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**CATHOLIC CHARITIES OF THE DIOCESE OF  
BATON ROUGE, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**CATHOLIC CHARITIES OF THE DIOCESE OF  
BATON ROUGE, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Catholic Charities of the Diocese of Baton Rouge, Inc.  
Baton Rouge, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Catholic Charities of the Diocese of Baton Rouge, Inc. (CCDBR or the Organization), a non-profit organization, which comprise the statement of financial position as of June 30, 2019, the related statements of activities and changes in net assets, 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 from 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 misstatement 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 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.

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

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of Catholic Charities of the Diocese of Baton Rouge, Inc. 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.

#### **Emphasis of a Matter**

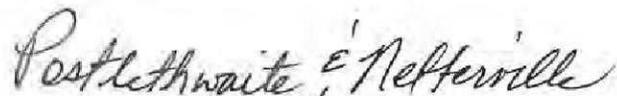
As discussed in Note 1 to the financial statements, the Foundation adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, during the current fiscal year. Our opinion is not modified with respect to this matter.

#### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information consisting of the schedule of compensation, benefits, and other payments to executive director on page 16 is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 21 - 23 is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is not a required part of the financial statements. The schedule of compensation, benefits, and other payments to executive director and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reports Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report, dated December 17, 2019, on our consideration of the Organization's internal control over financial reporting and 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 or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCDBR's internal control over financial reporting and compliance.



Baton Rouge, Louisiana  
December 17, 2019

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 4,164,900
Certificate of deposit	13,518
Grants receivable	1,427,420
Other receivables	19,233
Unconditional promises to give, net	420,290
Total current assets	<u>6,045,361</u>

**OTHER ASSETS**

Property and equipment - net	2,311,181
Certificate of deposit - restricted	53,655
Total other assets	<u>2,364,836</u>

Total assets	<u>\$ 8,410,197</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 111,219
Accrued expenses	237,225
Note payable to Catholic Diocese of Baton Rouge	4,216
Line of credit to Catholic Diocese of Baton Rouge	750,000
Total current liabilities	<u>1,102,660</u>

**OTHER LIABILITIES**

Note payable to Office of Community Development	561,000
Total other liabilities	<u>561,000</u>

Total liabilities	<u>1,663,660</u>
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**NET ASSETS**

Without donor restrictions	6,272,591
With donor restrictions	473,946
Total net assets	<u>6,746,537</u>

Total liabilities and net assets	<u>\$ 8,410,197</u>
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The accompanying notes are an integral part of this financial statement.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>REVENUES AND SUPPORT</u></b>			
<b><u>Contributions:</u></b>			
Diocese of Baton Rouge assistance	\$ 1,233,303	\$ -	\$ 1,233,303
Capital Area United Way contributions	38,942	420,291	459,233
Other contributions	2,990,368	-	2,990,368
Total contributions	4,262,613	420,291	4,682,904
<b><u>Grant assistance:</u></b>			
Disaster response and recovery assistance income	1,561,437	-	1,561,437
Other federal and state grant awards	1,978,174	-	1,978,174
Total grant assistance	3,539,611	-	3,539,611
<b><u>Other income:</u></b>			
Charges for services	283,079	-	283,079
Forgiveness of debt	99,000	-	99,000
Miscellaneous	90,089	-	90,089
Total other income	472,168	-	472,168
Net assets released from donor restrictions:			
Satisfaction of purpose restrictions	173,804	(173,804)	-
<b>TOTAL REVENUES AND SUPPORT</b>	8,448,196	246,487	8,694,683
<b><u>EXPENSES</u></b>			
Program services	6,232,508	-	6,232,508
Management and general	1,279,852	-	1,279,852
<b>TOTAL EXPENSES</b>	7,512,360	-	7,512,360
<b><u>CHANGE IN NET ASSETS</u></b>	935,836	246,487	1,182,323
<b><u>BALANCE AT JUNE 30, 2018</u></b>	5,336,755	227,459	5,564,214
<b><u>BALANCE AT JUNE 30, 2019</u></b>	\$ 6,272,591	\$ 473,946	\$ 6,746,537

The accompanying notes are an integral part of this financial statement.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

