
**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND
SUBSIDIARIES**

FINANCIAL STATEMENTS

JUNE 30, 2022

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES**

FINANCIAL STATEMENTS

JUNE 30, 2022

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Independent Auditors' Report

Most Reverend Gregory M. Aymond and the Board of Directors,
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Catholic Charities Archdiocese of New Orleans and Subsidiaries (the Agency), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Catholic Charities Archdiocese of New Orleans and Subsidiaries as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our 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 Catholic Charities Archdiocese of New Orleans and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated 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 consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 consolidated 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 consolidated 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 Agency'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

Supplementary Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information containing the consolidating information on pages 25 through 29, Schedule of Activities by Program Services on page 30, and Schedule of Compensation, Benefits, and Other Payments to or on behalf of the Agency Head on page 31 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
December 21, 2022

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

ASSETS

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 12,058,205 | \$ 14,283,413 |
| Program accounts receivable | 3,625,202 | 2,795,237 |
| Contributions receivable: | | |
| Pledges | 5,100 | 5,550 |
| United Way | 88,023 | 500,532 |
| Other receivables | 7,505 | 240,995 |
| Investments | 14,555,458 | 16,569,272 |
| Prepaid expenses and deferred charges | 507,803 | 760,520 |
| Property and equipment - net | 10,903,348 | 11,599,327 |
| Total assets | \$ 41,750,644 | \$ 46,754,846 |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|-------------------|-------------------|
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 3,132,261 | \$ 3,926,690 |
| Refundable advances - Other | 29,185 | 30,000 |
| Unemployment reserve | 71,601 | 88,827 |
| Funds held for others | 203,161 | 203,512 |
| Total liabilities | 3,436,208 | 4,249,029 |
| Net assets: | | |
| Without donor restrictions | 32,413,369 | 35,252,125 |
| With donor restrictions | 5,901,067 | 7,253,692 |
| Total net assets | 38,314,436 | 42,505,817 |
| Total liabilities and net assets | \$ 41,750,644 | \$ 46,754,846 |

See notes to consolidated financial statements.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

| | Without Donor Restrictions | With Donor Restrictions | 2022 Totals | Without Donor Restrictions | With Donor Restrictions | 2021 Totals |
|--|-------------------------------|----------------------------|----------------------|-------------------------------|----------------------------|----------------------|
| Revenues | | | | | | |
| Public support: | | | | | | |
| Contributions | 2,865,410 | 1,832,173 | \$ 4,697,583 | \$ 4,759,788 | \$ 836,668 | \$ 5,596,456 |
| Contributed goods and services | 333,835 | - | 333,835 | 463,727 | - | 463,727 |
| United Way | | | | | | |
| Southeast Louisiana: | | | | | | |
| Allocations | - | - | - | - | 175,148 | 175,148 |
| Designations | 62,787 | - | 62,787 | 60,331 | - | 60,331 |
| St. Charles Parish: | | | | | | |
| Allocations | 81,650 | - | 81,650 | 82,206 | 689,268 | 771,474 |
| St. John Parish: | | | | | | |
| Allocations | - | 13,750 | 13,750 | - | 18,000 | 18,000 |
| Special events (net of direct costs) | 79,874 | - | 79,874 | 24,781 | - | 24,781 |
| Total public support | <u>3,423,556</u> | <u>1,845,923</u> | <u>5,269,479</u> | <u>5,390,833</u> | <u>1,719,084</u> | <u>7,109,917</u> |
| Governmental financial assistance: | | | | | | |
| Federal | 32,466,457 | 90,000 | 32,556,457 | 33,123,689 | 40,000 | 33,163,689 |
| Other governmental agencies | 530,944 | - | 530,944 | 499,388 | - | 499,388 |
| Total governmental financial assistance | <u>32,997,401</u> | <u>90,000</u> | <u>33,087,401</u> | <u>33,623,077</u> | <u>40,000</u> | <u>33,663,077</u> |
| Other Revenue: | | | | | | |
| Program service fees | 863,577 | - | 863,577 | 928,946 | - | 928,946 |
| Legal settlement | 10,720 | - | 10,720 | - | - | - |
| Miscellaneous | 208,204 | - | 208,204 | 4,860 | - | 4,860 |
| Loss on disposition of property | (76,610) | - | (76,610) | (32,726) | - | (32,726) |
| Property recoveries | 15,229 | - | 15,229 | 119,370 | - | 119,370 |
| Net assets released from restrictions | 3,019,946 | (3,019,946) | - | 3,595,007 | (3,595,007) | - |
| Total other revenue | <u>4,041,066</u> | <u>(3,019,946)</u> | <u>1,021,120</u> | <u>4,615,457</u> | <u>(3,595,007)</u> | <u>1,020,450</u> |
| Total revenue | <u>40,462,023</u> | <u>(1,084,023)</u> | <u>39,378,000</u> | <u>43,629,367</u> | <u>(1,835,923)</u> | <u>41,793,444</u> |
| Expenses | | | | | | |
| Program services | 39,085,869 | - | 39,085,869 | 40,856,319 | - | 40,856,319 |
| Management and general | 2,167,424 | - | 2,167,424 | 2,124,493 | - | 2,124,493 |
| Fundraising | 493,587 | - | 493,587 | 545,391 | - | 545,391 |
| Total expenses | <u>41,746,880</u> | <u>-</u> | <u>41,746,880</u> | <u>43,526,203</u> | <u>-</u> | <u>43,526,203</u> |
| Change in net assets before investment activity | | | | | | |
| Net investment income | (1,284,857) | (1,084,023) | (2,368,880) | 103,164 | (1,835,923) | (1,732,759) |
| Change in net assets | <u>(2,838,756)</u> | <u>(1,352,625)</u> | <u>(4,191,381)</u> | <u>3,013,438</u> | <u>(1,249,951)</u> | <u>1,763,487</u> |
| Net Assets | | | | | | |
| Beginning of year | 35,252,125 | 7,253,692 | 42,505,817 | 32,238,687 | 8,503,643 | 40,742,330 |
| End of year | <u>\$ 32,413,369</u> | <u>\$ 5,901,067</u> | <u>\$ 38,314,436</u> | <u>\$ 35,252,125</u> | <u>\$ 7,253,692</u> | <u>\$ 42,505,817</u> |

See notes to consolidated financial statements.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

