

EISNERAMPER

CATHOLIC CHARITIES OF THE
DIOCESE OF
BATON ROUGE, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Catholic Charities of the Diocese of Baton Rouge, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Catholic Charities of the Diocese of Baton Rouge, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Catholic Charities of the Diocese of Baton Rouge, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Catholic Charities of the Diocese of Baton Rouge, Inc. for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on December 22, 2022.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

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 21 is not a required part of the basic financial statements. The *accompanying schedule of expenditures of federal awards on pages 27-28, 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* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of Catholic Charities of the Diocese of Baton Rouge, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Charities of the Diocese of Baton Rouge, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities of the Diocese of Baton Rouge, Inc.'s internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 21, 2023

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LLP



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

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 4,428,226	\$ 4,333,771
Grants receivable	2,065,823	1,195,982
Prepaid expenses	73,778	271,286
Contract receivables	328,374	204,719
Other receivables	7,580	-
Commodities	96,938	-
In-kind inventory	105,989	-
Total current assets	<u>7,106,708</u>	<u>6,005,758</u>
<u>OTHER ASSETS</u>		
Property and equipment - net	<u>1,828,370</u>	<u>1,942,569</u>
Total other assets	<u>1,828,370</u>	<u>1,942,569</u>
 Total assets	 <u>\$ 8,935,078</u>	 <u>\$ 7,948,327</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 275,590	\$ 181,678
Accrued expenses	344,657	328,856
Total current liabilities	<u>620,247</u>	<u>510,534</u>
<u>OTHER LIABILITIES</u>		
Note payable - Office of Community Development	<u>462,000</u>	<u>561,000</u>
Total other liabilities	<u>462,000</u>	<u>561,000</u>
 Total liabilities	 <u>1,082,247</u>	 <u>1,071,534</u>
<u>NET ASSETS</u>		
Without donor restrictions	6,099,161	4,882,217
With donor restrictions	<u>1,753,670</u>	<u>1,994,576</u>
Total net assets	<u>7,852,831</u>	<u>6,876,793</u>
 Total liabilities and net assets	 <u>\$ 8,935,078</u>	 <u>\$ 7,948,327</u>

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

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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>			
<u>Contributions:</u>			
Diocese of Baton Rouge assistance	\$ 791,041	\$ -	\$ 791,041
In-kind contributions	336,325	134,388	470,713
Contributions	<u>1,025,394</u>	<u>575,191</u>	<u>1,600,585</u>
Total contributions	<u>2,152,760</u>	<u>709,579</u>	<u>2,862,339</u>
<u>Grant assistance:</u>			
Other federal and state grant awards	5,691,076	305,863	5,996,939
In-kind commodities	-	<u>287,967</u>	<u>287,967</u>
Total grant assistance	<u>5,691,076</u>	<u>593,830</u>	<u>6,284,906</u>
<u>Other income:</u>			
Charges for services	4,106,369	-	4,106,369
Loan forgiveness	<u>99,000</u>	<u>-</u>	<u>99,000</u>
Total other income	<u>4,205,369</u>	<u>-</u>	<u>4,205,369</u>
Net assets released from donor restrictions:			
Satisfaction of purpose restrictions	<u>1,544,315</u>	<u>(1,544,315)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>13,593,520</u>	<u>(240,906)</u>	<u>13,352,614</u>
<u>EXPENSES</u>			
Program services	10,672,481	-	10,672,481
Management and general	<u>1,704,095</u>	<u>-</u>	<u>1,704,095</u>
TOTAL EXPENSES	<u>12,376,576</u>	<u>-</u>	<u>12,376,576</u>
<u>CHANGE IN NET ASSETS</u>	1,216,944	(240,906)	976,038
<u>BALANCE AT JUNE 30, 2022</u>	<u>4,882,217</u>	<u>1,994,576</u>	<u>6,876,793</u>
<u>BALANCE AT JUNE 30, 2023</u>	<u>\$ 6,099,161</u>	<u>\$ 1,753,670</u>	<u>\$ 7,852,831</u>

