securities are traded.

The Foundation and Council's investments are reported at fair value in the accompanying consolidated statement of financial position. The methods used to measure fair value may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation and Council believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation and Council's investments at fair value on a recurring basis as of September 30, 2022:

	Fair Value as of September 30, 2022			
	Level 1	Level 2	Level 3	Total
<u>Foundation</u>				
Mutual Funds:				
Equities	\$ 4,633,452	\$ -	\$ -	\$ 4,633,452
Fixed Income	2,708,416	-	-	2,708,416
	7,341,868	-	-	7,341,868
<u>Council</u>				
Mutual Funds:				
Equities	25,226	-	-	25,226
Fixed Income	795	-	-	795
Common Equity	88,905	-	-	88,905
U.S. Government Agencies Bonds	-	7,573	-	7,573
U.S. Corporation Bonds	-	7,710	-	7,710
	114,926	15,283	-	130,209
Total Investments	\$ 7,456,794	\$ 15,283	\$ -	\$ 7,472,077

**Note 9 - GCHP- One Stop, L.L.C. - Leases -**

St. Vincent de Paul Properties, as Landlord, entered into a grounds lease with GCHP-One Stop, L.L.C., as Tenant, on July 30, 2010. This lease has a rental term of 50 years with a renewal option for an additional 25 years, and may be terminated by the Landlord after 15 years with 30 days written notice. If the termination option is exercised more than 15 years but less than 30 years after inception of the lease, the Landlord would assume the notes, mortgages, and regulatory agreements of the Tenant related to the construction of the leased facility and improvements, and would be required to continue to operate the leased facilities. If the termination option is exercised more than 30 years after inception of the lease, the Landlord would not assume any notes, mortgages, or regulatory agreements, but would be required to continue to operate the leased facilities. The total lease payments to be received each year equal \$100 and payment is due in January each year. The following is a schedule by year of the future minimum lease payments receivable under the lease at September 30, 2022:

Fiscal Year:		
2023	\$	100
2024		100
2025		100
2026		100
2027		100
Thereafter		3,200
Total Future Minimum Lease Payments Receivable	\$	<u>3,700</u>

**Note 10 - Investment in GCHP- One Stop, L.L.C. -**

In July 2010, the Particular Council acquired a 24% interest in GCHP- One Stop, L.L.C., a limited liability company established to develop the One Stop Homeless Service Center and Housing Project. The Particular Council accounts for its investment in the unconsolidated affiliate by the equity method. The Particular Council records its share of such earnings (loss) in the Consolidated Statement of Activities and the carrying value of the investment in the unconsolidated affiliate is recorded in the Consolidated Statement of Financial Position as “Investment in GCHP-One Stop, L.L.C.” The investment in the affiliate at September 30, 2022 was \$321,380.

**Note 11 - Net Assets Released from Restrictions -**

Net assets were released from restrictions for the year ended September 30, 2022 for incurring expenses satisfying their restricted purposes as follows:

	St. Vincent dePaul Council	Particular Council of SVDP	St. Vincent de Paul Pharmacy	St. Vincent de Paul Foundation	Consolidated Total
Uniforms for Kids	\$ -	\$ 193,740	\$ -	\$ -	\$ 193,740
Shelter Contributions	-	427,335	-	-	427,335
Grants, Chapel Grants, and Chapel	20,098	1,760,784	98,358	-	1,879,240
Dining Room Contributions	-	139,872	-	-	139,872
Dental Contributions	-	3,409	-	-	3,409
Mobile Kitchen	-	17,740	-	-	17,740
Build a Basket	-	4,032	-	-	4,032
Gift Program	-	11,326	-	-	11,326
Store Contributions	-	71,500	-	-	71,500
Estate Receivable	-	4,000,000	-	-	4,000,000
Total Restrictions Released	\$ 20,098	\$ 6,629,738	\$ 98,358	\$ -	\$6,748,194

**Note 12 - Restrictions/Transfers of Net Assets -**

The Organizations received contributions for the purpose of expanding the Pharmacy Clinic, the Bishop Ott Sweet Dreams Women and Children Shelter and other building costs. The funds are restricted for the purpose of building related expenses.

