

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

SEPTEMBER 30, 2017

BATON ROUGE, LOUISIANA

TABLE OF CONTENTS

Audited Financial Statements:

Independent Auditor's Report	Page 1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	18 - 19
Summary Schedule of Audit Findings	20
Summary Schedule of Prior Audit Findings	21

Supplementary Information:

Independent Auditor's Report on the Supplementary Information	22
Consolidating Statement of Financial Position	23 - 24
Consolidating Statement of Activities	25 - 26
Schedule of Compensation, Benefits and Other Payments to the President & CEO	27



2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of St. Vincent de Paul Baton Rouge Council, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties, and The Society of St. Vincent de Paul Foundation (the Organizations), which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations referenced above as of September 30, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2018 on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organizations' internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 19, 2018

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2017

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 2,481,438
Investments	3,248,201
Grants Receivable	182,711
Other Receivable	46,424
Accrued Interest	1,696
Prepaid Expenses	44,265
Inventory	222,340
	6,227,075

Total Current Assets 6,227,075

Property, Plant and Equipment, Net of Accumulated Depreciation 5,034,505

Investment in GCHP-One Stop, L.L.C. 169,085

Other Assets 8,600

Total Assets \$ 11,439,265

LIABILITIES AND NET ASSETS

Current Liabilities:

Current Portion of Long-Term Debt	\$ 48,276
Accounts Payable	218,432
Accrued Liabilities	151,558
	418,266

Total Current Liabilities 418,266

Long-Term Liabilities:

Long-Term Debt 75,590

Net Assets:

Unrestricted	9,396,691
Temporarily Restricted	1,475,892
Permanently Restricted	72,826
	10,945,409

Total Net Assets 10,945,409

Total Liabilities and Net Assets \$ 11,439,265

The accompanying notes are an integral part of this statement.

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

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support and Revenue:				
Public Support:				
Contributions	\$ 1,165,167	\$ 1,667,785	\$ -	\$ 2,832,952
Conference Income	826,036	-	-	826,036
Donated Facilities/Commodities/ Inventory/Pharmaceuticals/Services	2,779,955	-	-	2,779,955
Total Public Support	4,771,158	1,667,785	-	6,438,943
Revenue:				
Grant Income	-	803,495	-	803,495
Sale of Merchandise	1,653,050	-	-	1,653,050
Miscellaneous Income	66,788	-	-	66,788
Claim Settlement Income	191,336	-	-	191,336
Net Gain (Loss) on Investments	231,951	-	-	231,951
Gain (Loss) on Disposition of Assets	(316)	-	-	(316)
Interest Income	71,480	196	-	71,676
Total Revenue	2,214,289	803,691	-	3,017,980
Total Public Support and Revenue	6,985,447	2,471,476	-	9,456,923
Net Assets Released from Restrictions:				
Satisfaction of Restrictions	2,199,812	(2,199,812)	-	-
Total Public Support, Revenue, and Net Assets Released from Restrictions	9,185,259	271,664	-	9,456,923
Expenses:				
Program Services	8,463,146	-	-	8,463,146
Fund Raising	205,646	-	-	205,646
Management and General	369,052	-	-	369,052
Total Expenses	9,037,844	-	-	9,037,844
Change in Net Assets	147,415	271,664	-	419,079
Net Assets at Beginning of Year	9,249,276	1,204,228	72,826	10,526,330
Net Assets at End of Year	\$ 9,396,691	\$ 1,475,892	\$ 72,826	\$ 10,945,409

The accompanying notes are an integral part of this statement.