Program Services

| | Catholic Charities | | | | | | | PHILMAT | PACE | Total Program Services | Management and General | Fundraising | 2022 Totals |
|---|--------------------|-----------------------|----------------------------|--------------------------------|---------------------------|------------------------------|---------------------------|--------------|---------------|------------------------|------------------------|-------------|---------------|
| | Head Start | Adult Day Health Care | Padua Pediatrics and Adult | Community Centers and Services | Residential Special Needs | Non-Residential Day Programs | Catholic Charities Totals | | | | | | |
| Expenses | | | | | | | | | | | | | |
| Salaries | \$ 3,776,244 | \$ 37 | \$ 2,004,469 | \$ 724,258 | \$ 818,557 | \$ 3,912,022 | \$ 11,235,587 | \$ 1,745,207 | \$ 3,438,294 | \$ 16,419,088 | \$ 1,376,817 | \$ 250,743 | \$ 18,046,648 |
| Employee benefits | 666,913 | 5 | 302,865 | 105,062 | 139,928 | 654,019 | 1,868,792 | 384,172 | 561,975 | 2,814,939 | 189,034 | 35,444 | 3,039,417 |
| Payroll taxes | 277,429 | 3 | 148,588 | 49,992 | 60,638 | 284,744 | 821,394 | 130,774 | 255,027 | 1,207,195 | 96,001 | 18,532 | 1,321,728 |
| Total salaries and related expenses | 4,720,586 | 45 | 2,455,922 | 879,312 | 1,019,123 | 4,850,785 | 13,925,773 | 2,260,153 | 4,255,296 | 20,441,222 | 1,661,852 | 304,719 | 22,407,793 |
| Professional fees and contract service payments | 212,209 | 7,349 | 197,752 | 87,122 | 177,395 | 144,918 | 826,745 | 371,625 | 1,061,964 | 2,260,334 | 305,794 | 125,897 | 2,692,025 |
| Supplies and other operating expenses | 233,416 | 1 | 267,494 | 21,337 | 12,413 | 140,761 | 675,422 | 288,706 | 248,104 | 1,212,232 | 42,964 | 33,041 | 1,288,237 |
| Equipment expense | 71,400 | 126 | 43,802 | 75,951 | 18,211 | 145,891 | 355,381 | 30,992 | 73,485 | 459,858 | 50,934 | 1,310 | 512,102 |
| Occupancy | 611,469 | 7,230 | 201,640 | (237,798) | 172,921 | 413,046 | 1,168,508 | 554,809 | 198,259 | 1,921,576 | 30,421 | 6,432 | 1,958,429 |
| Travel and transportation | 6,653 | - | 30,834 | 13,043 | 8,222 | 11,322 | 70,074 | 634,211 | 197,391 | 901,676 | 2,601 | 110 | 904,387 |
| Personnel recruitment and development | 93,344 | - | 2,225 | 7,257 | 2,065 | 31,944 | 136,835 | 3,974 | 16,515 | 157,324 | 9,005 | 4,456 | 170,785 |
| Insurance | 85,223 | 339 | 141,991 | 36,762 | 31,794 | 84,458 | 380,567 | 238,466 | 241,619 | 860,652 | 15,719 | 2,450 | 878,821 |
| Food | 170,340 | - | 171,494 | 783 | 429 | 800 | 343,846 | 38 | 265,390 | 609,274 | 313 | 60 | 609,647 |
| Contributed goods and services | 329,735 | - | 4,100 | - | - | 75,000 | 408,835 | - | - | 408,835 | - | - | 408,835 |
| Miscellaneous | 4,345 | 1 | 13,814 | 901 | 1,184 | 5,546 | 25,791 | 32,857 | 5,533 | 64,181 | 24,168 | 14,654 | 103,003 |
| Specific assistance to individuals | 234 | - | 64,839 | 350,014 | 889,104 | 757,312 | 2,061,503 | - | 71,323 | 2,132,826 | - | - | 2,132,826 |
| Provider services | - | - | - | - | - | - | - | - | 6,528,559 | 6,528,559 | - | - | 6,528,559 |
| Depreciation | 150,294 | 1 | 102,877 | 132,108 | 67,985 | 15,785 | 469,050 | 280,375 | 377,895 | 1,127,320 | 23,653 | 458 | 1,151,431 |
| Total expenses | \$ 6,689,248 | \$ 15,092 | \$ 3,698,784 | \$ 1,366,792 | \$ 2,400,846 | \$ 6,677,568 | \$ 20,848,330 | \$ 4,696,206 | \$ 13,541,333 | \$ 39,085,869 | \$ 2,167,424 | \$ 493,587 | \$ 41,746,880 |

See notes to consolidated financial statements.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

Program Services

| | Catholic Charities | | | | | | | | | | | 2021 Totals | |
|---|--------------------|-----------------------|----------------------------|--------------------------------|---------------------------|------------------------------|---------------------------|--------------|---------------|------------------------|------------------------|-------------|---------------|
| | Head Start | Adult Day Health Care | Padua Pediatrics and Adult | Community Centers and Services | Residential Special Needs | Non-Residential Day Programs | Catholic Charities Totals | PHILMAT | PACE | Total Program Services | Management and General | | Fundraising |
| Expenses | | | | | | | | | | | | | |
| Salaries | \$ 4,016,334 | \$ 49,953 | \$ 2,087,819 | \$ 639,634 | \$ 971,635 | \$ 4,490,632 | \$ 12,256,007 | \$ 1,917,409 | \$ 3,573,640 | \$ 17,747,056 | \$ 1,373,366 | \$ 256,031 | \$ 19,376,453 |
| Employee benefits | 688,618 | 19,382 | 339,232 | 101,831 | 147,942 | 746,496 | 2,043,501 | 411,856 | 571,873 | 3,027,230 | 179,494 | 31,093 | 3,237,817 |
| Payroll taxes | 270,573 | 4,741 | 136,554 | 47,055 | 68,778 | 317,802 | 845,503 | 120,889 | 256,086 | 1,222,478 | 93,660 | 17,807 | 1,333,945 |
| Total salaries and related expenses | 4,975,525 | 74,076 | 2,563,605 | 788,520 | 1,188,355 | 5,554,930 | 15,145,011 | 2,450,154 | 4,401,599 | 21,996,764 | 1,646,520 | 304,931 | 23,948,215 |
| Professional fees and contract service payments | 159,439 | 7,947 | 141,622 | 99,481 | 252,881 | 142,666 | 804,036 | 345,617 | 742,769 | 1,892,422 | 228,155 | 164,990 | 2,285,567 |
| Supplies and other operating expenses | 430,610 | 396 | 170,558 | 54,683 | 10,593 | 84,536 | 751,376 | 284,545 | 215,600 | 1,251,521 | 21,713 | 32,489 | 1,305,723 |
| Equipment expense | 139,243 | 7,169 | 43,291 | 19,522 | 11,520 | 75,842 | 296,587 | 49,469 | 52,733 | 398,789 | 61,093 | 1,244 | 461,126 |
| Occupancy | 514,587 | 28,292 | 196,821 | (214,816) | 140,083 | 458,984 | 1,123,951 | 501,856 | 195,031 | 1,820,838 | 102,277 | 22,371 | 1,945,486 |
| Travel and transportation | 1,632 | 59 | 13,737 | 1,396 | 5,813 | 11,013 | 33,650 | 498,701 | 115,298 | 647,649 | 2,175 | 44 | 649,868 |
| Personnel recruitment and development | 86,725 | 64 | 4,560 | 8,348 | 6,131 | 69,758 | 175,586 | 5,055 | 13,049 | 193,690 | 8,642 | 2,127 | 204,459 |
| Insurance | 98,943 | 12,918 | 124,201 | 40,161 | 37,363 | 130,552 | 444,138 | 227,403 | 437,228 | 1,108,769 | 15,662 | 2,396 | 1,126,827 |
| Food | 126,692 | - | 141,965 | 2,777 | 1,063 | 313 | 272,810 | 717 | 158,728 | 432,255 | 74 | 1 | 432,330 |
| Contributed goods and services | 329,104 | 26,250 | 1,673 | - | - | 31,700 | 388,727 | - | - | 388,727 | - | - | 388,727 |
| Miscellaneous | 3,185 | 71 | 9,328 | 729 | 1,068 | 15,622 | 30,003 | 2,613 | 6,495 | 39,111 | 18,100 | 14,390 | 71,601 |
| Specific assistance to individuals | 4,107 | 1 | 51,226 | 665,608 | 1,211,153 | 982,324 | 2,914,419 | 28 | 67,218 | 2,981,665 | 227 | 4 | 2,981,896 |
| Provider services | - | - | - | - | - | - | - | - | 6,559,910 | 6,559,910 | - | - | 6,559,910 |
| Depreciation | 149,813 | 8,037 | 99,363 | 134,124 | 74,456 | 18,543 | 484,336 | 169,906 | 389,967 | 1,144,209 | 19,855 | 404 | 1,164,468 |
| Total expenses | \$ 7,019,605 | \$ 165,280 | \$ 3,561,950 | \$ 1,600,533 | \$ 2,940,479 | \$ 7,576,783 | \$ 22,864,630 | \$ 4,536,064 | \$ 13,355,625 | \$ 40,856,319 | \$ 2,124,493 | \$ 545,391 | \$ 43,526,203 |