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

	Program Services				Total Program	Supporting Services	Total Expenses
	Stabilizing Families and Individuals	Immigrant and Refugee Services	Transitional Housing	Other Program Services		Management and General	
Specific assistance to individuals	\$ 651,611	\$ 256,154	\$ 42,519	\$ 339,929	\$ 1,290,213	\$ -	\$ 1,290,213
Salaries and wages	987,443	768,371	350,115	490,822	2,596,751	655,793	3,252,544
Fringe benefits	192,667	120,715	71,132	107,053	491,567	133,898	625,465
Payroll taxes	70,625	40,594	24,959	40,311	176,489	40,839	217,328
Operating supplies	4,874	5,162	6,810	17,657	34,503	13,151	47,654
Communications	17,256	12,819	10,395	17,318	57,788	10,493	68,281
Postage and shipping	570	4,448	1,367	1,849	8,234	1,469	9,703
Occupancy	65,780	49,103	35,175	187,469	337,527	32,478	370,005
Equipment rental and maintenance	25,924	21,548	32,221	12,297	91,990	3,519	95,509
Printing and publications	918	1,226	301	371	2,816	1,345	4,161
Conferences, conventions, and related travel	-	31,619	3,125	-	34,744	3,515	38,259
Disaster case management travel	64,975	-	-	50,836	115,811	4,958	120,769
Depreciation	-	-	-	-	-	160,000	160,000
Dues and subscriptions	719	1,000	328	2,578	4,625	10,814	15,439
Advertising and PR	-	-	1,286	1,771	3,057	3,147	6,204
Professional fees / subcontracts	41,077	448,404	5,146	161,716	656,343	38,098	694,441
Shelter cost	777	2,064	28,228	21,534	52,603	-	52,603
Computer support	74,938	55,879	23,818	56,603	211,238	34,617	245,855
Training / staff development	-	7,475	-	-	7,475	28,450	35,925
Insurance	-	5,709	8,277	22	14,008	7,400	21,408
Other	311	12,542	-	31,873	44,726	95,868	140,594
	<u>\$ 2,200,465</u>	<u>\$ 1,844,832</u>	<u>\$ 645,202</u>	<u>\$ 1,542,009</u>	<u>\$ 6,232,508</u>	<u>\$ 1,279,852</u>	<u>\$ 7,512,360</u>

The accompanying notes are an integral part of this financial statement.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 1,182,323
Adjustments to reconcile the change in net assets to net cash used in operating activities:	
Depreciation	160,000
Change in discount on unconditional promises to give	(7,313)
Forgiveness of Office of Community Development loan	(99,000)
Changes in:	
Grants receivable	3,124,479
Unconditional promises to give	(240,912)
Accounts payable	(240,817)
Accrued expenses	(313,777)
	<hr/>
Net cash provided by operating activities	3,564,983

**CASH FLOW FROM INVESTING ACTIVITIES**

Reinvestment of earnings on certificate of deposit	<hr/> (1,053)
Net cash used in investing activities	<hr/> (1,053)

**CASH FLOW FROM FINANCING ACTIVITIES**

Principal payments on note and line of credit	<hr/> (260,308)
Net cash used in financing activities	<hr/> (260,308)
Net change in cash and cash equivalents	3,303,622
Cash and cash equivalents, beginning of year	<hr/> 861,278
Cash and cash equivalents, end of year	<hr/> <u>\$ 4,164,900</u>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during year:	
Interest	<hr/> <u>\$ 241</u>

The accompanying notes are an integral part of this financial statement.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

Nature of Activities

Catholic Charities of the Diocese of Baton Rouge, Inc. (CCDBR or the Organization) is a non-profit corporation which was organized under the laws of the State of Louisiana on October 2, 1964, to promote organized charitable welfare and social service work for the moral betterment of all persons. The Organization's major program services include the following:

**Stabilizing Families and Individuals:** This program includes services such as disaster assistance, family achievement, prison ministry, homelessness prevention, and employment services. Disaster assistance services include immediate relief when disasters occur, coordinating and distributing supplies like food, water, personal care supplies, cleaning materials and other needed items. The Organization also provides counseling for maternity and adoption services and counseling for men and women recently released from prison.

**Immigrant and Refugee Services:** CCDBR helps refugees with a smooth transition into life in the United States, starting with finding and furnishing a home for the new arrivals, orientation about the culture, English language training, and employment services. The goal is early self-sufficiency and most of the refugees achieve this within four months.

**Transitional Housing:** Daily support is given by house managers while residents transition to independence. Services include transportation to doctor and hospital appointments, educational and vocational opportunities, and places of employment.