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

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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>			
<u>Contributions:</u>			
Diocese of Baton Rouge assistance	\$ 797,962	\$ -	\$ 797,962
In-kind contributions	160,068	432,992	593,060
Contributions	<u>1,477,587</u>	<u>1,642,983</u>	<u>3,120,570</u>
Total contributions	<u>2,435,617</u>	<u>2,075,975</u>	<u>4,511,592</u>
<u>Grant assistance:</u>			
Other federal and state grant awards	<u>3,263,761</u>	<u>25,587</u>	<u>3,289,348</u>
Total grant assistance	<u>3,263,761</u>	<u>25,587</u>	<u>3,289,348</u>
<u>Other income:</u>			
Charges for services	519,165	-	519,165
Loan forgiveness	661,767	-	661,767
Miscellaneous	<u>18,925</u>	<u>-</u>	<u>18,925</u>
Total other income	<u>1,199,857</u>	<u>-</u>	<u>1,199,857</u>
Net assets released from donor restrictions:			
Satisfaction of purpose restrictions	<u>1,576,461</u>	<u>(1,576,461)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>8,475,696</u>	<u>525,101</u>	<u>9,000,797</u>
<u>EXPENSES</u>			
Program services	6,489,261	-	6,489,261
Management and general	<u>1,566,996</u>	<u>-</u>	<u>1,566,996</u>
TOTAL EXPENSES	<u>8,056,257</u>	<u>-</u>	<u>8,056,257</u>
<u>CHANGE IN NET ASSETS</u>	419,439	525,101	944,540
<u>BALANCE AT JUNE 30, 2021</u>	<u>4,462,778</u>	<u>1,469,475</u>	<u>5,932,253</u>
<u>BALANCE AT JUNE 30, 2022</u>	<u>\$ 4,882,217</u>	<u>\$ 1,994,576</u>	<u>\$ 6,876,793</u>

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

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

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

	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	\$ 829,572	\$ 2,494,161	\$ 4,260	\$ 278,152	\$ 3,606,145	\$ 6,000	\$ 3,612,145
Salaries and wages	2,251,160	1,524,852	259,259	386,927	4,422,198	947,739	5,369,937
Fringe benefits	96,784	335,097	41,808	50,815	524,504	152,339	676,843
Payroll taxes	46,526	112,147	20,205	31,366	210,244	70,333	280,577
Operating supplies	25,512	20,085	873	3,667	50,137	19,726	69,863
Communications	38,848	21,960	7,935	7,637	76,380	6,795	83,175
Postage and shipping	795	8,985	-	399	10,179	1,082	11,261
Occupancy	70,375	88,566	32,653	23,350	214,944	197,850	412,794
Equipment rental and maintenance	1,691	4,767	1,345	1,264	9,067	1,979	11,046
Small equipment	840	376	18,301	465	19,982	1,911	21,893
Printing and publications	218	297	97	114	726	1,723	2,449
Conferences, conventions, and related tra	15,861	12,755	5,668	7,823	42,107	16,448	58,555
Depreciation	-	-	-	-	-	129,869	129,869
Dues and subscriptions	40	3,018	-	650	3,708	9,098	12,806
Advertising and PR	8,954	1,116	-	6,225	16,295	8,269	24,564
Fees	2,768	1,745	611	9,281	14,405	8,153	22,558
Professional fees / subcontracts	28,489	863,297	6,088	6,914	904,788	39,065	943,853
Shelter cost	-	-	118,193	-	118,193	-	118,193
Computer support	135,522	172,080	38,916	38,879	385,397	68,927	454,324
Training / staff development	60	1,753	-	50	1,863	353	2,216
Insurance	2,982	3,995	22,105	447	29,529	14,455	43,984
Other	9,540	1,866	270	14	11,690	1,981	13,671
	<u>\$ 3,566,537</u>	<u>\$ 5,672,918</u>	<u>\$ 578,587</u>	<u>\$ 854,439</u>	<u>\$ 10,672,481</u>	<u>\$ 1,704,095</u>	<u>\$ 12,376,576</u>