See notes to consolidated financial statements.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|---|----------------|---------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (4,191,381) | \$ 1,763,487 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation | 1,151,431 | 1,164,468 |
| Unrealized (gain) loss on investments, net | 2,205,712 | (3,188,784) |
| Loss on disposal of property and equipment | 76,610 | 32,726 |
| Change in assets and liabilities: | | |
| Accounts receivable | (183,516) | 773,757 |
| Prepaid expenses and deferred charges | 252,717 | (242,913) |
| Accounts payable and accrued expenses | (794,429) | 406,085 |
| Unemployment reserve | (17,226) | (2,610) |
| Refundable advances | (815) | (1,564,668) |
| Funds held for others | (351) | 41,820 |
| Net cash used in operating activities | (1,501,248) | (816,632) |
| Cash Flows from Investing Activities | | |
| Purchases of investments | (283,802) | (190,677) |
| Proceeds from sale of investments | 91,904 | 86,148 |
| Purchases of property and equipment | (532,062) | (650,684) |
| Net cash used in investing activities | (723,960) | (755,213) |
| Net decrease in cash | (2,225,208) | (1,571,845) |
| Cash and cash equivalents | | |
| Beginning of year | 14,283,413 | 15,855,258 |
| End of year | \$ 12,058,205 | \$ 14,283,413 |
| Non-Cash Transactions | | |
| Contributed goods and services | \$ 333,835 | \$ 463,727 |

See notes to consolidated financial statements.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

1. Organization and Significant Accounting Policies

Catholic Charities Archdiocese of New Orleans (the "Agency") or (the "Agency & Subsidiaries"), a not-for-profit charitable organization of the Roman Catholic Church of the Archdiocese of New Orleans (the "Archdiocese"), operates health and community-based 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. The Agency's main programs are as follows:

- *Head Start* is a child and family development program for families with children, including children with disabilities. This program promotes the social, emotional, physical and intellectual growth and development of children from six weeks to age 5.
- *Adult Day Health Care* is a non-residential program that provides full day services to individuals with intellectual disabilities and seniors who qualify for services. Through health and social services, adult day health care centers provide supervised care to adults in a supportive and safe setting during part of a day.
- *Padua Pediatrics and Adult* programs offer comprehensive and specialized care for children and adults with intellectual and developmental disabilities. Care is offered in residential sites that are licensed Intermediate Care Facilities.
- *Community Centers and Services* provides resources, assistance and development for our parishes to better care for the people in need in their communities.
- *Residential Special Needs* provides housing and intensive case management to people with disabilities through federal and private funding along with care focused on homeless families and homeless men and women with chronic mental and physical health needs. Services also match children with moderate to severe emotional, behavioral, or developmental problems, or medically fragile children with families who provide specialized foster care.
- *Non-Residential Day Programs* consists of an array of services that includes immigration and refugee services, pro-life services, case management, counseling, deaf interpreting and legal assistance services.

The Agency has the ownership of PHILMAT, Inc., and PACE Greater New Orleans as follows:

- PHILMAT, Inc. ("PHILMAT") was organized to provide health and community services to individuals within all 64 Louisiana parishes. PHILMAT acts as the local agent for the commodity supplemental food program, Food for Seniors. Under this program, food provided by the United States Department of Agriculture (U.S.D.A.) is distributed by PHILMAT to eligible senior citizens, who are classified as low income and vulnerable to malnutrition.
- PACE Greater New Orleans ("PACE") is the corporate title for the Program of All-inclusive Care for the Elderly, a national model of healthcare for seniors. PACE was organized to provide community services such as medical treatment, social services, meals, activities, and transportation, allowing seniors to spend their final years at home rather than in a nursing home.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

1. Organization and Significant Accounting Policies (continued)

The Agency supports numerous programs and initiatives which are periodically assessed. Changes in programs can occur as a result of changes in funding and the needs of the community.

The financial statements of each of these subsidiaries are included in the consolidated financial statements. All significant inter-organizational accounts and transactions have been eliminated.

Income Taxes

The Agency and Subsidiaries operate as non-profit corporations pursuant to Section 501(c)(3) of the Internal Revenue Code. As such, the Agency and Subsidiaries are subject to income tax only on unrelated business taxable income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. As of June 30, 2022 and 2021, management of the Agency and Subsidiaries believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Basis of Accounting

The consolidated financial statements of the Agency and Subsidiaries are prepared on the accrual basis of accounting in accordance with United States of America generally accepted accounting principles.

Net Assets

Generally accepted accounting principles (GAAP) require reporting of information regarding the Agency's financial position and activities according to the following net asset classifications:

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

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

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

1. Organization and Significant Accounting Policies (continued)

Net Assets (continued)

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When a donor 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 restriction and are reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue, income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits and funds on deposit with the Archdiocese. The Agency and Subsidiaries' money market accounts are included in investments.

Program Accounts Receivable

Program accounts receivable represent billings which are based primarily on cost reimbursement or unit cost contracts with various governmental agencies. Program accounts receivable are stated at the amount management expects to collect from outstanding balances. Management considered subsequent collection results and wrote off all year-end balances that were deemed to be not collectible. Accordingly, a valuation allowance was determined to be unnecessary for the years ended June 30, 2022 and 2021.

Contributions and Revenue Recognition

Contributions to the Agency are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

1. Organization and Significant Accounting Policies (continued)

Contributions and Revenue Recognition (continued)

All contributions are considered to be available for unrestricted use unless specifically restricted by donors for purpose or time. Pledges outstanding that are designated for future periods are reported as with donor restrictions.

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.

Amounts received prior to incurring qualifying expenditures, or amounts received in advance for conditional contributions, are reported as refundable advances in the statements of financial position. Refundable advances consist of government financial assistance and contributions received in advance, but have conditions in place that have not been met through the date of the consolidated financial statements.

