

CATHOLIC CHARITIES OF ACADIANA, INC.

Lafayette, Louisiana

Financial Report

For the Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Catholic Charities of Acadiana, Inc. (CCA) (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Unless otherwise expressly indicated, any tax advice contained in this communication, or attachments are not intended for use and cannot be used: (i) to avoid any penalties under the Internal Revenue Code; or (ii) to promote, market or recommend to another party the tax consequences of any matter addressed therein. This communication (and/or the documents accompanying it) may contain confidential information belonging to the sender, which is protected by the Accountant-Client privilege. The information is indeed only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any use, disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCA as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

In our opinion, the supplemental information and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 December 2, 2019, on our consideration of CCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCA's internal control over financial reporting and compliance

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

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

Lafayette, Louisiana
December 2, 2019

FINANCIAL STATEMENTS

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS

CURRENT ASSETS

| | |
|----------------------|------------------|
| Cash | \$ 723,821 |
| Restricted Cash | 39,625 |
| Investments | 22,904 |
| Grants Receivable | 183,583 |
| Other Receivables | 3,994 |
| Inventory | <u>95,895</u> |
| Total Current Assets | <u>1,069,822</u> |

PROPERTY AND EQUIPMENT (NET)

3,279,835

TOTAL ASSETS

\$ 4,349,657

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---|----------------|
| Accounts Payable | \$ 16,532 |
| Accrued Payroll and Related Liabilities | 62,731 |
| Accrued Compensated Absences | 36,387 |
| Deferred Revenue | <u>213,902</u> |
| Total Current Liabilities | <u>329,552</u> |

NET ASSETS

| | |
|---------------------------------------|------------------|
| Net Assets With Donor Restrictions | 250,290 |
| Net Assets Without Donor Restrictions | <u>3,769,815</u> |
| Total Net Assets | <u>4,020,105</u> |

TOTAL LIABILITIES AND NET ASSETS

\$ 4,349,657

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

NET ASSETS WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT

Donations:

| | |
|----------------------------|----------------|
| Individual Donations | \$ 279,099 |
| Church Donations | 251,329 |
| Allocation From United Way | 88,473 |
| Opus Christi Magnum | <u>262,117</u> |
| Total Public Support | <u>881,018</u> |

REVENUES

| | |
|-------------------------------------|------------------|
| Social Services | 83,994 |
| Rent Income | 14,696 |
| Grants and Contracts | 1,936,394 |
| Diner Meals | 422,025 |
| Fundraisers | 9,453 |
| Private Grants | 22,731 |
| Miscellaneous | 42,469 |
| In-Kind | 425,341 |
| Unrealized Gain/Loss on Investments | <u>2,025</u> |
| Total Revenues | <u>2,959,128</u> |

TOTAL PUBLIC SUPPORT AND REVENUES 3,840,146

Net Assets Released from Donor Restrictions 344,659

TOTAL PUBLIC SUPPORT, REVENUES AND NET
ASSETS RELEASED FROM RESTRICTIONS 4,184,805

EXPENSES

| | |
|------------------------|------------------|
| Program Services | 4,086,668 |
| Supporting Services: | |
| Fundraising | 23,599 |
| Management and General | <u>713,104</u> |
| Total Expenses | <u>4,823,371</u> |

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS (638,566)

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

NET ASSETS WITH DONOR RESTRICTIONS

| | |
|---|---------------------|
| Individual Donations | \$ 210,859 |
| Church Donations | 37,889 |
| Special Event Fundraisers | 202,142 |
| Diocesan Client Assistance | 58,769 |
| Program Revenue | 400 |
| Disaster Relief | <u>2,743</u> |
| Total Net Assets With Donor Restrictions | <u>512,802</u> |
| Net Assets Released from Donor Restrictions | <u>(344,659)</u> |
| INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS | 168,143 |
| DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS | <u>(638,566)</u> |
| DECREASE IN NET ASSETS | (470,423) |
| NET ASSETS AT BEGINNING OF YEAR | <u>4,490,528</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 4,020,105</u> |