The Organizations received grants from various sources. The funds are restricted for the purpose of the various grants.

The Organizations received contributions for the purpose of operating its mobile kitchen. The funds are restricted for the purpose of operating the mobile kitchen.

The Organizations received contributions for the purposes of providing assistance to those affected by natural disasters.

The Organizations received contributions for the purposes of providing gifts to disadvantaged children. The funds are restricted to the purchase of toys and gifts.

The Organizations received contributions for the purpose of serving the poor. The funds are restricted for the purpose of assisting the poor and needy.

The Organizations received contributions for the purpose of assisting the store operations. The funds are restricted for the purposes of operating the stores.

The Organizations received contributions for the purpose of constructing a Chapel. The funds are restricted for the purpose of building an on-campus Chapel.

Net assets with donor-imposed or time restrictions at September 30, 2022 for purpose or time are available for the following purposes:

	St. Vincent dePaul Council	Particular Council of SVDP	St. Vincent de Paul Pharmacy	St. Vincent de Paul Foundation	Consolidated Total
Pharmaceuticals	\$ -	\$ -	\$ 2,551	\$ -	\$ 2,551
Assistance for the Poor	-	-	-	42,814	42,814
Shelters	-	25,000	-	-	25,000
Grants, Chapel Grants, and Chapel	2,064	669,327	-	-	671,391
Disaster Contributions	-	46,242	-	-	46,242
Community Garden	-	1,128	-	-	1,128
Mobile Kitchen	-	28,745	-	-	28,745
Stores and Generator	-	171,000	-	-	171,000
	<u>\$ 2,064</u>	<u>\$ 941,442</u>	<u>\$ 2,551</u>	<u>\$ 42,814</u>	<u>\$ 988,871</u>

Net assets with donor-imposed restrictions to last in perpetuity are available for the following purposes:

Dining Room Operations	<u>\$ 72,826</u>
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### Note 13 - Donated Goods and Services -

Donated goods and services for the fiscal year ended September 30, 2022, included in the consolidated financial statements, were as follows:

	Particular Council of SVDP	St. Vincent de Paul Pharmacy	St. Vincent de Paul Properties	St. Vincent de Paul Foundation	Eliminations	Consolidated Total
<b>Donated Facilities/Commodities/ Inventory/ Pharmaceuticals/ Services:</b>						
Thrift Stores and Other Items	\$ 1,014,245	\$ -	\$ -	\$ -	\$ -	\$ 1,014,245
Donated Food	596,640	-	-	-	-	596,640
Donated Rent, Salaries & Insurance	20,040	68,900	-	-	(68,900)	20,040
Donated Cars	267,388	-	-	-	-	267,388
Donated Services	8,800	11,047	500	500	-	20,847
Donated Pharmaceuticals	-	636,854	-	-	-	636,854
	<u>\$ 1,907,113</u>	<u>\$ 716,801</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ (68,900)</u>	<u>\$ 2,556,014</u>
<b>Included in Contributions:</b>						
Donated Building	\$ 330,000	\$ -	\$ -	\$ -	\$ -	\$ 330,000
Donated Land	100,000	-	-	-	-	100,000
	<u>\$ 430,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,000</u>

Thrift Stores and Other Items includes the following main categories: furniture, supplies, clothing as well as minimal amounts of other items used in the shelters, stores, and warehouses. Thrift store sales are recorded at the price the items are sold at. Donated Food includes the following main categories: proteins, produce, dairy, bread, and beverages as well as minimal amount of other items used in the dining hall. The donated food is recorded in the financial statements and is valued as follows:

The Manna Giver Shelter Meals are calculated by the number of individuals given shelter nights times a market value of \$7.50 for each meal served. Meals provided by the Organization's Dining Room are valued at \$2.00 for each meal served.

The Organization receives food donations from several sources: (1) school food drives, (2) drop offs, (3) grocery stores, and (4) the Greater Baton Rouge Food Bank. The food is valued as it is cooked and varies depending on the source:

1. Donations from school food drives and drop offs are valued per the "Pons list" from the vendor the Organization purchases food from.