Recent accounting pronouncement

The Foundation adopted Accounting Standards Update ("ASU") 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies (continued)

Unconditional Promises to Give and Revenue Recognition

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities and changes in net assets as released from restrictions.

Unconditional promises to give are recognized as revenue in the period the promise is received. Promises to give are recorded at their realizable value if they are expected to be collected in one year or at fair value if they are expected to be collected in more than one year. Based on management's assessment of collectability, an allowance for doubtful accounts was not necessary at June 30, 2019.

Grants Receivable

Grants receivable represents amounts owed to the Organization for costs incurred under federal and state grant contracts which are reimbursable to the Organization. Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts, if applicable. The Organization provides for losses on grants receivables using the allowance method. The allowance is based on experience with collections from granting agencies. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible grants receivable when management determines that the receivable will not be collected. Management feels that all receivables are collectible, and as such, no allowance for doubtful accounts has been established.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair market value at the date of donation. Maintenance and repairs are charged to expense, while additions and improvements in excess of \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range as follows:

Furniture and equipment	3 - 10 Years
Shelters	20 - 25 Years

Contributed Use of Facilities

The Organization is allowed to use office space owned by an affiliate, the Diocese of Baton Rouge at no charge. See Note 4. A formal agreement does not exist and the value of the use of the facility is recorded annually at the estimated fair market value of similar rental space based on the square footage occupied as if its use was not contributed.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies (continued)

Donated Services

A significant portion of CCDBR's functions are conducted by unpaid volunteers. The value of the contributed time is not reflected in the accompanying financial statements since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Cash Equivalents

Cash equivalents include any highly liquid investments with original maturities of three months or less

Fair Value of Financial Instruments.

The fair value of CCDBR's financial instruments including cash and cash equivalents and certificates of deposits held at local financial institutions at June 30, 2019, do not differ materially from the aggregate carrying value of these financial instruments recorded in the accompanying statement of financial position.

Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Expenses have been directly allocated between functions except expenses related to rent which was allocated based on square footage occupied.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 these estimates.

Income Taxes

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization accounts for income taxes in accordance with the guidance included in the Accounting Standards Codification (ASC). The Organization recognizes in effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgement occurs.

The Organization has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions at June 30, 2019.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Issued But Not Yet Adopted

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or exchange transaction. The updated guidance is effective for annual periods beginning after December 15, 2018.

ASU 2014-09, *Revenue from Contracts with Customers*, was issued to update the revenue recognition standard in order to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. This standard will be effective for periods beginning after December 15, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements in excess of 12 months on the statements of financial position and to provide additional disclosures. This ASU is effective for annual periods beginning after December 15, 2020.

The Organization is currently assessing the impact of these pronouncements on its financial statements.

2. Grants Receivable

A summary of grants receivable due from each agency as of June 30, 2019, is as follows:

Department of Health and Hospitals	\$ 555,707
Lutheran Immigration & Refugee Services	35,930
City Parish of East Baton Rouge	10,216
Corporation for National and Community Services	92,725
Louisiana Department of Public Safety and Corrections	22,606
State of Louisiana, Office of Community Development, Disaster Recovery Unit	610,313
Vera Institute of Justice	95,906
United States Conference of Catholic Bishops	4,017
	<u>\$ 1,427,420</u>

3. Property and Equipment

The composition of property, furniture and equipment at June 30, 2019, was as follows:

Land and shelters	\$ 3,393,891
Equipment	<u>455,288</u>
	3,849,179
Accumulated depreciation	<u>( 1,537,998)</u>
	<u>\$ 2,311,181</u>

Depreciation expense totaled \$160,000 for the year ended June 30, 2019.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

4. Related Party Transactions

*Financial Support*

CCDBR has a relationship with the Catholic Diocese of Baton Rouge (DOBR) that includes participation in Diocesan benefit programs, and considerable savings on rent, insurance, telephone, and other equipment usage. For the year ended June 30, 2019 these in-kind contributions have been recorded as revenue with the offset being recorded as expenses in the amount of \$206,912.

In addition, other support received from DOBR was used to support the following programs:

Foster Grandparents	\$ 44,779
Administration	151,693
Disaster Response and Case Management	55,345
Satellite Counseling Offices	66,269
Social Responsibility	149,258
Migration and Refugee Services	137,774
Maternity and Adoption	184,862
FAC	22,157
Joseph Homes	9,909
Sanctuary for Life	49,325
Housing Program	69,318
Case Management	<u>85,702</u>
	<u>\$ 1,026,391</u>

Due to the nature of CCDBR's organization, the funding is expected to continue for the duration of these program operations of CCDBR.