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

| | PROGRAM SERVICES | SUPPORTING SERVICES | | TOTAL |
|-----------------------------------|---------------------|---------------------|---------------------------|---------------------|
| | | FUNDRAISING | MANAGEMENT AND GENERAL | |
| Compensation and Related Expenses | | | | |
| Salaries | \$ 1,050,978 | \$ - | \$ 362,222 | \$ 1,413,200 |
| Compensated Absences | (4,781) | - | 1,624 | (3,157) |
| Employee Benefits | | - | | |
| Insurance | 175,072 | - | 47,765 | 222,837 |
| Pension Plan | 26,892 | - | 11,217 | 38,109 |
| Payroll Taxes | 65,884 | - | 27,132 | 93,016 |
| | <u>1,314,045</u> | <u>-</u> | <u>449,960</u> | <u>1,764,005</u> |
| Background Checks | 594 | - | 36 | 630 |
| Bank Fees | - | - | 10,703 | 10,703 |
| Client Financial Assistance | 1,357,529 | - | - | 1,357,529 |
| Conference and Seminars | 105 | - | 2,301 | 2,406 |
| Contract Labor | - | - | 1,983 | 1,983 |
| Depreciation Expense | 194,012 | - | 38,676 | 232,688 |
| Dues and Subscriptions | 11,319 | - | 14,802 | 26,121 |
| Fuel and Vehicle Maintenance | 6,632 | - | 20 | 6,652 |
| Fundraising/Newsletter | - | 23,599 | - | 23,599 |
| Furnishings and Equipment | 12,989 | - | 8,014 | 21,003 |
| Insurance | 33,407 | - | 2,216 | 35,623 |
| Janitorial and Trash Collection | 16,203 | - | 2,718 | 18,921 |
| Kitchen, Food, and Laundry | 34,017 | - | 852 | 34,869 |
| Materials and Supplies | 41,923 | - | 7,679 | 49,602 |
| Miscellaneous | 465 | - | 231 | 696 |
| Postage and Shipping | 322 | - | 3,441 | 3,763 |
| Professional Fees | - | - | 32,115 | 32,115 |
| Public Relations | 582 | - | 21,882 | 22,464 |
| Rent Expense (Equipment) | 8,525 | - | 372 | 8,897 |
| Repairs and Maintenance | 97,829 | - | 16,662 | 114,491 |
| Technology | 31,764 | - | 14,972 | 46,736 |
| Telephone | 15,769 | - | 2,727 | 18,496 |
| Travel and Transportation | 44,154 | - | 9,420 | 53,574 |
| Utilities | 80,550 | - | 4,885 | 85,435 |
| VA Meals St. Michael's Center | 21,530 | - | - | 21,530 |
| VA Meals St. Michael's Emergency | 82,488 | - | - | 82,488 |
| In-Kind Expenses | 679,915 | - | 66,437 | 746,352 |
| | <u>\$ 4,086,668</u> | <u>\$ 23,599</u> | <u>\$ 713,104</u> | <u>\$ 4,823,371</u> |
| TOTAL | | | | |

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|-------------------|
| Decrease in Net Assets | \$ (470,423) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities: | |
| Depreciation | 232,688 |
| Unrealized Gain on Investments | (2,025) |
| Changes in Current Assets and Liabilities: | |
| Grant Receivables | (28,778) |
| Other Receivables | (3,594) |
| Inventory | 3,005 |
| Accounts Payable | (94,525) |
| Accrued Compensated Absences | (3,156) |
| Accrued Payroll and Related Liabilities | 4,856 |
| Deferred Revenue | <u>(293,670)</u> |
| Net Cash Used In Operating Activities | <u>(655,622)</u> |
| DECREASE IN CASH AND EQUIVALENTS | (655,622) |
| CASH, BEGINNING OF YEAR | <u>1,419,068</u> |
| CASH, END OF YEAR | <u>\$ 763,446</u> |

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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

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

Basis of Presentation

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

Basis of Accounting

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Recognition of Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period; otherwise, the restriction expires when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from donor restrictions.

Cash and Cash Equivalents

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

| | |
|-----------------|-------------------|
| Cash | \$ 723,821 |
| Restricted Cash | <u>39,625</u> |
| | <u>\$ 763,446</u> |

Allowance for Doubtful Accounts

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

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

Use of Estimates

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

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

Deferred Revenue - Grants and Exchange Transactions

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

Investments

The balance in the Investments account reflects the June 30, 2019 fair market value of the shares of a publicly traded company, which were donated to CCA. The fair market value at the time of donation was recorded as in-kind revenue. The value is updated every year to reflect the current fair market value with the change in value being recorded as Unrealized Gain (Loss) on Investments in the Statement of Activities.