2. Commodity donations from the Greater Baton Rouge Food Bank is valued per the “Food Bank’s Commodity List”.
3. Other sources of donated food is charged at ½ the retail cost.

Toiletries items are calculated by the number of items given out at a \$5.00 per guest cost.

**Note 14 - Related Party -**

The Organizations utilize the Diocese of Baton Rouge for the following self-insured services: property, health, life/disability insurance and dental insurance. Payments made directly to the Diocese of Baton Rouge for these services totaled \$461,677 for the fiscal year ended September 30, 2022.

The Organizations pay solidarity dues to the national Society of St. Vincent de Paul. During the fiscal year ended September 30, 2022, solidarity dues of \$25,936 were paid by the Organizations.

**Note 15 - Lease Commitments -**

The Particular Council has entered into lease agreements for store locations under non-cancelable operating leases. Future minimum lease payments are as follows:

Fiscal Year:	
2023	\$ 95,558
2024	58,061
2025	45,562
2026	<u>18,984</u>
	<u>\$ 218,165</u>

The Particular Council has also entered into other lease agreements for the store locations that are paid on a month to month basis. Total rent expense for 2022 was \$171,162.

SUPPLEMENTARY INFORMATION

**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount of Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Passed through City Parish:		
Emergency Solutions Grant Program	14.231	\$ 24,711
* COVID-19 Emergency Solutions Grant Program	14.231	404,144
Community Development Block Grant – CDBG Entitlement Grants Cluster	14.218	548
Direct from HUD - Continuum of Care	14.267	292,644
Passed through Louisiana Housing Corporation:		
Emergency Solutions Grant Program	14.231	445,623
Continuum of Care Program	14.267	<u>49,156</u>
Total U.S. Department of Housing and Urban Development		1,216,826
<u>U.S. Department of Homeland Security</u>		
Passed Through United Way of America:		
Emergency Food and Shelter Program - FEMA	97.024	<u>135,710</u>
Total U.S. Department of Homeland Security		<u>135,710</u>
<u>U.S. Department of Health and Human Services</u>		
Passed Through State Administrator of Children and Families		
Department of Children and Family Services:		
Temporary Assistance for Needy Families	93.558	<u>323,559</u>
Total U.S. Department of Health and Human Services		<u>323,559</u>
Total Federal Assistance		<u><u>\$ 1,676,095</u></u>

\* Denotes COVID-19 relief related federal assistance.

See independent auditor's report.



**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

**Note A - Significant Accounting Policies -**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organizations and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

**Note B - Indirect Cost Rate Election -**

The Organizations did not elect to use the 10% de minimis indirect cost rate during the year ended September 30, 2022.

Independent Auditor's Report on Internal  
Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in  
Accordance with Government Auditing Standards

To the Board of Directors  
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana  
St. Vincent de Paul Community Pharmacy, Inc.  
Baton Rouge, 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 consolidated financial statements of the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana and St. Vincent de Paul Community Pharmacy, Inc., (the Organizations), which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 21, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control.

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organizations' consolidated 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 consolidated 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 Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Baton Rouge, Louisiana  
February 21, 2023

Independent Auditor's Report on Compliance  
for Each Major Program and on  
Internal Control Over Compliance  
Required by the Uniform Guidance

To the Board of Directors  
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana  
St. Vincent de Paul Community Pharmacy, Inc.  
Baton Rouge, Louisiana

**Opinion on Each Major Federal Program**

We have audited the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana and St. Vincent de Paul Community Pharmacy, Inc.'s ("The Organizations") 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 the Organizations' major federal program for the year ended September 30, 2022. The Organizations' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organizations complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

**Basis for Opinion on Its Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organizations 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 its major federal program. Our audit does not provide a legal determination of the Organizations' 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 the Organizations' federal programs.

## **Auditor's 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 the Organizations' 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 GAAS, *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 the Organizations' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Organizations' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organizations' 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 the Organizations' 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 Auditor's 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.

This report is intended solely for the information and use of the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Baton Rouge, Louisiana  
February 21, 2023

**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

(1) Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified.