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Program Services								Supporting Services			Total Program and Support	
	Store	Dining Room	Shelter	Particular Council	Properties	Council	Foundation	Pharmacy	Total Program	Fund Raising	Management and General		Total Support
Salaries and Employee Benefits	\$ 663,247	\$ 247,395	\$ 663,763	\$49,600	\$ -	\$ -	\$ -	\$ 195,686	\$1,819,691	\$ 116,654	\$ 207,407	\$ 324,061	\$ 2,143,752
Payroll Taxes	55,992	19,766	59,099	7,600	-	-	-	14,631	157,088	8,444	14,153	22,597	179,685
Advertising	113,590	1,463	7,839	-	-	-	-	124	123,016	14,993	3,056	18,049	141,065
Auto	54,016	1,865	11,412	-	-	-	-	-	67,293	-	1,804	1,804	69,097
Assistance to Needy and Disaster Relief	681	2,042	899,798	-	-	-	-	-	902,521	2,042	6,125	8,167	910,688
Assistance to Needy by Conferences	-	-	-	-	-	873,164	-	-	873,164	-	-	-	873,164
Dues & Publications	1,879	4,406	6,261	-	-	-	-	-	12,546	4,406	13,219	17,625	30,171
Employee Benefits	21,494	11,441	25,013	-	-	-	-	19,048	76,996	5,076	11,889	16,965	93,961
Food Supply Expense	2	349,537	223,741	-	-	-	-	-	573,280	132	21	153	573,433
Insurance	99,025	53,460	75,782	21,000	-	-	-	22,268	271,535	5,632	8,318	13,950	285,485
Legal and Professional	25,939	5,095	17,324	900	2,606	-	3,812	2,605	58,281	2,872	22,765	25,637	83,918
Meds Direct	-	-	-	-	-	-	-	1,400	1,400	-	-	-	1,400
Miscellaneous	45,233	31,503	11,343	-	-	-	26,195	-	114,274	38	4,250	4,288	118,562
Events	479	1,436	1,914	-	-	-	-	-	3,829	5,010	4,307	9,317	13,146
Printing	430	1,291	1,728	-	-	-	-	-	3,449	20,280	3,874	24,154	27,603
Pharmacist Hours (Donated)	-	-	-	-	-	-	-	30,819	30,819	-	-	-	30,819
Pharmaceuticals (Donated)	-	-	-	-	-	-	-	501,218	501,218	-	-	-	501,218
Pharmaceuticals Purchased	-	-	-	-	-	-	-	76,439	76,439	-	-	-	76,439
Repairs and Maintenance	68,069	31,726	74,244	-	-	-	-	4,987	179,026	641	19,142	19,783	198,809
Rent Expense	199,758	2,845	6,464	6,000	-	-	-	-	215,067	-	-	-	215,067
Store & Uniform Expense	1,825,535	-	-	-	-	-	-	-	1,825,535	-	-	-	1,825,535
Supplies	31,273	31,982	62,600	-	-	-	-	4,490	130,345	5,226	13,703	18,929	149,274
Postage	1,235	2,858	3,816	-	-	-	-	536	8,445	8,947	8,573	17,520	25,965
Telephone	35,912	2,073	12,880	-	-	-	-	1,757	52,622	3,694	1,282	4,976	57,598
Travel and Conventions	61	183	458	-	-	-	-	51	753	183	552	735	1,488
Utilities	60,414	21,041	63,240	-	-	-	-	7,874	152,569	1,376	4,541	5,917	158,486
Subtotal	3,304,264	823,408	2,228,719	85,100	2,606	873,164	30,007	883,933	8,231,201	205,646	348,981	554,627	8,785,828
Depreciation	65,658	59,509	104,615	-	-	-	-	2,163	231,945	-	20,071	20,071	252,016
Total	\$3,369,922	\$ 882,917	\$ 2,333,334	\$85,100	\$ 2,606	\$873,164	\$ 30,007	\$ 886,096	\$8,463,146	\$ 205,646	\$ 369,052	\$ 574,698	\$ 9,037,844

The accompanying notes are an integral part of this statement.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Cash Flows From Operating Activities:

Change in Net Assets	\$ 419,079
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	252,016
Loss on Disposition of Assets	316
Unrealized (Gains) Losses on Investments	(227,092)
Realized (Gains) Losses on Investments	(4,859)
Changes in Assets and Liabilities:	
(Increase) Decrease in Grants Receivable	22,342
(Increase) Decrease in Other Receivables	133,611
(Increase) Decrease in Accrued Interest	(513)
(Increase) Decrease in Prepaid Expenses	6,182
(Increase) Decrease in Inventory	35,164
Increase (Decrease) in Accrued Liabilities	41,784
Increase (Decrease) in Accounts Payable	182,906
Cash Provided by Operating Activities	860,936

Cash Flows From Investing Activities:

Investment in GCHP-One Stop, L.L.C.	(38,953)
Net Purchases of Investments	(47,504)
Purchases of Building and Equipment	(872,959)
Net Cash Used in Investing Activities	(959,416)

Cash Flows From Financing Activities:

Repayments of Debt	(47,034)
Net Cash Used in Financing Activities	(47,034)