*Note Payable – Catholic Diocese of Baton Rouge*

The Catholic Diocese of Baton Rouge provided financing for CCDBR on August 3, 2005 to acquire a house used for shelter for clients in need. The loan amount was \$55,000, is being repaid in 199 monthly installments and is unsecured. The interest rate on the note is 3.25%. Interest expense incurred on this loan during the year ended June 30, 2019 was \$241. The following schedule shows the future payouts of the note:

<u>Ending June 30,</u>	
2020	<u>\$ 4,216</u>
	<u>\$ 4,216</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

4. Related Party Transactions (continued)

*Line of Credit – Catholic Diocese of Baton Rouge*

As a result of CCDBR's vendor contract for disaster case management with the State of Louisiana (see Note 13), which is paid on a cost reimbursement basis, available operating cash was limited during the fiscal year. In January 2018, a non-interest bearing line of available credit was established with DOBR, as a short-term solution until payment was received by the State of Louisiana. The State's process of approving reimbursements delayed the repayment of the requests made by CCDBR from the State of Louisiana. There is no formal written agreement establishing the terms of repayment to the DOBR. As of June 30, 2019, a total of \$750,000 is owed to DOBR.

*Affiliated Organization*

CCDBR is one of 7 members of The Faith Fund, Inc. (TFF or the fund), a non-profit membership corporation organized in 2018. TFF was formed to provide low-cost accessible financial services, educational opportunities and related services and activities to help families and individuals work toward financial security. TFF owed CCDBR approximately \$17,000 as of June 30, 2019, for costs paid on behalf of the fund.

5. Note Payable – Office of Community Development

In August 2013, CCDBR entered into a loan agreement with the City of Baton Rouge – Parish of East Baton Rouge (City-Parish)'s Office of Community Development for the construction of an eight unit apartment building under the City-Parish's Federal HOME program. The agreement allowed for a maximum principal-only loan amount of \$660,000 payable over twenty years beginning June 1, 2016 and is secured by the property. Project costs are paid by CCDBR and draw down reimbursement requests are made to the Office of Community Development (OCD) based on allowable expenditures. Under the terms of the agreement, CCDBR may secure forgiveness of \$33,000 each year by submitting an annual report by May 1st to the OCD of services to clients provided with non-federal funds equal to or greater than the amount of annual debt service required. During the year ended June 30, 2019, OCD forgave \$99,000 of the loan. As of June 30, 2019, a total of \$561,000 is owed to the OCD.

6. Pension Plan

The 401(k) Plan covers all full time employees. Eligible employees are automatically enrolled after the first three months of employment but may choose to opt out of participation in the plan. CCDBR matches 100% of the first 2% of elective contributions not to exceed 2% of compensation and participants can elect to contribute between 4% and 98% of compensation. The plan offers both pre-tax and Roth options. For the year ended June 30, 2019, employer contributions of \$270,915 were made to the plan.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

7. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes or by occurrences of other events specified by the donors to the following programs:

Employment Services	\$ 57,929
Case Management	87,700
LaPointe	<u>28,175</u>
	<u>\$ 173,804</u>

8. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2019, were available for the following purposes:

Behavioral Health	\$ 145,097
Employment Services	130,097
Financial Freedom	145,097
Endowment funds to remain in perpetuity	<u>53,655</u>
	<u>\$ 473,946</u>

9. Off-Balance Sheet Risk

CCDBR may, from time to time, have deposits in a financial institution in excess of federally insured limits. Management believes the credit risk associated with these deposits is minimal.

10. Unconditional Promises to Give

On May 23, 2019, the Capital Area United Way notified CCDBR of promise to give totaling \$435,000 to be paid in quarterly installments starting on July 1, 2019 through June 30, 2022.

Unconditional promises to give at June 30, 2019 consisted of the following:

Promises to give expected to be collected in:	
2020	\$ 145,000
2021	145,000
2022	<u>145,000</u>
Less: Discount on promise to give	<u>( 14,710)</u>
	<u>\$ 420,290</u>

The rate used in discounting unconditional promises to give was 1.74% as of June 30, 2019.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

11. Endowed Net Assets

Effective July 1, 2010, the Louisiana legislature enacted Act No. 168 ("Act") to implement the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as the standard for the management and investment of institutional funds in Louisiana. The Act permits an Organization to appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. The expenditure of funds from these endowments is limited to the income from the investment of principal. The funds are under the direction and control of the Executive Director of the Organization.