Program service fees and exchange-type grants and contracts revenue are recognized when services are provided. Program fees and payments under exchange-type grants and contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Governmental Financial Assistance

Revenues from federal and state grants are recorded when the Agency and Subsidiaries have a right to reimbursement under the related grant, generally corresponding to the incurring of grant-related costs by the Agency and Subsidiaries, or when otherwise earned under the terms of the grants. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

Investments

Investments are reported at their fair values in the statements of financial position. Net investment income includes unrealized gains and losses, realized gains and losses, interest and dividends, and investment fees.

Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions in the reporting period the restrictions are met (either by passage of time or by use). See Note 4 for discussion of fair value measurements.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

1. Organization and Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are carried at cost or, when acquired by donation or gift, at appraised values with subsequent additions at cost. The Agency and Subsidiaries' policy is to capitalize expenditures for these items in excess of \$2,000. Depreciation is provided using the straight-line basis over the estimated useful lives of the depreciable assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements.

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

| <u>Classification</u> | <u>Lives in</u> <u>Years</u> |
|------------------------------|---|
| Buildings and improvements | 20 - 60 |
| Leasehold improvements | 10 - 40 |
| Equipment | 5 |
| Vehicles | 3 - 10 |

Unemployment Reserve

The Agency and Subsidiaries are self-insured for losses related to unemployment claims. The unemployment reserve is based upon management's estimate of the cost for unemployment claims using historical experience. Although management believes it has the ability to reasonably estimate losses related to unemployment claims, it is possible that actual results could differ from the recorded liability.

Funds Held for Others

The Agency and Subsidiaries receive funds that are passed through to other third-parties. These amounts are held until requested by and reimbursed to the third-party.

Food Distribution

PHILMAT receives pass-through funding from the Louisiana Department of Health and Hospitals to administer and distribute commodity foods related to its Food for Seniors program. Because legal title to the food products does not pass to PHILMAT, neither the value of the food distributed to program beneficiaries nor the value of undistributed food on hand are reflected in the financial statements. The financial statements include only the costs of warehousing, distribution and administration of the program. See Note 16 for an estimate of the value of the food distributed to program beneficiaries.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

1. Organization and Significant Accounting Policies (continued)

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, primarily based on time incurred or transactions processed.

Change in Accounting Principle

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The Organization adopted this ASU during the year ended June 30, 2022. The ASU was applied on a retrospective basis, and the adoption had no impact to net assets as of June 30, 2022 or 2021.

Accounting Pronouncements Issued but Not Yet in Effect

In February 2016, ASU 2016-02, *Leases* was issued. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, ASU 2018-11, *Leases (Topic 842): Targeted Improvements* was issued, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of retained earnings. On June 3, 2020, the effective date of this standard was deferred for certain entities. The Agency will adopt these standards in the fiscal year ended June 30, 2023.

The Agency is currently assessing the impact of this pronouncement on the consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported change in net assets.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

2. Liquidity

The Agency's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

| | June 30, 2022 | June 30, 2021 |
|---|----------------------|----------------------|
| Financial assets at fiscal year-end: | | |
| Cash and cash equivalents | \$ 12,058,205 | \$ 14,283,413 |
| Program accounts receivable | 3,625,202 | 2,795,237 |
| Contributions receivable | 93,123 | 506,082 |
| Other receivables | 7,505 | 240,995 |
| Investments | 14,555,458 | 16,569,272 |
| Total financial assets | 30,339,493 | 34,394,999 |
| Less amounts not available to be used within one year or unavailable for general expenditures: | | |
| Required Centers for Medicare and Medicaid Services reserve | 1,927,001 | 2,500,884 |
| Custodial Funds held for others | 203,161 | 203,512 |
| Assets with donor restrictions | 2,176,839 | 2,840,937 |
| Board designation for deferred maintenance | 485,794 | 640,397 |
| Board designation for disasters | 590,130 | 671,367 |
| | 5,382,925 | 6,857,097 |
| Financial assets available to meet general expenditures over the next twelve months | \$ 24,956,568 | \$ 27,537,902 |

The Agency and Subsidiaries' goal is generally to maintain financial assets to meet 90 days of operating cash expenses (approximately \$11 million). As more fully described in Note 11, the Agency and Subsidiaries' liquidity plan is to invest excess cash in savings with the Archdiocese and to maintain a \$5.0 million line of credit to meet cash flow needs.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

3. Investments

Investments of the various agencies of the Archdiocese have been pooled to maximize the return on the investments. Investments in the common investment pool consist primarily of debt and equity securities and mutual fund investments. The amounts recorded in the consolidated statements of financial position represent the Agency and Subsidiaries' share of the pool. The following summarizes the market value at June 30 and the investment return for the years ended June 30:

| | 2022 | 2021 |
|--|-----------------------|---------------------|
| Balances at June 30 | \$ 14,555,458 | \$ 16,569,272 |
| Unrealized (loss) gain on investments, net | \$ (2,205,712) | \$ 3,188,784 |
| Realized (loss) gain on investments, net | 6,489 | 9,117 |
| Interest and dividends | 435,044 | 349,141 |
| Investment fees | (58,322) | (50,796) |
| For the year ended June 30, Investment income (loss), net | <u>\$ (1,822,501)</u> | <u>\$ 3,496,246</u> |

4. Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments.

FASB ASC 820 establishes a fair value hierarchy which prioritizes inputs to valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. These levels include Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as the quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of the unobservable inputs.

Investments of the Agency and Subsidiaries are held in pooled assets managed by the Archdiocese. The investments in this pool are valued at fair value based on information provided by the Archdiocese and include the use of Net Asset Values (NAV) as the primary input to measure fair value. The investments are considered Level 2 within the fair value hierarchy described above.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

4. Fair Value of Financial Instruments (continued)

The method described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Endowments

The Board of the Agency and Subsidiaries is of the belief that they have a strong fiduciary duty to manage the assets of the Agency and Subsidiaries' endowments in the most prudent manner possible. The Board recognizes the intent of the endowment is to protect the donor with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. If not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions, and preservation of the fund. To follow these principles, the historic value of the fund is always maintained in net assets with donor restrictions.

Annual distributions of up to 5% of the year-end endowment balances are made, unless management elects otherwise.

Endowment Investment and Spending Policies. Agency and Subsidiaries have adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The endowment's assets are invested in the Archdiocese of New Orleans' investment pool, as previously described. Agency and Subsidiaries' spending and investment policies work together to achieve this objective. Spending is approved by the Board, based on the needs of Agency and Subsidiaries.

