

9634

**OFFICIAL
FILE COPY**
DO NOT MARK OUT

When necessary
tear from the
top and place
back in file

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

**Financial Statements for the Years Ended
June 30, 1997 and 1998 and Independent
Auditors' Report**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, upon request, at the office of the Auditor General.

Printed under **FILE 2 5 1998**

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

TABLE OF CONTENTS

| | Page |
|-----------------------------------|------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS: | |
| Statements of Financial Position | 2 |
| Statements of Activities | 3 |
| Statements of Cash Flows | 4 |
| Statements of Functional Expenses | 5-7 |
| Notes to Financial Statements | 8-13 |

**INDEPENDENT AUDITORS' REPORT**

Most Reverend Francis B. Schuler, D.D., President
Catholic Charities, Archdiocese of New Orleans
New Orleans, Louisiana

We have audited the accompanying statements of financial position of Catholic Charities, Archdiocese of New Orleans (Agency) as of June 30, 1997 and 1996, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Catholic Charities, Archdiocese of New Orleans as of June 30, 1997 and 1996, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The financial statements include certain prior-year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 1996, from which the information was derived.

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 1997 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

November 26, 1997

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1997 AND 1996**

| ASSETS | 1997 | 1996 |
|---|----------------------------|----------------------------|
| Cash | \$ 258,043 | \$ 318,215 |
| Investments | 3,985,690 | 3,896,412 |
| Accounts receivable | 3,318,367 | 3,113,895 |
| Prepaid expenses and deferred charges | 64,571 | 29,219 |
| Property and equipment, net | <u>8,642,915</u> | <u>8,284,211</u> |
| TOTAL ASSETS | <u>\$16,669,586</u> | <u>\$16,681,952</u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES: | | |
| Managed - cash overdraft | \$ 475,870 | \$ 693,815 |
| Accounts payable and accrued expenses | 1,316,038 | 1,336,412 |
| Deferred revenue | 774,939 | 910,419 |
| Funds held for the account of others | 3,307,236 | 2,691,212 |
| Loans payable | <u>2,782,196</u> | <u>2,548,419</u> |
| Total liabilities | <u>7,256,288</u> | <u>7,680,318</u> |
| NET ASSETS: | | |
| Unrestricted | 7,147,445 | 6,550,404 |
| Temporarily restricted | <u>658,632</u> | <u>651,919</u> |
| Total net assets | <u>7,806,078</u> | <u>7,681,915</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$15,062,366</u> | <u>\$14,681,902</u> |

See notes to financial statements.

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 1993, WITH COMPARATIVE TOTALS FOR JUNE 30, 1992

| | Unrestricted | Temporarily Restricted | Total | |
|---|--------------|------------------------|--------------|--------------|
| | | | 1993 | 1992 |
| REVENUES: | | | | |
| Public support | | | | |
| Contributions | \$ 1,097,680 | \$ 44,398 | \$ 1,142,078 | \$ 999,400 |
| Contributed by associated organizations | 80,921 | | 80,921 | 84,000 |
| Allocated by United Way of the State Parish | 48,888 | | 48,888 | 177,000 |
| Allocated by United Way of the Diocese Parish | 480,500 | | 480,500 | 1,100,000 |
| Allocated by United Way for the United Way Orleans Area | 1,177,800 | | 1,177,800 | 1,800,000 |
| Special events (net of direct costs of \$90,217 and \$40,904) | 180,000 | | 180,000 | 145,000 |
| Total public support | 2,165,800 | 44,398 | 2,210,198 | 2,805,400 |
| Net payments from governmental agencies | 10,115,000 | | 10,115,000 | 10,875,000 |
| Other revenue | | | | |
| Contributed goods and services | 982,000 | | 982,000 | 1,000,000 |
| Program service fees | 1,240,000 | | 1,240,000 | 1,510,000 |
| Professional services | 18,700 | 2,100 | 20,800 | 100,000 |
| Miscellaneous | 115,000 | | 115,000 | 210,000 |
| Revenues realized from transactions - operations | 11,000 | (20,000) | | |
| Total other revenue | 2,466,700 | 19,100 | 2,485,800 | 2,820,000 |
| Total revenues | 14,847,500 | 63,498 | 14,911,000 | 16,500,400 |
| EXPENSES: | | | | |
| Program services: | | | | |
| Day care/early day care | 188,800 | | 188,800 | 200,000 |
| Home care services | 504,000 | | 504,000 | 510,000 |
| Child counseling | 181,000 | | 181,000 | 200,000 |
| Marriage | 10,000 | | 10,000 | 100,000 |
| Transitional housing | 10,000 | | 10,000 | 100,000 |
| Adult day health care | 1,000,000 | | 1,000,000 | 1,000,000 |
| Child day care | 2,100,000 | | 2,100,000 | 2,000,000 |
| Emergency assistance | 14,000 | | 14,000 | 10,000 |
| Emergency shelter | 600,000 | | 600,000 | 600,000 |
| Job training | 400,000 | | 400,000 | 400,000 |
| Domestic violence | 200,000 | | 200,000 | 200,000 |
| Adult day care | 100,000 | | 100,000 | 100,000 |
| Adult residential care | 2,000,000 | | 2,000,000 | 1,800,000 |
| Child residential care | 4,000,000 | | 4,000,000 | 4,000,000 |
| Emergency/health services | 300,000 | | 300,000 | 300,000 |
| Family preservation | 80,000 | | 80,000 | 100,000 |
| In-home care services | 700,000 | | 700,000 | 800,000 |
| Real estate services | 200,000 | | 200,000 | 200,000 |
| Manufacturing | 200,000 | | 200,000 | 200,000 |
| Home repair | 20,000 | | 20,000 | 20,000 |
| Social day centers | 80,000 | | 80,000 | 80,000 |
| Parish social ministry | 50,000 | | 50,000 | 50,000 |
| Other | 10,000 | | 10,000 | 10,000 |
| Total expenses | 14,800,000 | | 14,800,000 | 16,410,000 |
| CHANGE IN NET ASSETS | 47,500 | 1,000 | 48,500 | 190,400 |
| NET ASSETS AT BEGINNING OF YEAR | 4,000,000 | 60,000 | 4,060,000 | 4,000,000 |
| NET ASSETS AT END OF YEAR | \$ 4,047,500 | \$ 61,000 | \$ 4,108,500 | \$ 4,190,400 |