Inventory

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

Property and Equipment

The Organization capitalizes all expenditures in excess of \$2,500 for property and equipment at historical cost. Donated property and equipment are valued at fair market value at the time of donation. If donors stipulate how the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$232,688 for the year ended June 30, 2019.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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

Functional Allocation of Expenses

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

Compensated Absences

Employees accrue personal leave time from the first day of employment with the amount being determined based on length of service. An employee is allowed to earn a maximum of leave based on length of employment, but they may not accrue more than this maximum balance. At the time of termination of employment, employees are entitled to receive payment for earned personal leave not yet taken. Accordingly, an accrual has been made for accumulated personal leave as of June 30, 2019.

Income Taxes

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

(B) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

| | |
|--------------------------------|---------------------|
| Land | \$ 111,800 |
| Buildings | 5,061,217 |
| Land Improvements | 27,145 |
| Furniture and Equipment | 453,484 |
| Autos and Trucks | <u>54,300</u> |
| Total | 5,707,946 |
| Less: Accumulated Depreciation | <u>(2,428,111)</u> |
| Net Property and Equipment | <u>\$ 3,279,835</u> |

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(C) CLIENT SERVICES PROVIDED

For the year ended June 30, 2019, CCA agencies (combined) provided shelter for 201 individuals, plus 38 households with a total of 67 children, for a total of 310 people and 22,624 nights of lodging. Further, 101,984 meals were served and 588 families and individuals received direct financial assistance. Eighty-nine (89) people were assisted through the Rapid Rehousing and Permanent Supportive Housing Projects. Also this year, 103 households received disaster assistance in recovering from the August 2016 Flood.

(D) DONATED SERVICES, MATERIALS, AND FACILITIES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. CCA has recorded the professional services of \$69,895 and volunteer labor of \$133,305 (all departments and programs combined) as both revenue and expense, based on the criteria described above. Many other skilled services were provided but could not be measured and are not recorded. These include construction project management, computer consulting, legal consulting, advertising, management council services and others.

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

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

Additionally, OLOL provides nursing and medical care services to the residents of Emily House. Under the terms of the lease in 2012, OLOL hospital has exercised a lease renewal option for an additional 10-year term expiring July 31, 2022. The rent charged to the hospital is \$12 per year, paid annually. Minimum future rental payments under the current lease agreement will be \$12 for 2020, \$12 for 2021, and \$1 for 2022.

St. Bernadette's Clinic is a recipient of a three-year grant awarded to Our Lady of Lourdes Hospital (OLOL) for implementing a dietary program at St. Joseph's Diner with the intention of improving the general health of patrons. As part of the grant, the services of a dietician and cook are provided as diner support staff and all food acquisitions are made through St. Bernadette's Clinic. Donated labor for the diner support staff is \$57,541 and donated food totals \$57,675. CCA's budgeted amount of \$16,000 for the cost food was forwarded to St. Bernadette's Clinic to help defray food costs incurred by St. Bernadette's Clinic on behalf of the diner. Though the grant expired in 2017, Our Lady of Lourdes extended the agreement indefinitely and currently operates the food and nutrition program as originally implemented according to the grant.

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(E) NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2019, net assets with donor restrictions are available for the following purpose:

| | |
|--|-------------------|
| For Support of Monsignor Sigur Center | \$ 117,681 |
| For Support of St. Joseph's Men's Shelter | 42,668 |
| For Support of St. Michael's Emergency Shelter | 83,791 |
| For Support of Queen's Row Project | 6,150 |
| | <u>\$ 250,290</u> |

(F) NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors/grantors. Total amount released from restrictions during the year was \$344,659.

(G) RETIREMENT PLAN

The CCA employees participate in the Diocese of Lafayette group retirement plan. This plan is a 403 (B) profit-sharing plan whereby the employer contributes 3% of the salary of eligible participants. Total retirement plan expense for the year ended June 30, 2019 was \$38,109.

(H) CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject CCA to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with two high quality financial institution. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of June 30, 2019, CCA had \$345,788 of cash in excess of FDIC limits. It is the opinion of management that the solvency of the referenced financial instruments is not of particular concern at this time.