Net Decrease in Cash and Cash Equivalents (145,514)

Cash and Cash Equivalents - Beginning of Year 2,626,952

Cash and Cash Equivalents - End of Year \$ 2,481,438

Supplemental Disclosure of Cash Flow Information:

Cash Payments for:	
Interest	\$ 4,565

The accompanying notes are an integral part of this statement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 1 - Summary of Significant Accounting Policies -

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

Nature of Activities

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

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

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

St. Vincent de Paul Properties (“Properties”) is a nonprofit Organization organized and operated for the exclusive purpose of holding title of property, collecting income therefrom, and turning over the entire

amount thereof, less expenses, to the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, a lay organization of the Catholic Church. The sole member of Properties is St. Vincent DePaul Baton Rouge Council. The Organization is exempt from income taxes under 501(c)(3) of the Internal Revenue Code.

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

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organizations may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended September 30, 2017.

The Organizations file income tax returns in the U.S. federal tax jurisdiction. With few exceptions, the Organizations are no longer subject to federal income tax examinations by tax authorities for years before 2013. Any interest and penalties assessed by income taxing authorities are not significant and are included in general and administrative expenses in these financial statements.

Basis of Accounting

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

Basis of Presentation

The Organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated Statement of Activities as net assets released from restrictions.

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

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated Assets, Goods and Services

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

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

The Organizations recognize contribution revenue for certain services received at the fair value of those services provided those services create or enhance nonfinancial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended September 30, 2017, donated services of the pharmacist and accounting services were recorded as the services were performed. The value of other contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Nevertheless, a number of volunteers donate a significant amount of time in the operations of the stores and dining hall.

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

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

Estimates

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

Cash and Cash Equivalents

For purposes of the consolidated Statement of Cash Flows, the Organizations consider all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

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

Inventory

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

Property and Equipment

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

Contributed Facilities

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

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the time spent on each program.

Subsequent Events

The Organizations evaluated subsequent events and transactions for potential recognition or disclosure on the financial statements through February 19, 2018, the date which the financial statements were available to be issued.

Note 2 - Property, Plant and Equipment -

A summary of fixed assets as of September 30, 2017 follows:

	Particular Council of SVDP	St. Vincent de Paul Pharmacy	St. Vincent de Paul Properties	Consolidated Total
Buildings and Leasehold Improvements	\$ 4,266,695	\$ 4,806	\$ -	\$ 4,271,501
Equipment, Furnishings and Vehicles	2,058,932	20,127	-	2,079,059
	6,325,627	24,933	-	6,350,560
Less: Accumulated Depreciation	(3,059,762)	(17,683)	-	(3,077,445)
	3,265,865	7,250	-	3,273,115
Construction in Progress	774,372	-	-	774,372
Land	697,937	-	289,081	987,018
	\$ 4,738,174	\$ 7,250	\$ 289,081	\$ 5,034,505

Depreciation expense for the year ended September 30, 2017 was \$252,016.

A description of the Construction in Progress is included in Note 15.

Note 3 - Concentrations -

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

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

Note 4 - 403(b) Program -

The Particular Council and the Pharmacy each have a 403(b) program for its employees. Under the programs, qualified employees are able to make elective deferrals and the Organizations contribute up to a maximum of 6% of qualified wages. The total contribution for the year ended September 30, 2017 for the Particular Council and the Pharmacy was \$73,909 and \$11,580, respectively.

Note 5 - Lease Commitments -

The Particular Council has entered into various lease agreements for the use of buildings under non-cancelable operating leases. Future minimum lease payments are as follows:

Fiscal Year:

2018

\$ 49,217

The Particular Council has also entered into other lease agreements for the store locations that are renewed annually. Total rent expense for 2017 was \$215,067.

Note 6 - Endowment Funds -

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

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

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

Endowment net asset composition by type of fund as of September 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Assets</u>
Donor Restricted Endowment Funds	\$ -	\$ -	\$ 72,826	\$ 72,826

Changes in endowment net assets for the year ended September 30, 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Assets</u>
Endowment Net Assets, Beginning of Year	\$ -	\$ -	\$ 72,826	\$ 72,826
Contributions	-	-	-	-
Investment Income	-	196	-	196
Amounts Appropriated for Expenditure	-	(196)	-	(196)
Endowment Net Assets, End of Year	\$ -	\$ -	\$ 72,826	\$ 72,826

Note 7 - Investments -

At September 30, 2017, the fair values of the Foundation's investments were as follows:

Mutual Funds:	
Equities	\$ 1,858,031
Fixed Income	1,390,170
	<u>\$ 3,248,201</u>

Net unrealized gains of \$227,092 and realized gains of \$4,859 were recognized for the year ended September 30, 2017.