The Organization received a donor restricted donation during 2006. This is the only donor restricted asset of the Organization. As such, a formal policy for spending has not been established. Investment earnings are recorded in current year operations as increases in donor restricted net assets until these earnings receive appropriation for expenditure.

The net asset composition by type of fund was as follows as of June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment	\$ -	\$ 53,655	\$ 53,655

Changes in endowment net assets were as follows as of June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2018	\$ -	\$ 53,655	\$ 53,655
Investment Return:			
Investment income	-	31	31
Appropriation of endowment assets for expenditure	-	(31)	(31)
Contributions	-	-	-
Endowment net assets, June 30, 2019	<u>\$ -</u>	<u>\$ 53,655</u>	<u>\$ 53,655</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

12. Liquidity and Availability

As of June 30, 2019 the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

<b>Financial assets, period end</b>	
Cash and cash equivalents	\$ 4,164,900
Certificate of deposit	67,173
Grants receivable	1,427,420
Other receivables	19,233
Unconditional promises to give, net	420,290
<b>Total financial assets, period end</b>	<b>\$ 6,099,016</b>
<b>Less those unavailable for general expenditures within one year, due to:</b>	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	420,291
Endowment funds held in perpetuity	53,655
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 5,625,070</b>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due. To help manage unanticipated liquidity needs, the Organization has the opportunity to borrow funds from the Diocese of Baton Rouge (an affiliated organization) similar to a line of credit.

13. Concentration of Risk

In August 2016, CCDBR entered into a contract to provide disaster case management services for the State of Louisiana, Division of Administration, Office of Community Development Disaster Recovery Unit after the significant flooding that occurred throughout the geographical areas served by CCDBR. Under the terms of this contract, CCDBR recognized approximately \$1,561,437 of revenue which represents 18% of total revenue of the organization for the year ended June 30, 2019. This contract ended December, 21, 2018. The Organization does not expect this level of revenues to continue.

14. Subsequent Events

Management has evaluated events through the date that the financial statements were available to be issued, December 17, 2019, and determined that there were no events that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

Supplemental Information

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC**  
**BATON ROUGE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO EXECUTIVE DIRECTOR**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Executive Director: David C. Aguiard

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 145,354
Benefits - insurance	7,140
Benefits - retirement	2,799
Benefits - Long Term Disability	216
Benefits - Basic Life Insurance	22
Cell phone	1,591
Reimbursements	153
Registration fees	970
Conference travel	5,070
Special meals	133
<b>Total</b>	<b>\$ 163,448</b>

**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**

Board of Directors and Management of  
Catholic Charities of the Diocese of Baton Rouge, 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 statement of financial position and the related statements of activities and changes in net assets, functional expenses and cash flows of Catholic Charities of the Diocese of Baton Rouge, Inc.(CCDBR) (a non-profit organization) as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Catholic Charities of the Diocese of Baton Rouge, Inc.'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 CCDBR's internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities of the Diocese of Baton Rouge Inc.'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 control deficiency, or a combination of control 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 the 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 CCDBR's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 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 CCDBR's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCDBR's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 17, 2019

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

Board of Directors and Management of  
Catholic Charities of the Diocese of Baton Rouge, Inc.  
Baton Rouge, Louisiana

**Report on Compliance for its Major Federal Program**

We have audited Catholic Charities of the Diocese of Baton Rouge, Inc. (CCDBR) (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2019, CCDBR's major federal program is 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 major federal program.

**Auditors' Responsibility**

Our responsibility is to express an opinion on CCDBR's major federal program 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 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 CCDBR'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 unmodified opinion on compliance for the major federal program. However, our audit does not provide a legal determination on CCDBR's compliance.