See notes to financial statements

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 1997 AND 1996

| | 1997 | 1996 |
|--|--------------------------|--------------------------|
| OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 285,112 | \$ 203,256 |
| Adjustments to reconcile to net cash provided by operating activities: | | |
| Depreciation | 528,958 | 484,256 |
| Unrealized gain on investments | (889,945) | (213,274) |
| Change in assets and liabilities: | | |
| Accounts receivable | 572,788 | (562,173) |
| Prepaid expenses and deferred charges | (21,137) | (21,819) |
| Managed cash investments | (217,654) | 287,249 |
| Accounts payable and accrued expenses | (180,288) | 186,299 |
| Deferred revenue | 84,319 | (34) |
| Funds held for the account of others | 285,029 | 284,878 |
| | <u>744,973</u> | <u>523,974</u> |
| Net cash provided by operating activities | <u>744,973</u> | <u>523,974</u> |
| INVESTING ACTIVITIES: | | |
| Net investment activity | (125,232) | (322,879) |
| Purchases of property and equipment | (1,062,384) | (950,619) |
| Net book value of property and equipment disposed | <u>177,992</u> | <u>86,417</u> |
| Net cash used in investing activities | <u>(1,019,624)</u> | <u>(787,081)</u> |
| FINANCING ACTIVITIES: | | |
| Net borrowings under line of credit agreement | 27,608 | 389,809 |
| Proceeds of loans payable | 189,228 | 74,656 |
| Payment of loans payable | <u>(8,758)</u> | <u>(124,814)</u> |
| Net cash provided by financing activities | <u>208,078</u> | <u>339,651</u> |
| NET (DECREASE) INCREASE IN CASH | (66,723) | 166,544 |
| CASH AT BEGINNING OF YEAR | <u>308,215</u> | <u>149,615</u> |
| CASH AT END OF YEAR | <u>\$ 241,492</u> | <u>\$ 316,159</u> |

See notes to financial statements.

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

STATEMENTS OF FUNCTIONAL EXPENSES

THRU PERIOD ENDING JUNE 30, 2014, WITH COMPARATIVE FIGURES FOR JUNE 30, 2013

| | Big Brothers/ Big Sisters | Home Development | Financial Development | Religious | Financial Stability | Adult Care Health Care | Other City Care Care | Emergency Assistance |
|---|------------------------------|---------------------|--------------------------|------------------|------------------------|---------------------------------|-------------------------------|-------------------------|
| Salaries and vacation benefits | \$ 40,000 | \$ 40,000 | \$ 22,000 | \$ 11,000 | \$ 14,000 | \$ 10,000 | \$ 10,000 | \$ 12,000 |
| Business health and retirement benefits | 3,000 | 3,000 | 18,000 | 5,000 | 3,000 | 10,000 | 10,000 | 400 |
| Repairs/maint. | 500 | 500 | 10,000 | 5,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total indirect or related expenses | 14,000 | 42,000 | 30,000 | 16,000 | 18,000 | 21,000 | 21,000 | 11,000 |
| Professional fees and contract price payments | 10,000 | 10,000 | 20,000 | 10,000 | 1,000 | 10,000 | 10,000 | 1,000 |
| Supplies | 1,000 | 1,000 | 1,000 | 500 | 500 | 1,000 | 1,000 | 1,000 |
| Utilities | 1,000 | 1,000 | 1,000 | 500 | 1,000 | 1,000 | 1,000 | 1,000 |
| Printing and shipping | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Travel | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Food and beverages | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Construction, maintenance and repairs | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Printing and publications | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Special services to individuals | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Telephone | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Management and general | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Miscellaneous | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Depreciation | — | — | — | — | — | — | — | — |
| TOTAL EXPENSES | \$ 84,000 | \$ 164,000 | \$ 107,000 | \$ 52,000 | \$ 68,000 | \$ 84,000 | \$ 110,000 | \$ 62,000 |