Note 8 - Fair Value Measurements -

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

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

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis at September 30, 2017:

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

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value on a recurring basis as of September 30, 2017:

	Fair Value as of September 30, 2017			Total
	Level 1	Level 2	Level 3	
Mutual Funds:				
Equities	\$ 1,858,031	\$ -	\$ -	\$ 1,858,031
Fixed Income	1,390,170	-	-	1,390,170
Total Investments	\$ 3,248,201	\$ -	\$ -	\$ 3,248,201

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

St. Vincent de Paul Properties, as Landlord, entered into a grounds lease with GCHP-One Stop, L.L.C., as Tenant, on July 30, 2010. This lease has a rental term of 50 years with a renewal option for an additional 25 years, and may be terminated by the Landlord after 15 years with 30 days written notice. If the termination option is exercised more than 15 years but less than 30 years after inception of the lease, the Landlord would assume the notes, mortgages, and regulatory agreements of the Tenant related to the construction of the leased facility and improvements, and would be required to continue

to operate the leased facilities. If the termination option is exercised more than 30 years after inception of the lease, the Landlord would not assume any notes, mortgages, or regulatory agreements, but would be required to continue to operate the leased facilities. The total lease payments to be received each year equal \$100 and payment is due in January each year. The following is a schedule by year of the future minimum lease payments receivable under the lease at September 30, 2017:

Fiscal Year:	
2018	\$ 100
2019	100
2020	100
2021	100
2022	100
Thereafter	<u>3,800</u>
Total Future Minimum Lease Payments Receivable	<u>\$ 4,300</u>

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

In July 2010, the Particular Council acquired a 24% interest in GCHP- One Stop, L.L.C., a limited liability company established to develop the One Stop Homeless Service Center and Housing Project. The Particular Council accounts for its investment in the unconsolidated affiliate by the equity method. The Particular Council records its share of such earnings (loss) in the Consolidated Statement of Activities and the carrying value of the investment in the unconsolidated affiliate is recorded in the Consolidated Statement of Financial Position as “Investment in GCHP-One Stop, L.L.C.” The investment in the affiliate at September 30, 2017 was \$169,085.

Note 11 - Notes Payable -

During 2011, The Particular Council of St. Vincent de Paul of Baton Rouge (Special Works) obtained a line of credit with the Diocese of Baton Rouge, which was used to purchase property on Florida Boulevard, a warehouse on North Street, and to complete the renovations to the warehouse. This line of credit had a maximum borrowing value in the amount of \$470,000 and was drawn on by the Particular Council on an as needed basis. This line of credit was converted to a term loan effective November 2014. At September 30, 2017 the term loan is comprised of the following:

Loan with the Diocese of Baton Rouge dated November 19, 2014 with an original principal balance of \$252,850 payable in 65 monthly installments of \$4,300 which includes interest at a rate of 3%. The note is uncollateralized.	\$ 123,866
Less: Current Portion	<u>(48,276)</u>
Long-Term Portion	<u>\$ 75,590</u>

The maturities on the long-term portion of debt are as follows:

2019	\$ 49,868
2020	<u>25,722</u>
	<u>\$ 75,590</u>

Total interest expense paid on this loan for the year ended September 30, 2017 was \$4,565.

Note 12 - Net Assets Released from Restrictions -

Net assets were released from restrictions for incurring expenses satisfying their restricted purposes as follows:

	St. Vincent de Paul Council	Particular Council of SVDP	St. Vincent de Paul Pharmacy	Consolidated Total
Uniforms for Kids	\$ -	\$ 175,036	\$ -	\$ 175,036
Shelter Contributions	-	211,388	-	211,388
Grants	-	567,239	135,128	702,367
Dining Room Contributions	-	159,226	-	159,226
Disaster Contributions	103,490	845,735	-	949,225
Build a Basket	-	2,570	-	2,570
Total Restrictions Released	<u>\$ 103,490</u>	<u>\$ 1,961,194</u>	<u>\$ 135,128</u>	<u>\$ 2,199,812</u>

Note 13 - Restrictions/Transfers of Net Assets -

The Organizations received contributions from individuals for the purpose of purchasing school uniforms for disadvantaged children. The funds are restricted to the purchase of new uniforms.