**Opinion on its Major Federal Program**

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

### Report on Internal Control Over Compliance

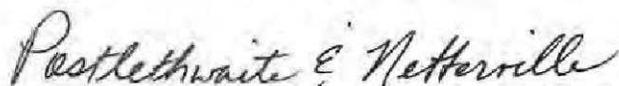
The management of CCDBR is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered CCDBR's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with 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 CCDBR'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 a combination of deficiencies, in internal controls 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

CCDBR's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. CCDBR's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Baton Rouge, Louisiana  
December 17, 2019

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**

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

<u>FEDERAL GRANTING AGENCY/RECIPIENT AGENCY/ GRANT NAME/GRANT NUMBER</u>	<u>CFDA NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>	<u>AMOUNTS PAID TO SUB-RECIPIENTS</u>
U.S. Department of Health and Human Services:			
Direct:			
Refugee Resettlement Services (Grant# 1701LARSOC and 1801LARSOC)	93.566*	\$ 406,037	\$ 223,949
Pass through from the Administration for Children and Families, Office of Refugee Resettlement:			
Refugee and Entrant Assistance – Wilson/Fish Program (Grant# 90RW0050-03-00)	93.583*	1,022,036	266,861
Refugee Preventative Health Discretionary Grant Program (Grant# 90RX0273-02-00)	93.576*	59,198	33,314
Total U.S. Department of Health and Human Services		<u>1,487,271</u>	<u>524,124</u>
U.S. Department of Housing and Urban Development:			
Emergency Shelter Block Grant (Grant# 2017/2018)	14.231	22,213	-
Emergency Shelter Block Grant (Grant# 2018/2019)	14.231	16,546	-
Total U.S. Department of Housing and Urban Development		<u>38,759</u>	<u>-</u>
Department of State:			
Pass through from the United States Conference of Catholic Bishops:			
U.S. Refugee Admissions Program (Grant# Not Assigned)	19.510	18,415	-
Corporation for National and Community Service:			
Foster Grandparent Program, Title II, Part B (Grant# 08SFWLA003)	94.011**	307,425	-
Federal Emergency Management Agency:			
Emergency Assistance Program (Grant# Not Assigned)	97.024	68,730	-
Total Federal Expenditures		<u>\$ 1,920,600</u>	<u>\$ 524,124</u>

\*Refugee and Resettlement Services State Cluster \$1,487,271

\*\*Foster Grandparent/Senior Companion Cluster \$307,425

See accompanying notes to schedule of expenditures of federal awards.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditure of federal awards includes the federal grant activity of Catholic Charities of the Diocese of Baton Rouge, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE B - RECONCILIATION OF EXPENSES TO FEDERAL EXPENDITURES**

	Expenses	Fee for Service Contracts or Non-Federal Award Expenditures	Non-cash Adjustments, Including Depreciation	Federal Expenditures
Social Responsibility	\$ 214,318	\$ 199,794	\$ 14,524	\$ -
FGP Title II, Part B	399,620	84,368	7,827	307,425
USCCB	24,345	5,930	-	18,415
Match Grant	84,733	84,733	-	-
Maternity & Adoption	439,240	362,948	76,292	-
Satellite Counseling Offices	184,070	176,111	7,959	-
Family Achievement Center	33,649	33,649	-	-
Employment Services	99,592	91,765	7,827	-
Case Management	111,702	108,803	2,899	-
Housing Program	57,121	57,121	-	-
LaPointe	157,475	157,475	-	-
SFL	238,666	238,666	-	-
Mission Enhancement	108,574	106,748	1,826	-
Refugee Cash Assistance WF	204,412	-	10,938	193,474
Emergency Assistance	95,903	27,173	-	68,730
LOR	1,176,704	1	7,442	1,169,261
Joseph Homes (ESBG)	307,725	267,227	1,739	38,759
Refugee Social Services	103,971	-	8,259	95,712
Migration and Refugee Services	588,844	530,008	30,012	28,824
Other programs	211,204	205,551	5,653	-
Agency Administration	550,875	510,678	40,197	-
Disaster Recovery fee for services contract	2,027,617	2,027,617	-	-
The Faith Fund (TFF)	92,000	92,000	-	-
	<u>\$ 7,512,360</u>	<u>\$ 5,368,366</u>	<u>\$ 223,394</u>	<u>\$ 1,920,600</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

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

**NOTE C – INDIRECT COST RATE**

The Organization has not elected to use the 10 percent de minimus interest cost rate as allowed under Uniform Guidance.

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

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

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

- Material weakness(es) identified?  yes  no
- Significant deficiencies(s) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency (ies) identified that is (are) not considered to be material weaknesses?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with §200.516(a) of the Uniform Guidance?  yes  no

Identification of major programs:

CFDA Number                      Name of Federal Program or Cluster

Refugee and Resettlement Services State Cluster:

93.583	Refugee and Entrant Assistance – Wilson/Fish Program
93.566	Refugee Resettlement Services
93.576	Refugee Preventative Health Discretionary Grant Program

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.
- Catholic Charities of the Diocese of Baton Rouge, Inc. was not determined to be a low-risk auditee.

CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.  
BATON ROUGE, LOUISIANA

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

**B. Findings – Financial Statement Audit**

*None noted*

**C. Findings and Questioned Costs – Major Federal Award Programs**

**2019-001) Preparation of Schedule of Expenditures and Federal Awards**

**Questioned Costs: N/A**

Criteria: The Uniform Guidance Subpart F section 200.510 requires the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to include an accurate reporting of federal awards expended based on the terms and conditions of the grants. In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA.

Condition: While there was notable improvement over the SEFA preparation processes over the prior year, timing of adjustments and reconciliation to the general ledger should be performed in a more timely manner. **This is a partially repeated finding from the prior year.**

Effect: The initial SEFA provided to us did not contain the correct amounts of federal expenditures which is the basis used to determine the major federal programs to be audited in a fiscal year.

Cause: CCDBR receives multiple sources of revenues, including both federal, state and private contributions, which fund the costs of program operations. The program expenses exceed the actual federal funding received to cover these costs resulting in difficulty in the timely preparation of the SEFA by management.

Recommendation: CCDBR should strengthen its controls including its review and approval processes over the information and balances that is accumulated and reported on the SEFA to make sure the expenditures reported are timely and an accurate representation of federal costs.

*View of Responsible Official:*

*We recognize the necessity of completing the SEFA in a timely fashion. The report will only be submitted after it is reviewed by department directors and senior accounting staff as well as approved by the Executive Director. We will make sure this process is initiated in advance of the audit fieldwork in the future. This year, the impact was minimal, as the agency has traditionally had only one program that qualifies as a major federal program subject to the single program audit; FY'19 was no different.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**A. Findings – Financial Statement Audit**

*None noted*

**B. Findings and Questioned Costs – Major Federal Award Programs**

93.583	Refugee and Entrant Assistance – Wilson/Fish Program
93.566	Refugee Resettlement Services
93.576	Refugee Preventative Health Discretionary Grant Program

**2018-001) Reporting – Documentation and Review of Federal Financial Reports**

**Questioned Costs: None**

Condition: During our audit, we noted the detailed transactions supporting the federal financial reports are done on a cash basis and a reconciliation to the accounting records which are maintained on an accrual basis is not documented.

Recommendation: The Organization should have a more precise method for preparing the federal financial reports and a reconciliation to the accrual based accounting records documented.

**Current Status: Resolved.**

**2018-002) Preparation of Schedule of Expenditures and Federal Awards**

**Questioned Costs: N/A**

Condition: The initial SEFA prepared by CCDDBR's personnel did not properly report the correct amount of federal program disbursements for the Refugee and Resettlement Services State Cluster.

Recommendation: CCDDBR should strengthen its controls including its review and approval processes over the information and balances that is accumulated and reported on the SEFA to make sure the expenditures reported are an accurate representation of federal costs.

**Current Status: Partially Resolved. See 2019-001.**

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**B. Findings and Questioned Costs – Major Federal Award Programs (continued)**

93.583	Refugee and Entrant Assistance – Wilson/Fish Program
93.566	Refugee Resettlement Services
93.576	Refugee Preventative Health Discretionary Grant Program

**2018-003) Allowable Costs**

**Questioned Costs: \$17,112**

Condition: While testing compliance with the Federal program criteria regarding allowable costs, out of a population of 498 transactions, we sampled 40 items. We were unable to obtain written evidence of approval of authorization and support for two transactions related to indirect costs for the months of August and September of 2017. This was not a statistically valid sample.

Recommendation: CCDBR should remind employees to follow all established policies and procedures to ensure that all support is reviewed and approved by an individual prior to recording the transaction.

**Current Status: Resolved.**



CATHOLIC CHARITIES  
DIOCESE OF BATON ROUGE

Bishop Michael Gerard Duca  
President

David C. Aguillard, MPA, MHA, MA  
Executive Director

December 17, 2019

Postlethwaite & Netterville, APAC  
8550 United Plaza Blvd., Suite 1001  
Baton Rouge, Louisiana 70809

RE: Corrective Action Plan, 2019 Single Program Audit

The following is submitted as the Corrective Action Plan for Catholic Charities of the Diocese of Baton Rouge in response to the Single Program audit for the fiscal year ended June 30, 2019.