(Continued)

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDING JUNE 30, 1997, WITH COMPARATIVE TOTALS FOR JUNE 30, 1996

| | Programs Administered | All Levels | General Expenses | Gifts Received | Prize Proceeds | Gifts Received | Gifts Received | Gifts Received | Program Manager Salaries |
|---|--------------------------|---------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|
| Salaries and related benefits | \$ 759,444 | \$ 119,796 | \$ 242,497 | \$ 19,973 | \$ 19,973 | \$ 69,988 | \$ 1,129,271 | \$ 29,487 | |
| Benefits (health, retirement, dental) | 119,000 | 17,775 | 11,665 | 1,348 | 1,348 | 14,741 | 178,224 | 14,461 | |
| Payroll taxes | 25,742 | 3,923 | 13,431 | 2,044 | 2,044 | 8,521 | 54,705 | 25,114 | |
| Total salaries and related expenses | 894,186 | 141,494 | 367,613 | 23,365 | 23,365 | 93,250 | 1,372,199 | 79,068 | |
| Professional fees and contract arrangements | | | | | | | | | |
| Legal fees | 21,000 | 10,711 | 10,281 | 2,224 | 2,224 | 12,246 | 36,485 | 12,161 | |
| Public relations | 4,000 | 1,244 | 1,966 | 1,171 | 1,171 | 2,044 | 11,466 | 1,368 | |
| Printing and postage | | 36 | 749 | | | 781 | 1,216 | 1,668 | |
| Consulting | 44,128 | 12,974 | 4,177 | 499 | 499 | 17,298 | 79,426 | 4,442 | |
| Travel and transportation | 1,712 | 374 | 1,125 | 1,125 | 1,125 | 1,125 | 4,442 | 1,112 | |
| Contract services - construction and printing | 1,818 | 1,121 | 1,848 | 2,044 | 2,044 | 1,121 | 2,274 | 1,441 | |
| Printing and publications | 1,843 | 1,121 | 882 | | | 882 | 2,274 | 1,441 | |
| Books, materials and supplies | 1,121 | 1,121 | 1,121 | 71 | 71 | 1,121 | 4,442 | 1,441 | |
| Telephone and telegrams | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 4,442 | 1,441 | |
| Depreciation on fixed assets | 41,242 | 20,881 | 40,817 | 4,442 | 4,442 | 4,442 | 42,881 | 4,442 | |
| Repairs | | 881 | | | | | 4,442 | 1,441 | |
| Utilities | | | | | | | 4,442 | 1,441 | |
| Depreciation | 11,442 | 4,442 | 4,442 | | | 4,442 | 11,442 | 4,442 | |
| Total expenses | \$ 988,511 | \$ 202,111 | \$ 428,731 | \$ 33,336 | \$ 33,336 | \$ 120,022 | \$ 1,538,495 | \$ 102,773 | |

(Continued)