The table below represents the endowment related activity for the fiscal year ending June 30, 2022:

| | <u>Without Donor</u> <u>Restrictions</u> | <u>With Donor</u> <u>Restrictions</u> | <u>Total</u> |
|---|---|--|---------------------|
| Endowment net assets, beginning of year | \$ - | \$ 1,989,979 | \$ 1,989,979 |
| Investment income, net | - | (221,237) | (221,237) |
| Program expenses | (91,904) | - | (91,904) |
| Transfer | 91,904 | (91,904) | - |
| Endowment net assets, end of year | <u>\$ -</u> | <u>\$ 1,676,838</u> | <u>\$ 1,676,838</u> |

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

5. Endowments (continued)

The table below represents the endowment related activity for the fiscal year ending June 30, 2021:

| | <u>Without Donor</u> <u>Restrictions</u> | <u>With Donor</u> <u>Restrictions</u> | <u>Total</u> |
|---|---|--|---------------------|
| Endowment net assets, beginning of year | \$ - | \$ 1,669,788 | \$ 1,669,788 |
| Investment income, net | - | 406,338 | 406,338 |
| Program expenses | (86,147) | - | (86,147) |
| Transfer | 86,147 | (86,147) | - |
| Endowment net assets, end of year | <u>\$ -</u> | <u>\$ 1,989,979</u> | <u>\$ 1,989,979</u> |

Distributions of \$91,904 and \$86,147 were made during the years ended June 30, 2022 and 2021, respectively, in accordance with the endowment agreement.

6. Property and Equipment

A summary of property and equipment at June 30 is as follows:

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Buildings and improvements | \$ 16,760,998 | \$ 16,663,368 |
| Leasehold improvements | 3,071,216 | 3,191,517 |
| Equipment | 2,768,730 | 2,496,721 |
| Vehicles | 2,804,135 | 2,919,948 |
| Land | 693,884 | 693,884 |
| | <u>26,098,963</u> | <u>25,965,438</u> |
| Less accumulated depreciation and amortization | 15,195,615 | 14,366,111 |
| Total property and equipment, net | <u>\$ 10,903,348</u> | <u>\$ 11,599,327</u> |

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

7. Restrictions on Net Assets

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or to assist specific departments of the Agency and Subsidiaries, or time restricted. These restrictions are considered to expire when expenditures for restricted purposes are made, or when time has passed for time-restricted net assets.

The following sets forth the composition of net assets with donor restrictions at June 30:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| <u>Restricted for time or purpose:</u> | | |
| Homeless services | \$ 1,020,609 | \$ 2,367,266 |
| Disaster relief | 999,059 | 383,676 |
| Relief services to children | 554,671 | 561,879 |
| Emergency medical financial assistance | 700,260 | 567,661 |
| Purchases of capital assets | 455,217 | 515,221 |
| United Way allocation for subsequent fiscal year | 83,915 | 498,091 |
| Other restrictions | 410,498 | 369,919 |
| <u>Restricted in perpetuity:</u> | | |
| Gift of Life Endowment | 1,676,838 | 1,989,979 |
| Totals | <u>\$ 5,901,067</u> | <u>\$ 7,253,692</u> |

The following net assets with donor restrictions were released during the years ended June 30, due to time or satisfaction of donor restrictions:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Homeless services | \$ 1,375,219 | \$ 1,544,402 |
| Disaster relief | 419,416 | 673,394 |
| Relief services to children | - | 16,248 |
| Emergency medical financial assistance | 475,320 | 402,055 |
| United Way allocation | 427,926 | 614,475 |
| Other restrictions | 230,161 | 258,286 |
| Gift of Life Endowment | 91,904 | 86,147 |
| Totals | <u>\$ 3,019,946</u> | <u>\$ 3,595,007</u> |

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

8. In-Kind Contributions

During the years ended June 30, 2022 and 2021, the Agency received contributions of donated goods as follows:

| | <u>2022</u> | <u>2021</u> |
|-------------|-------------------|-------------------|
| Food | \$ 4,100 | \$ 1,673 |
| Goods | - | 106,700 |
| Staff meals | 13,157 | 12,526 |
| Space | <u>316,578</u> | <u>342,828</u> |
| Totals | <u>\$ 333,835</u> | <u>\$ 463,727</u> |

All donated assets were utilized by the Agency's programs and supporting services. There were no donor-imposed restrictions associated with the donated assets. The Agency received the use of donated facilities for its program operations and supporting services. Donated space is valued at the fair value of similar properties available in commercial real estate listings. Donated food, goods, and staff meals are valued at the wholesale prices that would be paid for purchasing similar products.

9. Employee Benefits

The Agency and Subsidiaries offer a 401(k) retirement plan to its employees. Employees electing to participate in the plan are required to contribute a minimum of 3% of their salaries and may elect to contribute up to a 75% maximum. The plan requires the Agency and Subsidiaries to contribute 3.5% of the participants' salaries. The retirement plan expense also includes an additional 2% contribution by the Agency and Subsidiaries to the employee benefit plan to cover administrative costs and employee benefit costs including life insurance, disability insurance, and other benefits. Any remaining funds from the additional 2% contribution may be used as a discretionary employer contribution to the 401(k) plan. The plan administrator is the Archdiocese. The plan trustee is Voya. The Agency and Subsidiaries contributed approximately \$882,000 and \$941,000, for the years ended June 30, 2022 and 2021, respectively.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

10. Expenses by Program

Details of total expenses by program, including those presented as management and general, and fundraising on the Consolidated Statements of Activities, for the years ended June 30 are as follows:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|----------------------|----------------------|
| Adult Day Health Care | \$ 16,200 | \$ 173,289 |
| Community Centers and Services | 1,701,400 | 1,844,578 |
| Food for Seniors | 5,027,306 | 4,931,249 |
| Head Start | 7,091,583 | 7,398,490 |
| Non-residential Day Programs | 7,243,657 | 8,378,161 |
| PACE | 14,162,668 | 13,892,589 |
| Padua Pediatrics and Adult | 3,941,603 | 3,781,506 |
| Residential Special Needs | 2,562,463 | 3,126,341 |
| Total | <u>\$ 41,746,880</u> | <u>\$ 43,526,203</u> |

11. Related Party Transactions

The controlling member of the Agency, the Archbishop of New Orleans, also serves as president of the Roman Catholic Church of the Archdiocese of New Orleans and the controlling member of all other corporations, board of trustees and separate activities sponsored by, or operated under the auspices of the Archdiocese of New Orleans. In the normal course of operations, the Archdiocese will make available to the Agency and its affiliated agencies specific assistance in the form of operating subsidies, loans, casualty insurance, etc. The Archdiocese, through the operations of the Administrative Offices, serves as a conduit in providing insurance coverage to the Agency. The Administrative Offices assess premiums to the Agency based on relevant factors for each type of coverage. In the normal course of operations, the Archdiocese will make available to the Agency specific assistance in the form of internet services. The Agency is assessed separately for this assistance.

The Agency paid the Archdiocese of New Orleans \$1,162,000 and \$1,210,000 for general liability, property coverage, workman's compensation, vehicle and other insurances and \$180,000 and \$136,000 for equipment and internet services secured on its behalf for the years ended June 30, 2022 and 2021, respectively. The Agency paid the Archdiocese for rent and other operating costs totaling approximately \$186,000 and \$336,000 for the years ended June 30, 2022 and 2021, respectively. In addition, the Agency received reimbursements from the Archdiocese of \$1,059 and Chateau De Notre Dame of \$6,367 for the year ended June 30, 2021, for costs related to employees.

The Agency paid \$3,000 to the Archdiocese of New Orleans during the year ended June 30, 2022 for a convention exhibitor's fee.