The majority of CCA'S revenues and accounts receivable are from contracts with one major federal grantor – the Department of Housing and Urban Development (HUD), support from which approximately 16.94% of total cash support/revenues.

(I) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

A detail of compensation, benefits, and other payments paid to the Executive Director, Kimberly Boudreaux, for the year ended June 30, 2019:

| <u>Purpose</u> | |
|---------------------------|------------|
| Salary | \$ 100,497 |
| Benefits - Insurance | \$ 7,200 |
| Benefits – Life Insurance | \$ 264 |
| Benefits – Retirement | \$ 3,015 |

(K) NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016 the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of the Organization’s financial statements:

- The temporarily restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions*.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.

The changes have the following effect on net assets at June 30, 2018:

| <u>Net Asset Class</u> | <u>As Originally Presented</u> | <u>After Adoption of ASU 2016-14</u> |
|---------------------------------------|--------------------------------|--------------------------------------|
| Unrestricted Net Assets | \$ 4,246,388 | \$ - |
| Temporarily Restricted | 244,140 | - |
| Net Assets without Donor Restrictions | - | 4,246,388 |
| Net Assets with Donor Restrictions | <u>-</u> | <u>244,140</u> |
| Total Net Assets | <u>\$ 4,490,528</u> | <u>\$ 4,490,528</u> |

(L) LIQUIDITY AND AVAILABILITY

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(L) LIQUIDITY AND AVAILABILITY-continued

The following table reflects the Organization's financial assets as of June 30, 2019. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

| | <u>2019</u> |
|---|-------------------|
| Cash and Interest Bearing Deposits | \$ 723,821 |
| Grant Receivables | <u>183,583</u> |
| Total Financial Assets | <u>\$ 907,404</u> |
| Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year | <u>\$ 907,404</u> |

(M) SUBSEQUENT EVENTS

Subsequent events were evaluated through December 2, 2019, which is the date the financial statements were available to be issued. In July 2019, Catholic Charities of Acadiana executed three separate joint merger agreements. These joint merger agreements were with FoodNet Acadiana, Inc., Rebuilding Together Acadiana, Inc., and Crossroads Catholic Bookstore. Additionally, Catholic Charities of Acadiana, Inc. began operating two programs previously managed by the Diocese of Lafayette. These programs are the Deaf Action Center and the Immigration and Refugee Office.

SUPPLEMENTAL INFORMATION

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

| <u>Program Title</u> | <u>CFDA</u> | <u>Grant Number</u> | <u>Expenditures</u> | <u>Subrecipients</u> |
|--|-------------|--------------------------------------|---------------------|----------------------|
| U.S. Department of Housing and Urban Development | | | | |
| Passed through Lafayette City-Parish Consolidated Government | | | | |
| Emergency Solutions Grant Program | 14.231 | N/A | \$ 83,108 | \$ - |
| Continuum of Care Program | 14.267 | * COC RRH--LA0270L6H001600 | 333,474 | - |
| Continuum of Care Program | 14.267 | * COC HMIS--LA0007L6H001710 | 139,549 | - |
| Continuum of Care Program | 14.267 | * COD PSH--LA0219L6H001603 | 117,538 | - |
| Continuum of Care Program | 14.267 | * COC PSH1--LA0219L6H001704 | 177,004 | - |
| Continuum of Care Program | 14.267 | * COC STELLA--LA0023L6H001710 | 28,461 | - |
| Continuum of Care Program | 14.267 | * COC STELLA--LA0023L6H001811 | <u>38,983</u> | - |
| Total for U.S. Department of Housing and Urban Development | | | <u>918,117</u> | <u>-</u> |
| U.S. Department of Veterans Affairs | | | | |
| VA Homeless Providers Grant and Per Diem Program | 64.024 | Low Demand--CSAC497-0384-502-LD- | 96,525 | \$ - |
| VA Homeless Providers Grant and Per Diem Program | 64.024 | Bridge Housing--CSAC497-0417-502-BH- | <u>49,725</u> | <u>-</u> |
| Total for U.S. Department of Veterans Affairs | | | <u>146,250</u> | <u>-</u> |
| Total Expenditures | | | <u>\$ 1,064,367</u> | <u>\$ -</u> |

* - denotes a major program

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

(A) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of CCA under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CCA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CCA.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(C) INDIRECT COST RATE

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

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

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MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

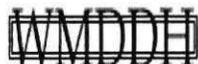
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The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Catholic Charities of Acadiana, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CCA internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

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

Lafayette, Louisiana
December 2, 2019

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

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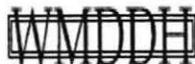
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The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities of Acadiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CCA's major federal programs for the year ended June 30, 2019. CCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CCA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CCA's compliance.