- Material weakness(es) identified? \_\_\_\_\_ Yes   x   No
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   x   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   x   No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   x   No
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   x   No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (a) of the Uniform Guidance? \_\_\_\_\_ Yes   x   No

Identification of major program:

Federal Grantor/ Pass - Through Grantor/ Program Title	Assistance Listing Number
--	---------------------------------

U.S. Department of Housing and Urban Development

Passed through City Parish:

Emergency Solutions Grant Program	14.231
COVID-19 Emergency Solutions Grant Program	14.231

Passed through Louisiana Housing Corporation -

Emergency Solutions Grant Program	14.231
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- The threshold for distinguishing Types A and B programs was \$750,000.
- The Organizations were determined to be a to be a low-risk auditee.

(CONTINUED)

**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2022

(2) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*:

None

(3) Findings Relating to Compliance and Other Matters:

None

(4) Findings and Questioned Cost Related to Federal Awards:

None

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**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

None.

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL**  
**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA**  
**ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.**  
**ST. VINCENT DE PAUL PROPERTIES**  
**THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2022

ASSETS

	Particular Council					Eliminations	Total
	St. Vincent dePaul Council	of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy		
<b>Current Assets:</b>							
Cash and Cash Equivalents	\$ 386,551	\$ 4,223,950	\$ 2,100	\$ 1,157,237	\$ 100,930	\$ -	\$ 5,870,768
Investments	130,209	-	-	7,341,868	-	-	7,472,077
Grants Receivable	-	268,328	-	-	-	-	268,328
Other Receivable	-	52,805	-	205	102	-	53,112
Accrued Interest	-	3,702	-	1,318	-	-	5,020
Prepaid Expenses	-	36,002	-	-	4,268	-	40,270
Inventory	-	231,771	-	-	3,665	-	235,436
Due From Related Entities	1,476	-	-	-	23,180	(24,656)	-
Total Current Assets	518,236	4,816,558	2,100	8,500,628	132,145	(24,656)	13,945,011
<b>Property, Plant and Equipment, Net of Accumulated Depreciation</b>	-	7,195,119	289,081	-	49,685	-	7,533,885
<b>Investment in GCHP-One Stop, L.L.C.</b>	-	321,380	-	-	-	-	321,380
<b>Other Assets</b>	-	43,930	-	-	3,391	-	47,321
Total Assets	\$ 518,236	\$ 12,376,987	\$ 291,181	\$ 8,500,628	\$ 185,221	\$ (24,656)	\$ 21,847,597

(CONTINUED)

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL  
PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.  
ST. VINCENT DE PAUL PROPERTIES  
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS OF SEPTEMBER 30, 2022

**LIABILITIES AND NET ASSETS**

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
<b>Current Liabilities:</b>							
Accounts Payable	\$ -	\$ 25,182	\$ -	\$ -	\$ 3,419	\$ -	\$ 28,601
Accrued Liabilities	-	99,648	-	-	5,316	-	104,964
Due to Related Entities	-	24,656	-	-	-	(24,656)	-
<b>Total Current Liabilities</b>	-	149,486	-	-	8,735	(24,656)	133,565
<b>Net Assets:</b>							
Without Donor Restrictions	516,172	11,213,233	291,181	8,457,814	173,935	-	20,652,335
With Donor Restrictions:							
Restricted For Purpose or Time	2,064	941,442	-	42,814	2,551	-	988,871
Restricted in Perpetuity	-	72,826	-	-	-	-	72,826
<b>Total Net Assets</b>	518,236	12,227,501	291,181	8,500,628	176,486	-	21,714,032
<b>Total Liabilities and Net Assets</b>	<b>\$ 518,236</b>	<b>\$ 12,376,987</b>	<b>\$ 291,181</b>	<b>\$ 8,500,628</b>	<b>\$ 185,221</b>	<b>\$ (24,656)</b>	<b>\$ 21,847,597</b>

See independent auditor's report.