CATHOLIC CHARITIES, INCORPORATED OF NEW ORLEANS

STATEMENT OF FINANCIAL SUPPORTS

THROUGH JUNE 30, 1997, WITH COMPARATIVE FIGURES FOR JUNE 30, 1996

| | Family Contributions | Individuals (Other Than Family) | Gifts (Other Than Family) | Bequests (Other Than Family) | Bequests (Family) | Bequests (Other Than Family) | Bequests (Family) | Bequests (Other Than Family) | Bequests (Family) | Bequests (Other Than Family) | Other | 1996 | 1997 |
|--|-------------------------|---------------------------------------|---------------------------------|------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|----------|----------|----------|
| Religious and related benefits | \$7,174 | \$7,439 | \$10,739 | \$10,739 | \$10,739 | \$10,739 | \$10,739 | \$10,739 | \$10,739 | \$10,739 | \$10,739 | \$10,739 | \$10,739 |
| Employee benefits and insurance benefits | 1,164 | 4 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 |
| Fund fees | (583) | (85) | (668) | (668) | (668) | (668) | (668) | (668) | (668) | (668) | (668) | (668) | (668) |
| Total religious and related supports | \$7,755 | 7,458 | 11,239 | 11,239 | 11,239 | 11,239 | 11,239 | 11,239 | 11,239 | 11,239 | 11,239 | 11,239 | 11,239 |
| Professional fees and contract services expenses | 1,038 | 87 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 | 2,025 |
| Salaries | 5,019 | 87 | 5,106 | 5,106 | 5,106 | 5,106 | 5,106 | 5,106 | 5,106 | 5,106 | 5,106 | 5,106 | 5,106 |
| Benefits | 4 | 87 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 |
| Contractual | 4 | 87 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 |
| Travel and delivery | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Telephone | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Travel and transportation | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Contractual, administrative and training | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Printing and publications | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Office supplies and materials | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Telephone bills | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Administrative supplies | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Travel | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Depreciation | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Utilities | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| Other | 1,038 | 87 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 |
| NET ASSETS EMPLOYED | \$8,793 | \$1,545 | \$10,338 | \$10,338 | \$10,338 | \$10,338 | \$10,338 | \$10,338 | \$10,338 | \$10,338 | \$10,338 | \$10,338 | \$10,338 |

See notes to financial statements

(Continued)

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 1997 AND 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Catholic Charities, Archdiocese of New Orleans (Agency), a non-for-profit charitable organization of the Roman Catholic Church of the Archdiocese of New Orleans, operates community social service programs and provides administrative support and financial management services to separately operated charitable programs which it sponsors. The accompanying financial statements include the accounts of all charitable programs which it operates or sponsors.

Basic of Presentation - The Agency classifies its resources for accounting and reporting purposes into financial asset categories according to externally imposed restrictions. A description of the major asset categories follows:

Unrestricted - Assets and contributions that are not restricted by donors or for which there are no restrictions.

Temporarily restricted - A donor-imposed restriction that permits the Agency to use the donated assets as specified. The use of the assets is restricted until passage of time or by actions of the organization.

Permanently restricted - A donor-imposed restriction that stipulates that resources be maintained permanently but permits the use of all or part of the income derived.

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

Contributions - All contributions are considered to be available for unrestricted use unless specified by restriction by the donor.

The value of contributed goods and services has been recorded as support and revenue and expense in the period received provided there is an objective basis for measurement of the value of such goods and services and they are significant and form an integral part of the efforts of the program.

Allocation of Costs to Programs - The costs of administrative support that relate to more than one program have been allocated to the separate programs based on units of service, volume of activity or other equitable basis.

Investments - Investments are recorded at market value based on quoted market prices. Gains and losses, both realized and unrealized, are included in the statements of activities.

Property and Equipment - Property and equipment are carried at purchased cost or appraised value when acquired by donation or gift, with subsequent additions at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the estimated useful lives of the improvements.

The estimated useful lives used in determining depreciation and amortization follow:

| | |
|----------------------------|---------------|
| Buildings and improvements | 10 - 50 years |
| Leasehold improvements | 10 years |
| Equipment | 5 years |
| Vehicles | 3 years |

Income Tax - The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Prior Year Financial Information - The financial statements include certain prior-year comparative information as total but not by net asset class in the statements of activities and functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 1996, from which the information was derived.

2. INVESTMENTS

Investments are comprised of the following:

| | June 30, 1997 | | June 30, 1996 | |
|--|---------------|--------------|---------------|--------------|
| | Cost | Market Value | Cost | Market Value |
| Certificates of deposit | \$ 52,800 | \$ 52,000 | \$ 52,000 | \$ 52,800 |
| Money market funds | 660,121 | 660,121 | 325,749 | 326,749 |
| Mutual funds | 2,164,930 | 2,809,569 | 2,362,389 | 2,471,660 |
| Corporate stocks | 29,685 | - | 29,685 | - |
| Total | 1,907,136 | 2,581,690 | 2,769,823 | 2,958,417 |
| Less allowance for unrealized losses on disposal of corporate stocks | (29,685) | - | (29,685) | - |
| Total investments | \$ 1,877,451 | \$ 2,581,690 | \$ 2,740,138 | \$ 2,958,417 |

The corporate stocks held at June 30, 1997 and 1996 consist of unlisted securities.