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

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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	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	\$ 910,186	\$ 942,948	\$ 28,923	\$ 253,482	\$ 2,135,539	\$ -	\$ 2,135,539
Salaries and wages	518,780	1,244,291	304,377	320,727	2,388,175	807,036	3,195,211
Fringe benefits	71,529	309,889	52,914	50,113	484,445	170,110	654,555
Payroll taxes	34,822	93,198	24,706	28,319	181,045	64,742	245,787
Operating supplies	15,654	5,740	1,495	2,020	24,909	12,708	37,617
Communications	19,753	18,490	9,658	7,462	55,363	6,575	61,938
Postage and shipping	77	6,152	58	694	6,981	1,818	8,799
Occupancy	19,345	75,985	20,799	41,791	157,920	194,831	352,751
Equipment rental and maintenance	215	9,493	6,486	4,715	20,909	4,249	25,158
Small equipment	663	-	31,219	-	31,882	8,849	40,731
Printing and publications	-	-	-	-	-	-	-
Conferences, conventions, and related tra	15,388	12,625	3,983	1,651	33,647	10,328	43,975
Depreciation	-	-	-	-	-	117,483	117,483
Dues and subscriptions	449	5,612	-	1,888	7,949	10,371	18,320
Advertising and PR	302	677	-	1,691	2,670	7,126	9,796
Fees	10,802	3,231	368	4,549	18,950	4,861	23,811
Professional fees / subcontracts	14,749	503,474	3,075	13,643	534,941	58,241	593,182
Shelter cost	7,113	888	77,313	-	85,314	23	85,337
Computer support	92,671	132,300	16,579	25,489	267,039	59,477	326,516
Training / staff development	-	6,133	-	157	6,290	6,794	13,084
Insurance	1,275	4,885	15,959	448	22,567	7,689	30,256
Other	519	706	10,735	10,766	22,726	13,685	36,411
	<u>\$ 1,734,292</u>	<u>\$ 3,376,717</u>	<u>\$ 608,647</u>	<u>\$ 769,605</u>	<u>\$ 6,489,261</u>	<u>\$ 1,566,996</u>	<u>\$ 8,056,257</u>

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

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 976,038	\$ 944,540
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	129,869	117,483
In-kind inventory and commodities	(202,927)	-
Forgiveness of JH Homes note	(99,000)	-
Forgiveness of Payroll Protection Program note	-	(661,767)
Changes in:		
Grants receivable	(869,841)	(174,576)
Contract receivables	(123,655)	(204,719)
Other receivables	(7,580)	42,480
Accounts payable	93,919	95,700
Prepaid expenses	197,508	(259,498)
Accrued expenses	15,801	53,302
	<u>110,132</u>	<u>(47,055)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Acquisition of fixed assets	<u>(15,677)</u>	<u>(88,185)</u>
	<u>(15,677)</u>	<u>(88,185)</u>
Net change in cash and cash equivalents	94,455	(135,240)
Cash and cash equivalents, beginning of year	<u>4,333,771</u>	<u>\$ 4,469,011</u>
Cash and cash equivalents, end of year	<u>\$ 4,428,226</u>	<u>\$ 4,333,771</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during year:		
Interest	<u>\$ 53</u>	<u>\$ -</u>

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

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, and 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.

Other Program Services consist of Senior and Mental Health Counseling as described below:

Senior Services: The Organization offers skill-building sessions touching on senior issues like grandparents raising grandchildren, budgeting, grief, and self-advocacy. There are also sessions that include education on nutrition, coping skills, community resources and self-awareness. Through the Foster Grandparent program, seniors are able to volunteer at schools to help children learn to read, provide tutoring and guide children through critical times in their lives.

Mental Health Counseling: This program includes services such as adoption related counseling, post-abortion counseling and behavioral health services. Individual and family counseling is offered for adopted persons, birth parents, adoptive parents or anyone whose life has been touched by adoption. Licensed, Project Rachel-trained counselors offers healing and hope for women and men struggling with past abortion decisions. The Organization also offers professional counseling for individual, marriage and families.