We understand the importance of completing the SEFA accurately and on time for the auditors to make their determination of which programs qualify for the single-program audit. Therefore, since this is partially a repeat finding, before the SEFA is submitted we will implement a multi-level review consisting of:

1. Comparison by accounting staff of current SEFA to prior years to help determine whether the amounts for the current year are consistent with prior years.
2. Each department director that manages a federal program will also review this comparison because they will be the individuals with the best knowledge of whether a current year has had any significant funding changes.
3. Together, accounting staff and department directors will compare total actual expenditures to budgeted amounts and current contracts to make sure all accruals have been entered.
4. The Executive Director must confirm that the above process has been completed prior to submission of the SEFA.

If there are any other actions we can consider, please let me know.

Respectfully,

David C. Aguillard, MPA, MHA, MA  
Executive Director

*providing help. creating hope.*



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**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**REPORT ON STATEWIDE**  
**AGREED-UPON PROCEDURES ON COMPLIANCE AND CONTROL AREAS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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Postlethwaite & Netterville

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the  
Catholic Charities of the Diocese  
of Baton Rouge, Inc. and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A, which were agreed to by Catholic Charities of the Diocese of Baton Rouge, Inc. (the Entity) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted 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 in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on 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.

The purpose of this report is 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.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 17, 2019

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**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity" is indicated.

***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that 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 noted.*

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 noted.*

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

*No exceptions noted.*

d) ***Receipts***, 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 noted.*

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

*No exceptions noted.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

*Written Policies and Procedures (continued)*

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- 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 noted.*

- 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 noted.*

- 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 noted.*

- 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.

*Ethics was not tested as the entity is a nonprofit.*

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

*Debt Service was not tested as the entity is a nonprofit.*

- 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.

*No exceptions noted.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

***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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.*

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

***Bank Reconciliations***

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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 listing of bank accounts was provided and included a total of 9 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending June 30, 2019, resulting in 5 bank reconciliations obtained and subjected to the below procedures.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
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Schedule A

***Bank Reconciliations (continued)***

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- 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);

*No exceptions noted.*

- 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 noted.*

- 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.

*Of the 5 bank accounts selected, 1 bank reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.*

***Collections***

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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).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

*Collections (continued)*

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- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- a) Observe that receipts are sequentially pre-numbered.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

***Collections (continued)***

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- c) 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).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

***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).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

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

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

***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.

*A listing of 48 cards was provided. No exceptions were noted as a result of performing this procedure.*

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:

*From the listing provided, we randomly selected 5 cards (4 credit cards and 1 P card) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.*

- 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.]

*No exceptions noted.*

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

*No exceptions noted.*

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).

*We randomly selected 10 transactions (or all transactions if less than 10) for the 5 cards selected in procedure #12 and performed the specified procedures. No exceptions noted.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

***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:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

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- 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](http://www.gsa.gov)).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
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**JUNE 30, 2019**

Schedule A

***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:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

***Payroll and Personnel***

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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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

*Payroll and Personnel (continued)*

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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:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 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.).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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.:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.**  
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**JUNE 30, 2019**

Schedule A

***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 that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Not applicable.*

- 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.

*Not applicable.*

***Debt Service***

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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.

*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.

*Not applicable.*

***Other***

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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 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.

*Not applicable.*



CATHOLIC CHARITIES  
DIOCESE OF BATON ROUGE

Bishop Michael Gerard Duca  
President

David C. Aguillard, MPA, MHA, MA  
Executive Director

December 17, 2019

Postlethwaite & Netterville, APAC  
8550 United Plaza Blvd., Suite 1001  
Baton Rouge, Louisiana 70809

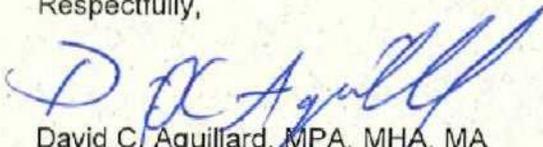
RE: Corrective Action Plan, 2019 AUP Audit

The following is submitted as the Corrective Action Plan for Catholic Charities of the Diocese of Baton Rouge in response to the AUP audit for the fiscal year ended June 30, 2019.

- We have implemented a corrective action plan in which we review all outstanding checks over 90 days old and make a determination as to an appropriate action we should take to clear the item.

Please let us know if we can consider any further steps to address this issue.

Respectfully,



David C. Aguillard, MPA, MHA, MA  
Executive Director

*providing help. creating hope.*