The ownership of the investments at market value at June 30, 1997 and 1996 is as follows:

| | 1997 | 1996 |
|--------------------------------------|---------------------|---------------------|
| Unrestricted net assets | \$ 873,724 | \$ 535,364 |
| Temporarily restricted net assets | 328,286 | 328,918 |
| Funds held for the account of others | <u>3,878,760</u> | <u>3,885,114</u> |
| Total | <u>\$ 5,080,770</u> | <u>\$ 2,995,412</u> |

3. PROPERTY AND EQUIPMENT, NET

A summary of property and equipment at June 30, 1997 and 1996 follows:

| | 1997 | 1996 |
|--|---------------------|---------------------|
| Buildings and improvements | \$10,670,803 | \$10,631,757 |
| Leasehold improvements | 1,656,529 | 1,251,278 |
| Equipment | 2,428,508 | 2,043,798 |
| Vehicles | <u>580,434</u> | <u>582,817</u> |
| | 15,486,364 | 14,513,640 |
| Less accumulated depreciation and amortization | <u>(7,136,838)</u> | <u>(6,796,879)</u> |
| Land | <u>8,170,344</u> | <u>7,784,879</u> |
| | 470,731 | 489,510 |
| Total property and equipment, net | <u>\$ 8,419,875</u> | <u>\$ 8,284,251</u> |

4. LOANS PAYABLE

Loans payable at June 30, 1997 and 1996 are summarized as follows:

| | 1997 | 1996 |
|--|---------------------------|---------------------------|
| Unsecured demand borrowings, pursuant to a line of credit permitting borrowings up to \$2.5 million, bearing interest at the bank's prime rate plus 1/2% (8.00% and 8.75% at June 30, 1997 and 1996, respectively), guaranteed by the Roman Catholic Church of the Archdiocese of New Orleans | \$2,058,000 | \$2,179,000 |
| Mortgage notes payable in monthly installments approximating \$12,000, including interest at an annually adjustable rate ranging from 5.37% to 8.91% at June 30, 1997 and 4.82% to 9.00% at June 30, 1996, final installments due between December, 2013 and July, 2015, collateralized by real-estate with a net book value approximating \$283,000 and \$600,000 at June 30, 1997 and 1996, respectively | 323,026 | 331,776 |
| Unsecured note payable, non-interest bearing, due January, 1998 | 74,650 | 74,650 |
| Promissory note to Roman Catholic Church of the Archdiocese of New Orleans, non-interest bearing, no schedule for repayment | <u>199,120</u> | <u>-</u> |
| Total loans payable | <u>\$2,764,796</u> | <u>\$2,585,426</u> |

Annual principal payments on loans payable for each of the next five years and in total thereafter at June 30, 1997 follows:

| Year Ending June 30, | |
|-------------------------|---------------------------|
| 1998 | \$2,448,501 |
| 1999 | 8,750 |
| 2000 | 10,200 |
| 2001 | 11,251 |
| 2002 | 13,751 |
| Thereafter | <u>268,271</u> |
| Total | <u>\$2,764,796</u> |

Interest paid during 1997 and 1996, all of which was charged to operations, approximated \$166,000 and \$185,000, respectively.

5. RETIREMENT PLAN

The Agency has a defined contribution retirement plan covering substantially all of its employees. Under the plan, Agency contributions, if any, are determined annually at the discretion of the Agency. The Agency authorized a contribution of \$191,400 and \$186,130, for 1997 and 1996, respectively.

6. RELATED PARTIES

The Archbishop of New Orleans serves as president of Catholic Charities, Archdiocese of New Orleans. He also serves as president of all other corporations, boards of trustees and separate organizations sponsored by or operated under the auspices of the Archdiocese of New Orleans.

In the normal course of operations, the Archdiocese of New Orleans has made and will, when necessary, make available to the Agency and its affiliated agencies specific assistance in the form of operating subsidies, loans, loan guarantees, use of facilities and administrative support.

During fiscal year ended June 30, 1997 and 1996, the Agency purchased computer hardware and software from two related parties for approximately \$146,000 and \$91,000, respectively.

7. OPERATING LEASE OBLIGATIONS

The Agency operates a portion of its community social service programs in leased facilities under operating leases expiring at various dates through the year 2007. The leases are subject to cancellation under certain circumstances, including substantial changes in funding in the Agency's programs. The following is a schedule by years of future minimum rental payments required under these leases and equipment leases that have initial or remaining lease terms in excess of one year as of June 30, 1997.

| Year Ending June 30, | |
|-------------------------|-------------------|
| 1998 | \$ 288,067 |
| 1999 | 89,085 |
| 2000 | 64,683 |
| 2001 | 43,981 |
| 2002 | 40,880 |
| 2003 | 13,680 |
| | <u>\$ 437,000</u> |

Total rental expense for all operating leases for the year ended June 30, 1997 and 1996 approximated \$123,000 and \$119,800, respectively.

8. CONTINGENCIES

The Agency receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Agency's programs and activities.

The Agency is required to submit reports to various funding sources to substantiate the support received. These reports are subject to audit and/or approval by the respective funding sources.