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL  
PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.  
ST. VINCENT DE PAUL PROPERTIES  
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION**

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
<b>Changes in Net Assets Without Donor Restrictions:</b>							
Public Support and Revenue Without Donor Restrictions:							
Contributions	\$ 93,253	\$ 1,778,303	\$ -	\$ 335	\$ 178,100	\$ -	\$ 2,049,991
Conference Income	843,824	-	-	-	-	-	843,824
Donated Facilities/Commodities/ Inventory/Pharmaceuticals/Services	-	1,907,113	500	500	716,801	(68,900)	2,556,014
Sale of Merchandise	-	1,205,442	-	-	-	-	1,205,442
Interest and Dividend Income	4,644	43,681	-	515,952	25	-	564,302
Gain on Disposition of Assets	-	1,964	-	-	-	-	1,964
Miscellaneous Income	-	52,117	-	-	-	-	52,117
Net Loss on Investments	(29,187)	-	-	(1,753,140)	-	-	(1,782,327)
Net Assets Released From Restrictions	20,098	6,629,738	-	-	98,358	-	6,748,194
Total Public Support and Revenues Without Donor Restrictions	932,632	11,618,358	500	(1,236,353)	993,284	(68,900)	12,239,521
Expenses:							
Program Services	1,085,187	6,764,899	3,100	4,675	954,956	(5,700)	8,807,117
Fund Raising	-	190,064	-	-	26,661	(19,500)	197,225
Management and General	-	538,990	-	-	78,401	(43,700)	573,691
Total Expenses	1,085,187	7,493,953	3,100	4,675	1,060,018	(68,900)	9,578,033
Change in Net Assets Without Donor Restrictions	(152,555)	4,124,405	(2,600)	(1,241,028)	(66,734)	-	2,661,488

(CONTINUED)

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL  
PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.  
ST. VINCENT DE PAUL PROPERTIES  
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION**

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Particular Council					Eliminations	Total
	St. Vincent dePaul Council	of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy		
<b>Changes in Net Assets with Donor Restrictions:</b>							
Public Support and Revenues with Donor Restrictions:							
Contributions	-	839,567	-	-	866	-	840,433
Grant Income	13,000	1,757,743	-	-	88,691	-	1,859,434
Interest Income	-	317	-	-	-	-	317
Net Assets Released from Restrictions	(20,098)	(6,629,738)	-	-	(98,358)	-	(6,748,194)
Change in Net Assets with Donor Restrictions	(7,098)	(4,032,111)	-	-	(8,801)	-	(4,048,010)
Change in Net Assets	(159,653)	92,294	(2,600)	(1,241,028)	(75,535)	-	(1,386,522)
Net Assets, Beginning of Year	683,889	15,135,982	291,181	6,737,481	252,021	-	23,100,554
Transfer to (from) Entities	(6,000)	(3,000,775)	2,600	3,004,175	-	-	-
Net Assets, End of Year	\$ 518,236	\$ 12,227,501	\$ 291,181	\$ 8,500,628	\$ 176,486	\$ -	\$ 21,714,032

See independent auditor's report.

**ST. VINCENT DE PAUL BATON ROUGE COUNCIL  
PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA  
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.  
ST. VINCENT DE PAUL PROPERTIES  
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION**

SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO THE PRESIDENT & CEO

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Agency Head Name: Michael J. Acaldo

<u>Purpose</u>	<u>Amount</u>
Salary *	\$ 140,538
Benefits - Insurance	\$ 7,575
Benefits - Retirement	\$ 8,400
Conference Travel **	\$ 3,118

\* Salary includes role as President and CEO, Development Director, Chief Grant Writer, Public Relations Director, Chief Operating Officer and Executive Role on the Foundation, Properties and Council.

\*\* Conference travel is to the National Annual St. Vincent DePaul meeting. Attendance is expected.

See independent auditor's report.

**PARTICULAR COUNCIL OF ST. VINCENT DE PAUL**  
**OF BATON ROUGE, LOUISIANA**  
**ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.**

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

**OCTOBER 1, 2021 THROUGH SEPTEMBER 30, 2022**

**BATON ROUGE, LOUISIANA**



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Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Directors of  
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana  
St. Vincent de Paul Community Pharmacy, Inc. and  
The Louisiana Legislative Auditor  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, and St. Vincent de Paul Community Pharmacy, Inc. (nonprofit organizations) (the Organizations) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2021 through September 30, 2022. The Organizations' management is responsible for those C/C areas identified in the SAUPs.