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Recent accounting pronouncement

During the year ended June 30, 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind.

During the year ended June 30, 2023, the Organization adopted Accounting Standards Update ASU 2016-02, Leases (Topic 842). This accounting standard requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of twelve months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The adoption of this pronouncement did not have a material effect on the financial statements.

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.

Revenue recognition

Revenues from fee for service contracts are recognized over the term of the contract. The Organization has determined that revenues from such contracts are attributable to one performance obligation, and the Organization recognizes revenue as the services are performed. Progress toward completion of the Organization's service contracts is measured by the completion of various tasks as set forth in the scope of work. The transaction price is fixed in the contract, and there is no variable consideration. There is no significant financing component as payment is received shortly after invoicing.

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

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

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

Grants receive the same accounting treatment as contributions if management determines there are no donor-imposed conditions. Revenues from grants that are determined to have donor-imposed conditions are recognized as the related expenses are incurred, with unexpended funds recorded as refundable advances.

Grants receivable represents amounts owed to the Organization for costs incurred under federal and state grant contracts which are reimbursable to the Organization. Grants receivables 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. Contract 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. There were no contract receivables at June 30, 2021.

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

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 held at local financial institutions at June 30, 2023 and 2022, do not differ materially from the aggregate carrying value of these financial instruments recorded in the accompanying statements 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 statements of functional expenses and activities. Expenses have been directly allocated between functions except expenses related to rent which was allocated based on square footage occupied.

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributed Use of Facilities

The Organization is allowed to use office space owned by an affiliate, the Diocese of Baton Rouge at a reduced 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.

Contributed Non-financial assets (Gifts-in-kind)

The Organization receives services, equipment and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recorded in-kind contribution revenues of approximately \$470,713 and \$593,060, and in-kind grant assistance of \$287,967 and \$0 at June 30, 2023 and 2022, respectively, comprised of the following:

	<u>2023</u>	<u>2022</u>
Commodities	\$ <u>287,967</u>	\$ <u>-</u>
Use of facilities	\$ 169,309	\$ 152,600
Disaster recovery supplies (tarps and gas cards)	-	423,742
Baby items	36,492	-
Food donations	10,100	-
Legal services	3,000	-
General gift card donations	6,560	7,468
Hygiene kits	6,000	-
Christmas donations (gift cards)	133,263	9,250
Other general donations	<u>105,989</u>	<u>-</u>
Total Gifts in kind	<u>\$ 470,713</u>	<u>\$ 593,060</u>
Total contributed non-financial assets	<u>\$ 758,680</u>	<u>\$ 593,060</u>

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.

Inventory

In-kind inventory and commodities are reported at fair market value when received. Inventory is distributed based on community needs and is expected to be used within the next fiscal year ended June 30, 2024.

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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, 2023 and 2022.

Payroll Protection Program Funding

The Organization has elected to record the proceeds received under this program in accordance with FASB ASC 470 resulting in the proceeds being reported as a financial liability upon receipt based on the terms as set forth with the financial institution.

Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform with the current year presentation.

2. Grants Receivable

A summary of grants receivable due from each agency as of June 30, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Department of Health and Hospitals	\$ 1,562,875	\$ 800,370
CCUSA	3,500	-
Lutheran Immigration & Refugee Services	57,584	30,494
City-Parish of East Baton Rouge	101,380	53,857
Foster Grandparent Program	91,873	92,884
Louisiana Department of Public Safety and Corrections	2,880	4,800
Network for Good	2,824	2,776
Acacia Center for Justice	165,753	123,048
Diocese of Baton Rouge	-	5,236
United States Conference of Catholic Bishops	72,211	42,952
FMOL Health System	-	34,800
United States Committee for Refugees and Immigrants	4,943	4,765
	<u>\$ 2,065,823</u>	<u>\$1,195,982</u>

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

NOTES TO FINANCIAL STATEMENTS

3. Property and Equipment

The composition of property and equipment at June 30, 2023 and 2022, was as follows:

	<u>2023</u>	<u>2022</u>
Land and shelters	\$ 3,210,109	\$ 3,208,671
Equipment	<u>396,155</u>	<u>381,923</u>
	3,606,264	3,590,594
Accumulated depreciation	<u>(1,777,894)</u>	<u>(1,648,025)</u>
	<u>\$ 1,828,370</u>	<u>\$ 1,942,569</u>

Depreciation expense totaled \$129,869 and \$117,483 for the years ended June 30, 2023 and 2022.