The Agency is a party to various litigation and other claims, the outcome of which cannot be presently determined. Management's opinion is that the outcome of such matters would not have a significant effect on the Agency's financial position.

* * * * *

**OFFICIAL
FULL COPY**

DO NOT SEND OUT

When necessary
tear from this
copy and PLACE
back in folder

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

**Independent Auditors' Reports and Information
Required by Government Auditing Standards
for the Year Ended June 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: _____

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

TABLE OF CONTENTS

| | Page |
|--|-------------|
| <i>Supplementary Schedule of Governmental Financial Assistance</i> | 1 |
| <i>Note to Supplementary Schedule of Governmental Financial Assistance</i> | 4 |
| <i>Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i> | 5 |
| <i>Independent Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Program and on the Schedule of Governmental Financial Assistance in Accordance with OMB Circular A-133</i> | 7 |
| <i>Schedule of Findings and Questioned Costs</i> | 9 |
| <i>Status of Prior Year Audit Findings</i> | 13 |

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 1997

| | Federal CFDA # | Revenue on Accrual Basis |
|--|-------------------|-----------------------------|
| Funded through the State of Louisiana and other local agencies: | | |
| Department of Social Services | | |
| Office of Community Services | | |
| - Child Residential Care | | \$ 2,995,563 |
| - Child Day Care | | 102,681 |
| - Refugee Social Services | 92,596 | 109,683 |
| - Targeted Assistance | 92,026 | 99,548 |
| - Social Services Block Grant | 10,687 | 110,432 |
| - Residential Supervised Apartment | 92,687 | 115,496 |
| - Independent Living | 93,624 | 212,306 |
| | | <u>3,462,189</u> |
| Department of Health and Hospitals | | |
| Office of the Secretary | | |
| - Adult Residential Care | | 1,534,986 |
| - Child Residential Care | | 1,699,487 |
| - Adult Day Health Care | | 161,584 |
| - Maternity | | 8,778 |
| | | <u>3,413,745</u> |
| Department of Public Safety and Corrections - | | |
| Office of Youth Development | | |
| - Child Residential Care | | 2,721,430 |
| | | <u>2,721,430</u> |
| Total Community Action | | |
| - Child Day Care | | 589,871 |
| | | <u>589,871</u> |
| Department of Education - Special Food Program | | |
| - Child Day Care | | 247,418 |
| - Adult Day Health Care | | 56,022 |
| | | <u>303,440</u> |
| | | <u>(Continued)</u> |

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 1997

| | Federal CFDA # | Revenue on Annual Basis |
|--|-------------------|----------------------------|
| Department of Social Services | | |
| Louisiana Rehabilitation Services | | |
| - Deaf Action Center | | 179,447 |
| - Pades Vocational | | 140,138 |
| | | <u>319,585</u> |
| Action | | |
| - Foster Grandparents | 32,091 | <u>215,564</u> |
| Office of Mental Health and Substance Abuse | | |
| - Adult Residential Care | | <u>379,343</u> |
| Jefferson Parish Council | | |
| - Emergency Shelter Care | | <u>62,027</u> |
| United States Department of Justice - Passed through | | |
| United States Catholic Conference | | |
| - Cuban/Haitian Program | | <u>17,818</u> |
| United States Department of State - Passed through | | |
| United States Catholic Conference | | |
| - Reception and Placement Program | | <u>5,540</u> |
| Department of Social Services - | | |
| Office of Family Support | | |
| - Jobs - Job Search | 91,953 | 172,154 |
| - Jobs - Education Services | 13,743 | <u>21,293</u> |
| | | <u>193,447</u> |
| Louisiana Office of Women's Services | | |
| - Domestic Violence | | <u>165,283</u> |
| City of New Orleans - | | |
| Community Development Block Grant | | |
| - Adult Residential Care | | 177,710 |
| - Social Adjustment | | 21,119 |
| - Emergency Shelter Care | | 81,960 |
| - AIDS Services | | 104,027 |
| - Domestic Violence | | <u>49,277</u> |
| | | <u>434,096</u> |
| Health Resources Services Administration | | |
| - Child Day Care | | <u>24,149</u> |

(Continued)