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

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

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

The Organizations received contributions for the purposes of providing assistance to those affected by the significant flooding event that occurred in south Louisiana during the year.

Temporarily restricted net assets are available for the following purposes:

	Particular Council of SVDP	St. Vincent de Paul Pharmacy	Consolidated Total
Pharmaceuticals	\$ -	\$ 4,991	\$ 4,991
Shelters	545	-	545
Grants	1,574	-	1,574
Vision 150 Shelter Expansion	1,286,156	-	1,286,156
Dining Room Contributions	196	-	196
Dental Contributions	4,838	-	4,838
Chapel	83,414	-	83,414
Disaster Contributions	45,489	-	45,489
Community Garden	1,128	-	1,128
Mobile Kitchen	47,561	-	47,561
	<u>\$ 1,470,901</u>	<u>\$ 4,991</u>	<u>\$ 1,475,892</u>

Permanently restricted net assets are available for the following purposes:

Dining Room Operations	<u>\$ 72,826</u>
------------------------	------------------

Note 14 - Related Party -

The Organizations utilize the Diocese of Baton Rouge for the following self-insured services: property, health, life/disability insurance and dental insurance. Payments made directly to the Diocese of Baton Rouge for these services totaled \$414,404 for the fiscal year ended September 30, 2017. In addition to the self-insurance services, the Diocese of Baton Rouge has loaned the Particular Council funds as indicated in Note 11 for the purchase of property and related renovations. The balance due to the Diocese of Baton Rouge at September 30, 2017 is \$123,866 and the Particular Council has made \$4,565 in interest payments related to this debt during the year ended September 30, 2017.

The Organizations utilize the services of a printing company whose owner is directly related to the Chief Executive Officer/President with Board approval and oversight. Payments made directly to this company totaled \$24,281 for the fiscal year ended September 30, 2017.

The Organizations pay solidarity dues to the national Society of St. Vincent dePaul. During the fiscal year ended September 30, 2017, solidarity dues of \$28,397 were paid by the Organizations.

Note 15 - Commitments -

On May 17, 2016, with consent of the Board of Directors, management executed a contract with an architect for services related to the renovation and expansion of a Shelter. The contract indicates that the fee to be charged cannot exceed seven percent of the construction contract. As of September 30, 2017 billings for architect fees totaled \$41,250. On February 22, 2017 with the consent of the Board of Directors, management executed a contract with a construction contractor for the renovation and expansion of a Shelter. The contract total including change orders is \$1,199,473. As of September 30, 2017, billings for construction costs rendered under this contract totaled \$719,252, which is included in Construction in Progress. Accounts payable associated with the construction was \$186,862 at September 30, 2017.

Note 16 - Claim Settlement -

During November 2016, the Organization received notice that their claim under the Deepwater Horizon Economic and Property Damages Settlement Program qualified for payment. In November 2016, the Organization received payment for settlement of this claim, net of attorney, accountant and administrative expenses, in the amount of \$191,366. The settlement amount has been recorded in these financial statements as Claim Settlement Income for the year ended September 30, 2017.

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, and St. Vincent de Paul Community Pharmacy, Inc., (the Organizations), which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 19, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 19, 2018

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

SUMMARY SCHEDULE OF AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

None

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

There were no prior year audit findings.

SUPPLEMENTARY INFORMATION

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

Independent Auditor's Report on
the Supplementary Information

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

We have audited the consolidated financial statements of the St. Vincent de Paul Baton Rouge Council, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties, and The Society of St. Vincent de Paul Foundation as of and for the year ended September 30, 2017, and have issued our report thereon dated February 19, 2018, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The supplementary information on pages 23 - 27 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 19, 2018