The Organizations have 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 C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2021 through September 30, 2022. 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:

***Written Policies and Procedures***

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1. 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:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget. – **No exceptions.**
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes. – **No exceptions.**
  - c) ***Disbursements***, including processing, reviewing, and approving. – **No exceptions.**



- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No exceptions.**
- e) **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(s) rate of pay or approval and maintenance of pay rate schedules. – **No exceptions.**
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process. – **No exceptions.**
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases). – **No exceptions.**
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No exceptions.**
- i) **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. – **Not applicable.**
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. – **No exceptions.**
- k) **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. – **No exceptions.**
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting. – **Not applicable.**

***Board or Finance Committee***

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- 2. 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:
  - a) 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.**
  - b) For those entities reporting on the nonprofit 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. – **No exceptions.**
  - c) 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. – **Not applicable.**

### ***Bank Reconciliations***

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3. 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:
  - a) 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.**
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and – **No exceptions.**
  - c) 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.**

### ***Collections (excluding electronic funds transfers)***

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4. 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). – **No exceptions.**
5. 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers. – **No exceptions.**
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit. – **No exceptions.**
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit. – **No exceptions.**
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. – **No exceptions.**
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period. – **No exceptions.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (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). *Alternately, 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:
  - a) Observe that receipts are sequentially pre-numbered. – **No exceptions.**
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No exceptions.**
  - c) Trace the deposit slip total to the actual deposit per the bank statement. – **No exceptions.**
  - d) Observe 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.**
  - e) Trace the actual deposit per the bank statement to the general ledger. – **No exceptions.**

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

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8. 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). – **No exceptions.**
9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. – **No exceptions.**
  - b) At least two employees are involved in processing and approving payments to vendors. – **No exceptions.**
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. – **No exceptions.**
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. – **No exceptions.**
10. For each location selected under #8 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:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity. – **No exceptions.**
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable. – **No exceptions.**

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. – **No exceptions.**
12. 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:
  - a) 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. – **No exceptions.**
  - b) Observe that finance charges and late fees were not assessed on the selected statements. – **No exceptions.**
13. Using the monthly statements or combined statements selected under #12 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. – **No exceptions.**

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

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14. 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, 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:
  - a) If reimbursed using a per diem, observe 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](http://www.gsa.gov)). – **No exceptions.**
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. – **No exceptions.**
  - c) Observe 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 policy (procedure #1h). – **No exceptions.**
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. – **No exceptions.**

## ***Contracts***

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15. 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. *Alternately, 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:
- a) 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 contracts subject to the Louisiana Public Bid Law or Procurement Code.**
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter). – **Not applicable.**
  - c) If the contract was amended (e.g., change order), observe 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, was approval documented). – **No exceptions.**
  - d) 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 the invoice and related payment agreed to the terms and conditions of the contract. – **No exceptions.**

## ***Payroll and Personnel***

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16. 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. – **No exceptions.**
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.) – **No exceptions.**
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials. – **No exceptions.**
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. – **No exceptions.**
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file. – **No exceptions.**
18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy. – **No exceptions.**

19. 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.**

### *Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. – **Not applicable.**
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable. – **Not applicable.**

### *Debt Service*

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21. 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 State Bond Commission approval was obtained for each debt instrument issued. – **Not applicable.**
22. 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). – **Not applicable.**

### *Fraud Notice*

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23. 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. – **Not applicable.**
24. Observe 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.**

### *Information Technology Disaster Recovery/Business Continuity*

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25. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”
- a) 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.**

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.**
- c) 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.**

### ***Sexual Harassment***

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- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year. – **Not applicable.**
- 27. Observe 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). – **Not applicable.**
- 28. 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 it includes the applicable requirements of R.S. 42:344: – **Not applicable.**
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

We were engaged by the Organizations 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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organizations 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 C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Respectfully submitted,

*Hanniss T. Bourgeois, LLP*

Baton Rouge, Louisiana  
February 21, 2023