Opinion on Each Major Federal Program

In our opinion, CCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of CCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CCA's internal control over compliance.

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

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

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

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

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

Lafayette, Louisiana
December 2, 2019

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

We have audited the financial statements of Catholic Charities of Acadiana, Inc. as of and for the year ended June 30, 2019, and have issued our report thereon dated December 2, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2019 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

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

Compliance

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

b. *Federal Awards*

Major Programs Identification

CCA at June 30, 2019, had one major program:

- Department of Housing and Urban Development – Continuum of Care - CFDA No. 14.267

Low-Risk Auditee

CCA is considered a low-risk auditee for the year ended June 30, 2019.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2019.

Auditors' Report - Major Programs

An unmodified opinion has been issued on CCA's compliance for its major program as of and for the year ended June 30, 2019.

Significant Deficiencies – Major Program

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED JUNE 30, 2019**

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

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

CATHOLIC CHARITIES OF ACADIANA, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

There were no prior year findings.

CATHOLIC CHARITIES OF ACADIANA, INC.
Lafayette, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2019

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of Catholic Charities of Acadiana, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Catholic Charities of Acadiana, Inc.'s compliance with certain laws, regulations and best practices during the year ended June 30, 2019. Management of Catholic Charities of Acadiana, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits.

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- 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, and (5) monitoring card usage.

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

This section is not applicable to not for profit entities.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This section is not applicable to not for profit entities.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

This was not required to be tested in the fiscal year.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

This was not required to be tested in the fiscal year.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

Not applicable.

Bank Reconciliations

3. Obtain a listing of client 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 selected each 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, electronically logged);

This was not required to be tested in the fiscal year.

- 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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

Collections

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).

This was not required to be tested in the fiscal year.

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 that are responsible for cash collections do not share cash drawers/registers.

This was not required to be tested in the fiscal year.

- 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.

This was not required to be tested in the fiscal year.

- 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.

This was not required to be tested in the fiscal year.

- 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 verifies the reconciliation.

This was not required to be tested in the fiscal year.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

This was not required to be tested in the fiscal year.

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.

This was not required to be tested in the fiscal year.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

This was not required to be tested in the fiscal year.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

This was not required to be tested in the fiscal year.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

This was not required to be tested in the fiscal year.

- e) Trace the actual deposit per the bank statement to the general ledger.

This was not required to be tested in the fiscal year.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

- 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).

This was not required to be tested in the fiscal year.

- 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.

This was not required to be tested in the fiscal year.

- b) At least two employees are involved in processing and approving payments to vendors.

This was not required to be tested in the fiscal year.

- 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.

This was not required to be tested in the fiscal year.

- 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.

This was not required to be tested in the fiscal year.

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 that the disbursement matched the related original invoice/billing statement.

This was not required to be tested in the fiscal year.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

This was not required to be tested in the fiscal year.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

This was not required to be tested in the fiscal year.

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 that 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

This was not required to be tested in the fiscal year.

b) Observe that finance charges and late fees were not assessed on the selected statements.

This was not required to be tested in the fiscal year.

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 that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

This was not required to be tested in the fiscal year.

Travel and Expense Reimbursement

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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

Contracts

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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

This was not required to be tested in the fiscal year.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

This was not required to be tested in the fiscal year.

- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

This was not required to be tested in the fiscal year.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

This was not required to be tested in the fiscal year.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

This was not required to be tested in the fiscal year.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

This was not required to be tested in the fiscal year.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

This was not required to be tested in the fiscal year.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

This was not required to be tested in the fiscal year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

This was not required to be tested in the fiscal year.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

This is not applicable to not for profit entities.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

This is not applicable to not for profit entities.

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

This is not applicable to not for profit entities.

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.

This is not applicable to not for profit entities.

Other

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.

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Catholic Charities of Acadiana, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

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

Lafayette, Louisiana
December 1, 2019