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2017

	<u>ASSETS</u>					Eliminations	Total
	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy		
Current Assets:							
Cash and Cash Equivalents	\$333,263	\$ 1,489,603	\$ 2,000	\$ 625,901	\$ 30,671	\$ -	\$ 2,481,438
Investments	-	-	-	3,248,201	-	-	3,248,201
Grants Receivable	-	182,711	-	-	-	-	182,711
Other Receivable	-	46,324	-	-	100	-	46,424
Accrued Interest	-	1,135	-	560	1	-	1,696
Prepaid Expenses	-	35,440	-	-	8,825	-	44,265
Inventory	-	212,342	-	-	9,998	-	222,340
Due From Related Entities	260	-	-	-	-	(260)	-
Total Current Assets	333,523	1,967,555	2,000	3,874,662	49,595	(260)	6,227,075
Property, Plant and Equipment, Net of Accumulated Depreciation	-	4,738,174	289,081	-	7,250	-	5,034,505
Investment in GCHP-One Stop, L.L.C	-	169,085	-	-	-	-	169,085
Other Assets	-	8,600	-	-	-	-	8,600
Total Assets	\$333,523	\$ 6,883,414	\$ 291,081	\$3,874,662	\$ 56,845	\$ (260)	\$ 11,439,265

(CONTINUED)

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS OF SEPTEMBER 30, 2017

LIABILITIES AND NET ASSETS

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
Current Liabilities:							
Current Portion of Long-Term Debt	\$ -	\$ 48,276	\$ -	\$ -	\$ -	\$ -	\$ 48,276
Accounts Payable	-	215,921	-	-	2,511	-	218,432
Accrued Liabilities	-	132,476	-	-	19,082	-	151,558
Due to Related Entities	-	260	-	-	-	(260)	-
Total Current Liabilities	-	396,933	-	-	21,593	(260)	418,266
Long-Term Liabilities:							
Long-Term Debt	-	75,590	-	-	-	-	75,590
Net Assets:							
Unrestricted	333,523	4,867,164	291,081	3,874,662	30,261	-	9,396,691
Temporarily Restricted	-	1,470,901	-	-	4,991	-	1,475,892
Permanently Restricted	-	72,826	-	-	-	-	72,826
Total Net Assets	333,523	6,410,891	291,081	3,874,662	35,252	-	10,945,409
Total Liabilities and Net Assets	\$333,523	\$ 6,883,414	\$ 291,081	\$3,874,662	\$ 56,845	\$ (260)	\$ 11,439,265

See independent auditor's report on the supplementary information.

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

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
Changes in Unrestricted							
Net Assets:							
Unrestricted Public Support and Revenues:							
Contributions	\$ -	\$ 964,737	\$ -	\$ -	\$ 217,432	\$ (17,002)	\$ 1,165,167
Conference Income	826,036	-	-	-	-	-	826,036
Donated Facilities/Commodities/ Inventory/Pharmaceuticals/Services	-	2,244,295	506	512	619,742	(85,100)	2,779,955
Sale of Merchandise	-	1,653,050	-	-	-	-	1,653,050
Interest Income	-	14,547	-	56,919	14	-	71,480
Gain (Loss) on Disposition of Assets	-	(316)	-	-	-	-	(316)
Miscellaneous Income	-	66,708	-	-	80	-	66,788
Claim Settlement Income	-	191,336	-	-	-	-	191,336
Net Gain (Loss) on Investments	-	-	-	231,951	-	-	231,951
Net Assets Released From Restriction	103,490	1,961,194	-	-	135,128	-	2,199,812
Total Unrestricted Public Support and Revenues	929,526	7,095,551	506	289,382	972,396	(102,102)	9,185,259
Expenses:							
Program Services	873,164	6,688,275	2,606	30,007	891,796	(22,702)	8,463,146
Fund Raising	-	195,869	-	-	34,077	(24,300)	205,646
Management and General	-	338,003	-	-	86,149	(55,100)	369,052
Total Expenses	873,164	7,222,147	2,606	30,007	1,012,022	(102,102)	9,037,844
Change in Unrestricted Net Assets	56,362	(126,596)	(2,100)	259,375	(39,626)	-	147,415

(CONTINUED)

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

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties	St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
Changes in Temporarily Restricted Assets:							
Restricted Public Support and Revenues:							
Contributions	\$ 2,350	\$ 1,665,435	\$ -	\$ -	\$ -	\$ -	\$ 1,667,785
Grant Income	-	703,495	-	-	100,000	-	803,495
Interest Income	-	196	-	-	-	-	196
Net Assets Released from Restrictions	(103,490)	(1,961,194)	-	-	(135,128)	-	(2,199,812)
Change in Temporarily Restricted Net Assets	(101,140)	407,932	-	-	(35,128)	-	271,664
Change in Net Assets	(44,778)	281,336	(2,100)	259,375	(74,754)	-	419,079
Net Assets, Beginning of Year	448,172	6,065,084	291,081	3,611,987	110,006	-	10,526,330
Transfer to (from) Entities	(69,871)	64,471	2,100	3,300	-	-	-
Net Assets, End of Year	\$ 333,523	\$ 6,410,891	\$ 291,081	\$ 3,874,662	\$ 35,252	\$ -	\$10,945,409

See independent auditor's report on the supplementary information.