The Agency had an annual line of credit with the Archdiocese for \$5.0 million, with an interest rate of 4.6% and a maturity date of June 30, 2025, for the years ended June 30, 2022 and 2021. No amounts were outstanding as of June 30, 2022 or 2021.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

11. Related Party Transactions (continued)

The Agency donated \$1,650 and \$1,600 to Notre Dame Seminary during the years ended June 30, 2022 and 2021, respectively, as a fundraising sponsorship.

The Agency donated \$1,452 to Notre Dame Hospice during the year ended June 30, 2021 for evacuation expenses.

The Agency maintains savings accounts at the Archdiocese. The balance of these accounts is included in "Cash and cash equivalents" on the statements of financial position and totaled \$5,488,223 and \$5,417,375 at June 30, 2022 and 2021, respectively.

12. Leases

The Agency operates a portion of its community social service programs in leased facilities under operating leases expiring at various dates through the fiscal year 2026. 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 year of future minimum rental payments required under those leases and under equipment leases that have initial or remaining lease terms in excess of one year as of June 30:

| | | |
|------|----|---------|
| 2023 | \$ | 419,482 |
| 2024 | | 222,067 |
| 2025 | | 46,895 |
| 2026 | | 24,229 |
| | | <hr/> |
| | \$ | 712,673 |

The rental expense for all operating leases for the years ended June 30, 2022 and 2021 is \$557,199 and \$707,928, respectively.

13. Significant Contracts and Grants

For the years ended June 30, 2022 and 2021, \$26,724,888 and \$27,097,866, respectively, of the Agency and Subsidiaries' governmental financial assistance was from the U.S. Department of Health and Human Services and \$4,473,596 and \$4,664,542, respectively, of the Agency and Subsidiaries' governmental financial assistance was from the U.S. Department of Agriculture. Management believes that the Agency and Subsidiaries are in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the financial statements. The remaining \$1,888,917 and \$1,900,669 of the Agency and Subsidiaries' governmental financial assistance in fiscal years 2022 and 2021, respectively, is from various other government agencies.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

14. Commitments and Contingencies

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

The Agency and Subsidiaries are exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. The Agency is a participant in the Archdiocese self-insurance plan. In addition to this coverage, the Agency also purchases commercial insurance coverage as necessary, to the extent that coverage is not provided through the Archdiocese.

On May 1, 2020 the Archdiocese filed for reorganization under Chapter 11 of the Bankruptcy Code. The filing was precipitated by recurring historical operating losses and pressured operating cash flows for several years further compounded by financial challenges arising from COVID-19 restrictions which began in March 2020 and efforts to bring an equitable resolution to litigation stemming from alleged decades-old incidents of clergy abuse. Catholic Charities Archdiocese of New Orleans is a separately incorporated 501(c)(3) and not a part of the debtor entity, as defined by the United States Bankruptcy Court pursuant to the Chapter 11 filing. Management is not able to estimate the impact, if any, that the Chapter 11 filing will have on its financial statements. However, management does not believe that the Agency will experience any restrictions or encumbrances of its deposits with the Archdiocese or investments which have been pooled with the Archdiocese for centralized management in a fiduciary capacity.

15. Concentrations of Credit Risk

As of June 30, 2022 and 2021, program accounts receivable consisted primarily of amounts due from governmental sources.

The Agency and Subsidiaries maintain cash in bank accounts in excess of insured limits periodically. In addition, as disclosed in Note 11, the Agency and Subsidiaries have cash with the Archdiocese of New Orleans which is not insured. The Agency and Subsidiaries have not experienced any losses and do not believe that significant credit risk exists as a result of this practice.

16. PHILMAT Commodity Food Distributed (Unaudited)

PHILMAT receives pass-through funding from the Louisiana Department of Health and Hospitals to administer and distribute commodity foods related to its Food for Seniors programs. Because legal title to the food products does not pass to PHILMAT, neither the value of the food distributed to program beneficiaries nor the value of undistributed food on hand are reflected in the financial statements. The financial statements include only the costs of warehousing, distribution and administration of the program. Pass-thru funding received by PHILMAT for their administration and distribution services totaled \$4,226,462 and \$4,430,469, for the years ended June 30, 2022 and 2021, respectively. Commodity foods distributed by the Food for Seniors program during the years ended June 30, 2022 and 2021 had an estimated value of \$14.9 million and \$14.5 million, respectively, and weighed 11,611,674 pounds and 14,450,170 pounds, respectively.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

17. Board of Directors Compensation

The members of the Agency's board of directors were not compensated during the years ended June 30, 2022 and 2021.

18. Paycheck Protection Program

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. During the year ended June 30, 2020, the Agency applied for and was approved for a \$2,904,406 loan under the Paycheck Protection Program administered by the Small Business Administration as part of the relief efforts related to Covid-19. The Agency recognized \$1,449,803 during the year ended June 30, 2021 as an unconditional contribution in the consolidated statement of activities having met the conditions for forgiveness by incurring eligible expenditures. The remaining forgiveness was recognized during the year ended June 30, 2020. The Agency received formal notification of loan forgiveness during the year ended June 30, 2021.

19. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 21, 2022, and determined that there were no other events that occurred that require disclosure. No events after this date have been evaluated for inclusion in the consolidated financial statements.