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 years ended June 30, 2023 and 2022 these in-kind contributions have been recorded as revenue with the offset being recorded as expenses in the amount of \$169,309 and \$152,600, respectively.

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

	<u>2023</u>	<u>2022</u>
Foster Grandparents	\$ 27,787	\$ 115,797
Administration	250	12,986
Satellite Counseling Offices	140,238	108,725
Migration and Refugee Services	-	49,244
Maternity and Adoption	127,921	185,110
Joseph Homes	91,878	96,248
Family First Housing	68,424	59,635
Sanctuary for Life	225,585	29,453
Parents and Children Together	75,000	71,507
Prison Ministry	447	5,236
LaPointe	-	9,380
Case Management	<u>33,511</u>	<u>54,641</u>
	<u>\$ 791,041</u>	<u>\$ 797,962</u>

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

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

NOTES TO FINANCIAL STATEMENTS

4. Related Party Transactions (continued)

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 \$0, as of June 30, 2023 and 2022, for costs paid on behalf of the fund and is included in other receivables on the Statements of Financial Position.

5. Notes 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 and acceptable to OCD. As of June 30, 2023 and 2022, a total of \$462,000 and \$561,000 is owed to the OCD, respectively. The Organization submitted its annual report requesting forgiveness of the loan for each of the years ended June 30, 2023 and 2022, and received approval from OCD of \$99,000 in fiscal 2023 which is recognized as loan forgiveness on the Statement of Activities and Changes in Net Assets for the year ended June 30, 2023.

Paycheck Protection Program

On March 24, 2021, CCDBR received an unsecured loan in the amount of \$661,767 under the Payroll Protection Program (PPP Loan). The PPP Loan and accrued interest are forgivable after the covered period, up to five years, if the borrower uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period up to 24-weeks. The unforgiven portion of the PPP Loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first 10 months. An additional feature of this program is that some portion or all of the amounts borrowed under the PPP may effectively be converted to a grant through a special loan forgiveness provision if certain criteria are met. The loan was forgiven on October 25, 2021 and recognized as loan forgiveness on the Statement of Activities and Changes in Net Assets for the year ended June, 30, 2022.

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

NOTES TO FINANCIAL STATEMENTS

6. Retirement Expenses

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 years ended June 30, 2023 and 2022, employer contributions of \$287,434 and \$277,640, respectively, were made to the plan.

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:

	<u>2023</u>	<u>2022</u>
Disaster Assistance	\$ 497,507	\$ 1,161,965
Direct Assistance	563,400	216,745
Refugee Services	248,680	20,425
Family Service	234,728	177,326
	<u>\$ 1,544,315</u>	<u>\$ 1,576,461</u>

8. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2023 and 2022, were for:

	<u>2023</u>	<u>2022</u>
Disaster assistance	\$ 1,358,917	\$ 1,841,855
Direct Assistance	213,863	30,150
Refugee Services	81,863	26,074
Family Services	45,370	42,840
Endowment funds to remain in perpetuity	53,657	53,657
	<u>\$ 1,753,670</u>	<u>\$ 1,994,576</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.

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

NOTES TO FINANCIAL STATEMENTS

10. Conditional Promises to Give

On April 14, 2022, the Capital Area United Way notified CCDBR of promise to give totaling \$225,000 to be paid in quarterly installments starting on July 1, 2022 through June 30, 2025. In order to receive this funding certain conditions must be met including a signed grantee agreement and reports evidencing program compliance with a specified framework and grant guidelines. A right of release from the obligation exists if the signed agreement and reports are not received. As of June 30, 2023, CCDBR recognized \$75,000 after conditions were met.