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Agency Head Name: Michael J. Acaldo

Purpose	Amount
Salary *	\$ 130,362
Benefits - Insurance	\$ 6,594
Benefits - Retirement	\$ 7,822
Conference Travel **	\$ 764

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

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

See independent auditor's report on the supplementary information.

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

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017

BATON ROUGE, LOUISIANA

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

Independent Accountant's Report
on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, and St. Vincent de Paul Community Pharmacy, Inc. (nonprofit organizations) (the Organizations) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2016 through September 30, 2017. The Organizations' 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 below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Findings: The Organizations do have written policies concerning the preparation, adoption and monitoring of the budget; however, there is no written policy for amending the budget.

Management's Response/Corrective Action - The Organizations will amend their written policies to include written procedures for amending the budget.

- 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 (not applicable); and (5) documentation required to be maintained for all bids and price quotes (not applicable)

Findings: Although the Organizations have policies in place concerning (2) how vendors are added to the vendor list, these policies were not documented in writing at the time of field work.

Management's Response/Corrective Action - Subsequent to field work, the Organizations have now documented in writing the policies currently in place concerning (2) how vendors are added to the vendor list.

- c) **Disbursements**, including processing, reviewing, and approving - **No findings**
- d) **Receipts**, including receiving, recording, and preparing deposits - **No findings**
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked - **No findings**
- 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

Finding: The Organizations do have written policies concerning the execution, approval, and monitoring of contracts. Such policies specifically reference construction/architecture services and services provided in conjunction with its grants as requiring a written contract; however, other types of services for which written contracts are used are not listed in the policies.

Management's Response/Corrective Action - The Organizations will amend their written policies to include a comprehensive listing of services requiring written contracts.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Findings: Although the Organizations have policies in place concerning credit cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage, these policies were not documented in writing at the time of field work.

Management's Response/Corrective Action - Subsequent to field work, the Organizations have now documented in writing the policies currently in place concerning credit cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

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

Findings: Although the Organizations have policies in place concerning travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers, these policies were not documented in writing at the time of field work.

Management's Response/Corrective Action – Subsequent to field work, the Organizations have now documented in writing the policies currently in place concerning travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document - **No findings**
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis) - **No findings**
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan - **No findings**
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period - **No findings**

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete - **No findings**
- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared; - **No findings**
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and - **No findings**
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period - **No findings**

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete - **No findings**
- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee. **No findings**
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected - **No findings**
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Findings: The Organizations policy is to deposit all checks within 24 hours of receipt. However, date of receipt is currently not being notated on the checks and/or deposit slips, therefore we were unable to determine if the checks were deposited within 24 hours.

Management's Response/Corrective Action - The Organizations will develop a process to document the date of receipt on all collections.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions - **No findings**
- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections - **No findings**

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

- 8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete - **No findings**
- 9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system - **No findings**
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase - **No findings**
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice - **No findings**
- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Findings: The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's Response/Corrective Action – The Organizations have multiple mitigating controls in place, including a periodic review of the vendor listing by the CEO, and the CEO and various department heads review supporting documentation, including vendor names, for all purchases as part of their approval of invoices for payment.

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases - **No findings**

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks - **No findings**
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions - **Not applicable**

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete - **No findings**
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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 findings**
 - b) Report whether finance charges and/or late fees were assessed on the selected statements - **No findings**
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing) - **No findings**
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased) - **No findings**
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating - **No findings**
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.) - **No findings**
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies

and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions - **No findings**

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception - **No findings**

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete - **No findings**

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Findings: See finding noted above under, "Written Policies and Procedures" step 1(h). Due to the absence of a written policy at the time of field work, we compared expenses reimbursed for travel to GSA rates, noting no amounts exceeded those rates.