Supplementary Financial Information

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

| | June 30, 2022 | | | | | June 30, 2021 | | | | |
|---------------------------------------|-----------------------|---------------------|----------------------|----------------|----------------------|-----------------------|---------------------|----------------------|----------------|----------------------|
| | Catholic Charities | PHILMAT | PACE | Eliminations | Totals | Catholic Charities | PHILMAT | PACE | Eliminations | Totals |
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ 12,057,605 | \$ 300 | \$ 1,927,301 | \$ (1,927,001) | \$ 12,058,205 | \$ 14,282,813 | \$ 300 | \$ 2,501,184 | \$ (2,500,884) | \$ 14,283,413 |
| Program accounts receivable | 2,459,007 | 423,438 | 742,757 | - | 3,625,202 | 1,960,071 | 831,404 | 3,762 | - | 2,795,237 |
| Contributions receivable: | | | | | | | | | | |
| Pledges | 5,100 | - | - | - | 5,100 | 5,550 | - | - | - | 5,550 |
| United Way | 88,023 | - | - | - | 88,023 | 500,532 | - | - | - | 500,532 |
| Other receivables | 7,505 | - | - | - | 7,505 | 240,995 | - | - | - | 240,995 |
| Investments | 14,555,458 | - | - | - | 14,555,458 | 16,569,272 | - | - | - | 16,569,272 |
| Prepaid expenses and deferred charges | 434,373 | 23,861 | 49,569 | - | 507,803 | 684,202 | 23,940 | 52,378 | - | 760,520 |
| Property and equipment - net | 4,918,330 | 2,125,498 | 3,859,520 | - | 10,903,348 | 5,265,341 | 2,228,367 | 4,105,619 | - | 11,599,327 |
| Due (to) from affiliate | (10,220,656) | 729,370 | 7,564,285 | 1,927,001 | - | (11,786,484) | 829,227 | 8,456,373 | 2,500,884 | - |
| Total assets | <u>\$ 24,304,745</u> | <u>\$ 3,302,467</u> | <u>\$ 14,143,432</u> | <u>\$ -</u> | <u>\$ 41,750,644</u> | <u>\$ 27,722,292</u> | <u>\$ 3,913,238</u> | <u>\$ 15,119,316</u> | <u>\$ -</u> | <u>\$ 46,754,846</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued expenses | 1,508,092 | \$ 195,999 | \$ 1,428,170 | \$ - | \$ 3,132,261 | \$ 1,686,256 | \$ 210,006 | \$ 2,030,428 | \$ - | \$ 3,926,690 |
| Refundable advances - Other | 29,185 | - | - | - | 29,185 | 30,000 | - | - | - | 30,000 |
| Unemployment reserve | 54,505 | 15,948 | 1,148 | - | 71,601 | 61,789 | 25,890 | 1,148 | - | 88,827 |
| Funds held for others | 203,161 | - | - | - | 203,161 | 203,512 | - | - | - | 203,512 |
| Total liabilities | <u>1,794,943</u> | <u>211,947</u> | <u>1,429,318</u> | <u>-</u> | <u>3,436,208</u> | <u>1,981,557</u> | <u>235,896</u> | <u>2,031,576</u> | <u>-</u> | <u>4,249,029</u> |
| Net assets: | | | | | | | | | | |
| Without donor restrictions | 16,716,184 | 2,983,071 | 12,714,114 | - | 32,413,369 | 18,594,492 | 3,569,893 | 13,087,740 | - | 35,252,125 |
| With donor restrictions | 5,793,618 | 107,449 | - | - | 5,901,067 | 7,146,243 | 107,449 | - | - | 7,253,692 |
| Total net assets | <u>22,509,802</u> | <u>3,090,520</u> | <u>12,714,114</u> | <u>-</u> | <u>38,314,436</u> | <u>25,740,735</u> | <u>3,677,342</u> | <u>13,087,740</u> | <u>-</u> | <u>42,505,817</u> |
| Total liabilities and net assets | <u>\$ 24,304,745</u> | <u>\$ 3,302,467</u> | <u>\$ 14,143,432</u> | <u>\$ -</u> | <u>\$ 41,750,644</u> | <u>\$ 27,722,292</u> | <u>\$ 3,913,238</u> | <u>\$ 15,119,316</u> | <u>\$ -</u> | <u>\$ 46,754,846</u> |

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

| | Catholic Charities | | | PHILMAT | | | PACE | | | Eliminations - Without Donor Restrictions | Totals | | |
|--|-------------------------------|----------------------------|---------------|-------------------------------|----------------------------|--------------|-------------------------------|----------------------------|---------------|---|-------------------------------|----------------------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues | | | | | | | | | | | | | |
| Public support: | | | | | | | | | | | | | |
| Contributions | \$ 2,399,716 | \$ 1,832,173 | \$ 4,231,889 | \$ 455,955 | \$ - | \$ 455,955 | \$ 9,739 | \$ - | \$ 9,739 | \$ - | \$ 2,865,410 | \$ 1,832,173 | \$ 4,697,583 |
| Contributed goods and services | 333,835 | - | 333,835 | - | - | - | - | - | - | - | 333,835 | - | 333,835 |
| United Way | | | | | | | | | | | | | |
| Southeast Louisiana: | | | | | | | | | | | | | |
| Allocations | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Designations | 62,787 | - | 62,787 | - | - | - | - | - | - | - | 62,787 | - | 62,787 |
| St. Charles Parish: | | | | | | | | | | | | | |
| Allocations | 81,650 | - | 81,650 | - | - | - | - | - | - | - | 81,650 | - | 81,650 |
| St. John Parish: | | | | | | | | | | | | | |
| Allocations | - | 13,750 | 13,750 | - | - | - | - | - | - | - | - | 13,750 | 13,750 |
| Special events (net of direct costs) | 79,874 | - | 79,874 | - | - | - | - | - | - | - | 79,874 | - | 79,874 |
| Total public support | 2,957,862 | 1,845,923 | 4,803,785 | 455,955 | - | 455,955 | 9,739 | - | 9,739 | - | 3,423,556 | 1,845,923 | 5,269,479 |
| Governmental financial assistance: | | | | | | | | | | | | | |
| Federal | 14,473,091 | 90,000 | 14,563,091 | 4,226,462 | - | 4,226,462 | 13,766,904 | - | 13,766,904 | - | 32,466,457 | 90,000 | 32,556,457 |
| Other governmental agencies | 530,944 | - | 530,944 | - | - | - | - | - | - | - | 530,944 | - | 530,944 |
| Total governmental financial assistance | 15,004,035 | 90,000 | 15,094,035 | 4,226,462 | - | 4,226,462 | 13,766,904 | - | 13,766,904 | - | 32,997,401 | 90,000 | 33,087,401 |
| Other Revenue: | | | | | | | | | | | | | |
| Program service fees | 851,698 | - | 851,698 | 500 | - | 500 | 12,399 | - | 12,399 | (1,020) | 863,577 | - | 863,577 |
| Legal settlement | 10,720 | - | 10,720 | - | - | - | - | - | - | - | 10,720 | - | 10,720 |
| Miscellaneous | 208,204 | - | 208,204 | - | - | - | - | - | - | - | 208,204 | - | 208,204 |
| Loss on disposition of property | (76,610) | - | (76,610) | - | - | - | - | - | - | - | (76,610) | - | (76,610) |
| Property recoveries | - | - | - | 15,229 | - | 15,229 | - | - | - | - | 15,229 | - | 15,229 |
| Net assets released from restrictions | 3,019,946 | (3,019,946) | - | - | - | - | - | - | - | - | 3,019,946 | (3,019,946) | - |
| Total other revenue | 4,013,958 | (3,019,946) | 994,012 | 15,729 | - | 15,729 | 12,399 | - | 12,399 | (1,020) | 4,041,066 | (3,019,946) | 1,021,120 |
| Total revenue | 21,975,855 | (1,084,023) | 20,891,832 | 4,698,146 | - | 4,698,146 | 13,789,042 | - | 13,789,042 | (1,020) | 40,462,023 | (1,084,023) | 39,378,000 |
| Expenses | | | | | | | | | | | | | |
| Program services | 20,849,350 | - | 20,849,350 | 4,696,206 | - | 4,696,206 | 13,541,333 | - | 13,541,333 | (1,020) | 39,085,869 | - | 39,085,869 |
| Management and general | 1,238,182 | - | 1,238,182 | 309,463 | - | 309,463 | 619,779 | - | 619,779 | - | 2,167,424 | - | 2,167,424 |
| Fundraising | 470,394 | - | 470,394 | 21,637 | - | 21,637 | 1,556 | - | 1,556 | - | 493,587 | - | 493,587 |
| Total expenses | 22,557,926 | - | 22,557,926 | 5,027,306 | - | 5,027,306 | 14,162,668 | - | 14,162,668 | (1,020) | 41,746,880 | - | 41,746,880 |
| Change in net assets before investment activity | (582,071) | (1,084,023) | (1,666,094) | (329,160) | - | (329,160) | (373,626) | - | (373,626) | - | (1,284,857) | (1,084,023) | (2,368,880) |
| Net investment income | (1,296,237) | (268,602) | (1,564,839) | (257,662) | - | (257,662) | - | - | - | - | (1,553,899) | (268,602) | (1,822,501) |
| Change in net assets | (1,878,308) | (1,352,625) | (3,230,933) | (586,822) | - | (586,822) | (373,626) | - | (373,626) | - | (2,838,756) | (1,352,625) | (4,191,381) |
| Net assets | | | | | | | | | | | | | |
| Beginning of year | 18,594,492 | 7,146,243 | 25,740,735 | 3,569,893 | 107,449 | 3,677,342 | 13,087,740 | - | 13,087,740 | - | 35,252,125 | 7,253,692 | 42,505,817 |
| End of year | \$ 16,716,184 | \$ 5,793,618 | \$ 22,509,802 | \$ 2,983,071 | \$ 107,449 | \$ 3,090,520 | \$ 12,714,114 | \$ - | \$ 12,714,114 | \$ - | \$ 32,413,369 | \$ 5,901,067 | \$ 38,314,436 |