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, 2023 and 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment	<u>\$ -</u>	<u>\$ 53,657</u>	<u>\$ 53,657</u>

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

NOTES TO FINANCIAL STATEMENTS

11. Endowed Net Assets (continued)

Changes in endowment net assets were as follows as of June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ -	\$ 53,657	\$ 53,657
Investment Return:			
Investment income	-	53	53
Appropriation of endowment assets			
for general expenditure	-	(53)	(53)
Contributions	-	-	-
Endowment net assets, June 30, 2022	<u>\$ -</u>	<u>\$ 53,657</u>	<u>\$ 53,657</u>
Investment Return:			
Investment income	-	47	47
Appropriation of endowment assets			
for general expenditure	-	(47)	(47)
Contributions	-	-	-
Endowment net assets, June 30, 2023	<u>\$ -</u>	<u>\$ 53,657</u>	<u>\$ 53,657</u>

12. Liquidity and Availability

As of June 30, 2023 and 2022 the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Financial assets, period end		
Cash and cash equivalents	\$ 4,428,226	\$ 4,333,771
Grants receivable	2,065,823	1,195,982
Contract receivables	328,374	204,719
Other receivables	7,580	-
Less: amounts with donor restrictions	<u>(1,753,670)</u>	<u>(1,994,576)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,076,333</u>	<u>\$ 3,739,896</u>

As disclosed in Note 14, the Organization purchased a warehouse with cash for a total of \$1,650,000 on October 12, 2023, which would reduce the financial assets available disclosed above. 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.

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

NOTES TO FINANCIAL STATEMENTS

13. Concentration of Support

The Organization received approximately 47% and 37% of its support from federal and state grants during the years ending June 30, 2023 and 2022, respectively. The loss or significant reduction of federal and state funding could have a material adverse effect on the Organization's operations.

14. Subsequent Events

Management has evaluated events through the date that the financial statements were available to be issued, December 21, 2023, and no other matters required disclosure other than the item disclosed below. No events occurring after this date have been evaluated for inclusion in these financial statements.

On October 12, 2023, the Organization purchased a warehouse for a total of \$1,650,000. The warehouse will be capitalized during the year ended June 30, 2024 and depreciated over 30 years.

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, 2023

Executive Director: David C. Aguillard

Purpose	2023
Salary	\$ 153,034
Benefits - insurance	7,574
Benefits - retirement	2,983
Benefits - Long Term Disability	179
Benefits - Basic Life Insurance	16
Cell phone	1,294
Registration fees	-
Conference travel	-
Total	\$ 165,080

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

To the Board of Trustees of
Catholic Charities of the Diocese of Baton Rouge, Inc.

We have audited, 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 (*Government Auditing Standards*), the financial statements of Catholic Charities of the Diocese of Baton Rouge, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2023.

Report on 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) as a basis for designing 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 Catholic Charities of the Diocese of Baton Rouge, Inc.'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 deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 21, 2023

EISNERAMPER
LLP



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

To the Board of Trustees of
Catholic Charities of the Diocese of Baton Rouge, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*") ; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("*Uniform Guidance*"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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



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

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

Purpose of this Report

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

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 21, 2023

EISNERAMPER
LLP



CATHOLIC CHARITIES OF THE DIOCESE OF BATON ROUGE, INC.