Management's Response/Corrective Action – See response noted above under, "Written Policies and Procedures" step 1(h).

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates - **No findings**

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.] - **No findings**
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating) - **No findings**
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance) - **No findings**

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception - **No findings**
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement - **No findings**

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete - **No findings**
- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid - **No findings**
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder) - **No contracts subject to the Louisiana Public Bid Law or Procurement Code**
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice - **N/A**
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment - **No findings**
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract - **No findings**
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter) - **Not applicable, see 21(b)**

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure - **No findings**
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy - **No findings**
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether 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.) - **No findings**
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials - **No findings**
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave - **No findings**
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management - **No findings**
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines - **No findings**

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed - **Not applicable to nonprofits**
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations,

whether management investigated allegations received, and whether the allegations were addressed in accordance with policy - **Not applicable to nonprofits**

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained - **Not applicable to nonprofits**
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants - **Not applicable to nonprofits**
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off - **Not applicable to nonprofits**

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled - **None noted per inquiry of management**
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Finding - Notice was not posted on the premises or website as of the beginning of fieldwork.

Management's Response/Corrective Action - The notice has since been posted on the premises and on the website as of January 4, 2018.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception - **No findings**

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.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 19, 2018



2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

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

In planning and performing our audit of the consolidated financial statements of St. Vincent de Paul Baton Rouge Council, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties and the Society of St. Vincent de Paul Foundation (the Organizations) as of and for the year ended September 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing auditing 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 the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated February 19, 2018, on the financial statements of the Organizations.

We have already discussed these comments and suggestions with various Organizations' personnel and management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Accounting System

Finding:

During the prior year audits, we noted that cash receipts of the Organization are being recorded into a monthly Excel spreadsheet that details out the daily deposits made and categorizes them into the various revenue sources. That information is then used to record the monthly cash receipts into the general ledger via journal entry. Another Excel spreadsheet is prepared that tracks grants billed, dollars received and amounts owed at month end. In addition, we noted that accounts payable are tracked in an

Excel spreadsheet and recorded into the general ledger via journal entry. Use of these types of excel spreadsheets increase the risk of errors as well as duplication of effort.

Recommendation:

We recommended that the Organization discontinue the use of external (Excel) spreadsheets and shift toward utilization of the accounting CS software (formerly CSA accounting), receivables and payable modules. This system allows for the use of accounts receivable and accounts payable modules and would eliminate redundant processing and improve the Organizations' access to information. Implementation of the accounts payable module would allow that invoices only be keyed into the system once and also have the ability to generate accounts payable aging reports and analysis. Use of the accounts receivable module would allow the Organizations the ability to generate an aged receivable listing to assist in the monitoring of receivables and eliminate unnecessary procedures as recording of information into the general ledger via journal entries (and the use of Excel spreadsheets). Additionally, implementation of these modules would allow security features to ensure that only authorized personnel would be allowed to enter, modify, or change data. Other approved users would have the ability to look up data but not to originate or change it.

Corrective Action Taken:

In response to our prior year recommendations, Management implemented a new accounting software (accounting CS) effective October 1, 2016 which had the capability to perform the features listed above. During fiscal year 2017, the Organization implemented the practice of inputting deposits and payables into the accounting system as they occur as opposed to during the monthly close out process. Grant accounting is still being adjusted periodically with journal entries and Management is working internally and with accounting CS to automate the accounting for grants.

Conference Reporting

Finding:

During our current year audit, we noted that three of the conferences (St. Catherine of Sienna, St. Benedict, and St. Augustine conference) did not submit their 2017 self-audit reports to the Council prior to the October 31 deadline mandated by the Council's conference reporting standards. We did note however that the three conferences did submit their reports after the deadline. We also noted one conference in the prior year audit that did not submit its self-audit report timely. Without consistent adherence to conference reporting standards, misstatements in conference financial statements, whether due to error or fraud, may not be detected.

Recommendation:

We again recommend that consistent adherence to conference reporting standards and related deadlines be enforced.

Management's Response:

The deadline for submission of conference reporting will continue to be communicated and enforced. Other than the instances noted above and based on audit procedures performed, it appears that all of the conferences were timely in their submission of the required reports.

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

Respectfully submitted,

Hanniss T. Bourgeois, LLP

Baton Rouge, Louisiana

February 19, 2018