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 1997

| | Federal CFDA # | Revenue on Annual Basis |
|--|-------------------|--|
| Department of Education-School Lunch Program - Child Residential Care | | <u>135,609</u> |
| Department of Housing and Urban Development - Transitional Housing - Emergency Shelter Care - Child Day Care | | <u>84,874</u> <u>180,257</u> <u>81,904</u> <u>346,835</u> |
| Department of Health and Hospitals - Office of Public Health - Immigrant/Refugee Services | | <u>58,818</u> |
| United Way Emergency Food/Shelter Program - Emergency Assistance - Emergency Shelter Care - Domestic Violence | | <u>30,506</u> <u>18,687</u> <u>15,898</u> <u>65,091</u> |
| New Orleans Ryan White Title I Comprehensive AIDS Planning Council - City of New Orleans - AIDS Services | | <u>171,898</u> |
| U.S. Department of Agriculture - Emergency Shelter Care - Domestic Violence | | <u>22,818</u> <u>12,718</u> <u>35,536</u> |
| Law Enforcement Assistance Administration - Domestic Violence | | <u>74,511</u> |
| Miscellaneous Grants | | <u>68,090</u> |
| TOTAL GOVERNMENTAL FINANCIAL ASSISTANCE | | <u>\$1,317,857</u> |

(Continued)

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

NOTES TO SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 1997

1. BASIS OF PRESENTATION

The accompanying Schedule of Governmental Financial Assistance has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Agency has met the cost reimbursement or funding qualifications for the respective grants. The dollar threshold used to distinguish between Type A and Type B programs was \$400,000.

Catholic Charities, Archdiocese of New Orleans receives a substantial portion of its funding in the form of governmental financial assistance which is passed through the State of Louisiana. The State is required to report the amount of federal and state dollars it passes to Catholic Charities, Archdiocese of New Orleans. However, the State is not able to supply this information. Also, Catholic Charities, Archdiocese of New Orleans' accounting system does not maintain separate expense accounts by funding source. Due to the lack of information, a determination of what dollars are being spent (i.e., government funds, United Way funds, contributions, etc.) cannot be made. Due to these circumstances, a supplementary schedule of expenditures of federal awards cannot be compiled. As a result, a schedule of governmental financial assistance is prepared every year.

2. PAYMENTS TO SUBSIDIARIES

There were no payments to subsidiaries for the fiscal year ended June 30, 1997.

3. CFDA NUMBERS

Contract or catalog of Federal Domestic Assistance (CFDA) Numbers are presented for all individual awards scheduled, where applicable. CFDA Numbers were not available for certain state agency funding awards.



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

Most Reverend Francis B. Schulte, D.D., President
Catholic Charities, Archdiocese of New Orleans
New Orleans, Louisiana

We have audited the financial statements of the Catholic Charities, Archdiocese of New Orleans (the "Agency"), as of and for the year ended June 30, 1997, and have issued our report thereon dated November 26, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Suite 3100
One Shell Square
701 Poydras Street
New Orleans, Louisiana 70112-3298

Telephone: (504) 581-7000
Facsimile: (504) 581-7011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER COMPLIANCE APPLICABLE TO EACH MAJOR PROGRAM AND ON THE
SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Most Reverend Francis B. Schulte, D.D., President
Catholic Charities, Archdiocese of New Orleans
New Orleans, Louisiana

Compliance

We have audited the compliance of the Catholic Charities, Archdiocese of New Orleans (the "Agency"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audit of State, Local Government, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 97-1 through 97-3.

Internal Control Over Compliance

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and in our opinion that we consider to be material weaknesses.

Schedule of Governmental Financial Assistance

We have audited the financial statements of the Agency as of and for the year ended June 30, 1997, and have issued our report thereon dated November 26, 1997. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of Governmental Financial Assistance is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The schedule is the responsibility of the management of the Agency. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Board of Directors, each committee, management and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



November 26, 1997

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 1987

SUMMARY OF THE AUDITOR'S RESULTS

- An unqualified opinion was issued on the financial statements of the auditee.
- The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.
- The audit disclosed no instances of noncompliance that were material to the financial statements of the auditee.
- The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses is not applicable.
- An unqualified opinion was issued on compliance for major programs.
- The audit disclosed findings which are required to be reported under Section 530(a) of Circular A-133 as disclosed in the Schedule of Findings and Questioned Costs Related to governmental financial assistance as indicated below.
- Major programs for the fiscal year ended June 30, 1987 were:
 1. Department of Social Services - Office of Community Service (CFDA #93.266, 93.026, 13.867, 93.867, 93.674)
 2. Department of Health and Hospitals - Office of the Secretary
 3. Department of Public Safety and Corrections - Office of Youth Development
 4. Total Community Action
 5. City of New Orleans - Community Development Block Grant
 6. Catholic Charities, Archdiocese of New Orleans receives a substantial portion of its funding in the form of governmental financial assistance which is passed through the State of Louisiana. The State is required to report the amount of federal and state dollars it passes to Catholic Charities, Archdiocese of New Orleans. However, the State is not able to supply this information. Also, Catholic Charities, Archdiocese of New Orleans' accounting system does not maintain separate expense accounts by funding source. Due to the lack of information, a determination of what dollars are being spent (i.e., government funds, United Way funds, contributions, etc.) cannot be made. Due to these circumstances, a supplementary schedule of expenditures of federal awards cannot be compiled. As a result, a schedule of governmental financial assistance is prepared every year.
- The dollar threshold used to distinguish between Type A and Type B programs was \$408,000.
- The auditee did not qualify as a low-risk auditee.