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

<u>FEDERAL GRANTING AGENCY/RECIPIENT AGENCY/ GRANT NAME/GRANT NUMBER</u>	<u>ASSISTANCE LISTING</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>	<u>AMOUNTS PAID TO SUB-RECIPIENTS</u>
U.S. Department of Health and Human Services:			
Pass through the Office of Administration for Children and Families, Office of Refugee Resettlement:			
Refugee Resettlement Services –Cash Management Assistance (Grant # 2002LARCMA & 2102LARCMA)	93.566*	\$ 3,464,235	\$ 276,671
Refugee Resettlement Services (Grant # 1801LARSOC, 1901LARSOC, and 2001LARSOC)	93.566*	1,358,218	546,871
Pass through the Louisiana Department of Health and Hospitals, Office Of Administration for Children and Families, Office of Refugee Resettlement:			
Refugee Resettlement Services – RMS (Grant #2101LARCMA)	93.566*	14,150	-
Pass through the United States Committee for Refugees and Immigrants:			
Trafficking Victim Assistance Program (Grant # 90ZV0135-01-00, 90ZV0136-01-00, & 90ZV0137-01-00)	93.598	30,454	-
Pass through from the Administration for Children and Families, Office of Refugee Resettlement - Lutheran Immigration and Refugee Services:			
Unaccompanied Alien Children Program (Grant # 90ZU0361-01-00 & 90ZU0361-02-00)	93.676	381,624	-
Pass through from the United States Conference of Catholic Bishops:			
2022 Preferred Communities Program (Grant # 90RP0121-01-00)	93.576	30,087	-
Reception and Placement Program (Grant # Not Assigned)	19.510	96,643	-
Total U.S. Department of Health and Human Services		<u>5,375,411</u>	<u>823,542</u>
U.S. Department of Housing and Urban Development:			
Emergency Shelter Block Grant (Grant# 2020/2021)	14.231	99,170	-
Total U.S. Department of Housing and Urban Development		<u>99,170</u>	-
Corporation for National and Community Service:			
Foster Grandparent Program, Title II, Part B (Grant# 20SFWLA001)	94.011**	347,693	-
Federal Emergency Management Agency:			
Emergency Assistance Program (Grant# Not Assigned)	97.024	196,513	-
Total Federal Emergency Management Agency		<u>196,513</u>	-
U.S. Department of Agriculture:			
Emergency Food Assistance Program (Grant# 61a400812)	10.569	287,967	-
Total Federal Expenditures		<u>\$ 6,306,754</u>	<u>\$ 823,542</u>

*Refugee and Resettlement Services State Cluster \$4,836,603

**Foster Grandparent/Senior Companion Cluster \$347,693

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, 2023

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 AND TO GRANT REVENUES

Reconciliation of expenses to federal expenditures:

Total Expenses	\$12,376,576
Less: Non-Federal Award Expenses	<u>6,069,822</u>
Total Federal Expenditures	<u>\$ 6,306,754</u>

Reconciliation to grant assistance revenues:

Total Federal expenditures	\$ 6,306,754
Commodities on hand	(96,938)
State assistance received	<u>75,090</u>
Total Grant Assistance	<u>\$ 6,284,906</u>

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.

NOTE D – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at fair market value of the commodities received and disbursed.

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

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

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

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

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency (ies) identified that is (are) not considered to be material weaknesses? _____ yes x 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 x no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.566	Refugee and Resettlement Services State Cluster

- 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, 2023

B. Findings – Financial Statement Audit

None noted

C. Findings and Questioned Costs – Major Federal Award Programs

None noted

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

None noted

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 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the *Catholic Charities of the Diocese of Baton Rouge, Inc.* for the fiscal period July 1, 2022 through June 30, 2023. *Catholic Charities of the Diocese of Baton Rouge, Inc.*'s management is responsible for those C/C areas identified in the SAUPs.

The *Catholic Charities of the Diocese of Baton Rouge, Inc.* has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

We were engaged by *Catholic Charities of the Diocese of Baton Rouge, Inc.* to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 of the *Catholic Charities of the Diocese of Baton Rouge, Inc.* for the fiscal period July 1, 2022 through June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

EisnerAmper LLP

EISNERAMPER, LLP
Baton Rouge, Louisiana
December 21, 2023

EISNERAMPER
LLP



**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

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*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

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

No exception noted.

- ii. **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 exception noted.

- iii. **Disbursements**, including processing, reviewing, and approving,

No exception noted.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

JUNE 30, 2023

Schedule A

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exception noted.

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

The Entity has written policies for Travel and Expense Reimbursement; however, the policy does not specifically address attribute (2) dollar thresholds by category of expense.

No other exceptions noted.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Ethics was not tested as the entity is a nonprofit.

- x. **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.