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There was no findings related to the financial statements for the year ended June 30, 1997.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO GOVERNMENTAL FINANCIAL ASSISTANCE

FF-1 Property Records

Condition

The Agency does not maintain property records that identify the source of funding for property, the agency that has title to the property or property owned by the federal government.

Criteria

OMB Circular A-118 requires that a recipient maintain property records that include, among other things, the identification of the source of the property, including grant or other agreement number, the agency that has title to the property, percentage of federal participation in the program for which the property was acquired, and identification of property owned by the federal government.

Effect

The Agency's property records do not identify federally owned property.

Cause

Although the Agency maintains a property subledger, detail of property purchased with federal funding is not identified as management has not implemented procedures that would ensure compliance with this requirement.

Recommendation

We recommend that the Agency implement a property management system that will ensure accurate records, adequate maintenance and control, and proper procedures for disposition of property.

Management's Response

When property and/or equipment is purchased, it is always recorded to a particular institution/program as the owner. We do not normally identify a particular funding source as the owner of the item in question as that rarely happens. If property/equipment is purchased with particular governmental funding, that is not identified as part of the description of that particular asset. Also, the Agency receives very little funding, governmental or otherwise, that is for capital purchases. While we are aware that it is incumbent upon us to ensure that assets that ultimately belong to the funding source are properly identified if program services are terminated, we believe we have a way to do that without having to note, for all assets acquired, the percentage of government funding for the institution/program acquiring the item in question.

92.2 Physical Inventory of Property

Condition

The Agency has not performed a physical inventory of property in the last three years.

Criteria

OAG Circular A-110 requires that a recipient perform a physical inventory of property and that the results of such procedures be reconciled with the recipient's property records at least once every two years.

Effect

The Agency does not have procedures in place for the performance of property physical inventories.

Cause

This finding appears to have occurred because management has not fully implemented procedures that would ensure compliance with this requirement.

Recommendation

We recommend that the Agency's property management system include procedures for performing a physical inventory observations at least once every two years and that the results of such performance be reconciled to the Agency's property records on a timely basis.

Management's Response

The Agency began performing a physical inventory of its fixed assets. Prior to completion, the staff person working on this project left our employ. We do not have a timetable or resources identified for resuming the inventory.

92.3 Hearing, Vision and/or Health Screenings

Condition

In examining twenty-five participants' eligibility at a Child Day Care program, we noted 13 instances where the participants records did not contain hearing, vision and/or health screenings within 45 days after entering the program.

Criteria

The Head Start program requires the Agency to provide health and development screenings for all participants within 45 days after the start of the program or by 45 days after the child enters the program.

Effect

The Agency did not provide necessary health screenings within the time frame required by Total Community Action.

Cases

Although the Agency has procedures for adhering to the performance standards of the program, it appears that in some instances the program does not provide the required screenings timely.

Recommendation

We recommend the Agency adhere to its policies and procedures by providing the required screenings of participants within the required time frame.

Management's Response

Total Community Action (TCA) requires health and vision screenings within 45 days of a child's entry into a Headstart day care program and there were several children who did not meet this requirement. All eligible participants had the required screenings but not within the 45 day time limit. TCA offers referrals for these screenings, to a limited list of examiners, during the month of September. If a child comes into the program at sometime other than the start of the day care year, it is the responsibility of the parent to obtain these screenings. Unfortunately, it is difficult to enforce this timetable on the parents after the child is already in the program as there is no formal mechanism for follow-up and enforcement of this requirement.

CATHOLIC CHARITIES, ARCHDIOCESE OF NEW ORLEANS

STATUS OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED JUNE 30, 1997

Finding - OMB Circular A-118, Property Management Standards

We noted that the Agency's property records do not identify the source of funding for the property, the agency that has title to the property owned by the federal government.

Status

As noted in the accompanying Schedule of Findings and Questioned Costs, property records have not been updated in accordance with Circular A-118.

Finding - OMB Circular A-118, Property Management Standards

We noted that the Agency had not completed a physical inventory of property as required by OMB Circular A-118.

Status

As noted in the accompanying Schedule of Findings and Questioned Costs, the Agency has not completed a physical inventory of its property.

Finding - Head Start

We noted 10 instances where participants in the Head Start program did not receive hearing and/or vision screenings within 45 days after entering the program.

Status

As noted in the accompanying Schedule of Findings and Questioned Costs, instances were noted in the current year where the Program did not receive hearing and/or vision screenings within the required time period.