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

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Sexual Harassment was not tested as the entity is a nonprofit.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exception noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exception noted.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

JUNE 30, 2023

Schedule A

A listing of bank accounts was provided and included a total of 7 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 November 30, 2022, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- i. 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 exception noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exception noted.

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

Of the 5 bank accounts selected, 2 bank reconciliations 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.

4) Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided and included a total of 1 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 deposit sites and performed the procedures below.

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

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 1 collection locations. No exceptions were noted as a result of performing this procedure.

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

From each of the listings provided, we randomly selected one collection location for the deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3A. Of the 5 bank accounts, only 2 had deposits resulting in a sample size of 4. We obtained supporting documentation for each of the 4 deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

The Entity does not maintain sequentially pre-numbered receipts.

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

The Entity does not maintain sequentially pre-numbered receipts, system reports, or other related collection documentation. As such, we were unable to perform the procedure.

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

No exception noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exception noted.

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

No exception noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 location and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

For the location selected for our procedures, the person processing payments was not prohibited from adding / modifying vendor files. The same employee is responsible for periodic review of vendor files.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

An employee who has signatory authority over checks does not mail the payment. This employee has responsibility for processing payments.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

An employee who is not authorized to sign checks approves electronic disbursements.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Other than the exceptions noted above in procedures #5B, segregation of duties existed.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exception noted.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

For the 5 credit cards tested, 3 had transactions and 1 had fees assessed without transactions for the month selected. We observed the monthly statement provided did not

contain evidence of review by someone other than the card holder for 1 of the statements observed. No other exceptions were noted.

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

For the 5 credit cards tested, 2 had late fees assessed.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We randomly selected 10 transactions for 1 of the 5 cards selected in procedure #12. We selected all 3 transactions and all 8 transactions for 2 of the 5 cards selected in procedure #12 which was a complete selection of all transactions for those monthly credit cards statements. 2 of the 5 credit card statements selected in procedure #12 had no transactions during the month selected. We performed the specified procedures.

No exceptions noted.

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

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

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

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

No exception noted.

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

No exception noted.

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

No exception noted.

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

No exception noted.

8) Contracts

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

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, there was one contract identified and selected and performed the procedures below.

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

The contract was not subject to Louisiana Bid Law.

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

No exception noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No amendments were made to the contract that were tested.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees/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.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A. Of the 5 employees selected for testing, 3 did not take leave during the selected period.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exception noted.

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

No exception noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exception noted.

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures.

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

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Not applicable.

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

Not applicable.

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

Not applicable.

11) Debt Service

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable.

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

Not applicable.

12) Fraud Notice

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

No exception noted.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers

and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

Not applicable.

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

Not applicable.

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Not applicable.

- ii. Number of sexual harassment complaints received by the agency;

Not applicable.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

Not applicable.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Catholic Charities of the Diocese of Baton Rouge, Inc.

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

Not applicable.

- v. Amount of time it took to resolve each complaint.

Not applicable.



CATHOLIC CHARITIES
DIOCESE OF BATON ROUGE

Bishop Michael Gerard Duca
President

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

December 21, 2023

EisnerAmper, LLP
8550 United Plaza Blvd., Suite 1001
Baton Rouge, Louisiana 70809

RE: Corrective Action Plan, 2023 Statewide Agreed-Upon Procedures (SAUP)

The following is submitted in response to the exceptions noted in the audit of the SAUPs for Catholic Charities of the Diocese of Baton Rouge for the year ended June 30, 2023.

SAUP Findings:

- 3) A.iii. These were identified, researched and resolved in preparation for our year-end close process. Our process now includes review of outstanding checks at least every other month.
- 5) B.iii. & iv. While the same employee is responsible for those payments as noted, the process requires four (sometimes five) levels of request and approval thereby controlling risk by separation of duties. Our checks require two signatures, and none of the payment processors are authorized to sign.
- 5) B.v. We do not initiate any electronic disbursement of funds.
- 6) B.i. The one review noted was prior to implementation of a new policy by our new finance director. All statements have since been reviewed by someone other than the cardholder.
- 6) B.ii. The policy change noted in 6) B.i. has prevented late fees from recurring.

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



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