See accompanying independent auditors' report.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA**

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

| | Catholic Charities | | | PHILMAT | | | PACE | | | Eliminations - Without Donor Restrictions | Totals | | |
|--|-------------------------------|----------------------------|---------------|-------------------------------|----------------------------|--------------|-------------------------------|----------------------------|---------------|---|-------------------------------|----------------------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues | | | | | | | | | | | | | |
| Public support: | | | | | | | | | | | | | |
| Contributions | \$ 3,574,550 | \$ 836,668 | \$ 4,411,218 | \$ 574,889 | \$ - | \$ 574,889 | \$ 630,349 | \$ - | \$ 630,349 | \$ (20,000) | \$ 4,759,788 | \$ 836,668 | \$ 5,596,456 |
| Contributed goods and services | 463,727 | - | 463,727 | - | - | - | - | - | - | - | 463,727 | - | 463,727 |
| United Way | | | | | | | | | | | | | |
| Southeast Louisiana: | | | | | | | | | | | | | |
| Allocations | - | 175,148 | 175,148 | - | - | - | - | - | - | - | - | 175,148 | 175,148 |
| Designations | 60,331 | - | 60,331 | - | - | - | - | - | - | - | 60,331 | - | 60,331 |
| St. Charles Parish: | | | | | | | | | | | | | |
| Allocations | 82,206 | 689,268 | 771,474 | - | - | - | - | - | - | - | 82,206 | 689,268 | 771,474 |
| St. John Parish: | | | | | | | | | | | | | |
| Allocations | - | 18,000 | 18,000 | - | - | - | - | - | - | - | - | 18,000 | 18,000 |
| Special events (net of direct costs) | 24,781 | - | 24,781 | - | - | - | - | - | - | - | 24,781 | - | 24,781 |
| Total public support | 4,205,595 | 1,719,084 | 5,924,679 | 574,889 | - | 574,889 | 630,349 | - | 630,349 | (20,000) | 5,390,833 | 1,719,084 | 7,109,917 |
| Governmental financial assistance: | | | | | | | | | | | | | |
| Federal | 15,051,585 | 40,000 | 15,091,585 | 4,430,469 | - | 4,430,469 | 13,641,635 | - | 13,641,635 | - | 33,123,689 | 40,000 | 33,163,689 |
| Other governmental agencies | 499,388 | - | 499,388 | - | - | - | - | - | - | - | 499,388 | - | 499,388 |
| Total governmental financial assistance | 15,550,973 | 40,000 | 15,590,973 | 4,430,469 | - | 4,430,469 | 13,641,635 | - | 13,641,635 | - | 33,623,077 | 40,000 | 33,663,077 |
| Other Revenue: | | | | | | | | | | | | | |
| Program service fees | 897,715 | - | 897,715 | 4,522 | - | 4,522 | 27,729 | - | 27,729 | (1,020) | 928,946 | - | 928,946 |
| Miscellaneous | 2,760 | - | 2,760 | - | - | - | 2,100 | - | 2,100 | - | 4,860 | - | 4,860 |
| Loss on disposition of property | (32,726) | - | (32,726) | - | - | - | - | - | - | - | (32,726) | - | (32,726) |
| Property recoveries | - | - | - | - | - | - | 119,370 | - | 119,370 | - | 119,370 | - | 119,370 |
| Net assets released from restrictions | 3,575,007 | (3,575,007) | - | 20,000 | (20,000) | - | - | - | - | - | 3,595,007 | (3,595,007) | - |
| Total other revenue | 4,442,756 | (3,575,007) | 867,749 | 24,522 | (20,000) | 4,522 | 149,199 | - | 149,199 | (1,020) | 4,615,457 | (3,595,007) | 1,020,450 |
| Total revenue | 24,199,324 | (1,815,923) | 22,383,401 | 5,029,880 | (20,000) | 5,009,880 | 14,421,183 | - | 14,421,183 | (21,020) | 43,629,367 | (1,835,923) | 41,793,444 |
| Expenses | | | | | | | | | | | | | |
| Program services | 22,865,650 | - | 22,865,650 | 4,656,064 | - | 4,656,064 | 13,355,625 | - | 13,355,625 | (21,020) | 40,856,319 | - | 40,856,319 |
| Management and general | 1,317,688 | - | 1,317,688 | 271,804 | - | 271,804 | 535,001 | - | 535,001 | - | 2,124,493 | - | 2,124,493 |
| Fundraising | 520,047 | - | 520,047 | 23,381 | - | 23,381 | 1,963 | - | 1,963 | - | 545,391 | - | 545,391 |
| Total expenses | 24,703,385 | - | 24,703,385 | 4,951,249 | - | 4,951,249 | 13,892,589 | - | 13,892,589 | (21,020) | 43,526,203 | - | 43,526,203 |
| Change in net assets before investment activity | (504,061) | (1,815,923) | (2,319,984) | 78,631 | (20,000) | 58,631 | 528,594 | - | 528,594 | - | 103,164 | (1,835,923) | (1,732,759) |
| Net investment income | 2,683,784 | 585,972 | 3,269,756 | 226,490 | - | 226,490 | - | - | - | - | 2,910,274 | 585,972 | 3,496,246 |
| Change in net assets | 2,179,723 | (1,229,951) | 949,772 | 305,121 | (20,000) | 285,121 | 528,594 | - | 528,594 | - | 3,013,438 | (1,249,951) | 1,763,487 |
| Net assets | | | | | | | | | | | | | |
| Beginning of year | 16,414,769 | 8,376,194 | 24,790,963 | 3,264,772 | 127,449 | 3,392,221 | 12,559,146 | - | 12,559,146 | - | 32,238,687 | 8,503,643 | 40,742,330 |
| End of year | \$ 18,594,492 | \$ 7,146,243 | \$ 25,740,735 | \$ 3,569,893 | \$ 107,449 | \$ 3,677,342 | \$ 13,087,740 | \$ - | \$ 13,087,740 | \$ - | \$ 35,252,125 | \$ 7,253,692 | \$ 42,505,817 |

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022
(with comparative totals for 2021)

| | Catholic Charities | | | | PHILMAT | | | |
|--|----------------------|---------------------------|-------------------|----------------------|---------------------|---------------------------|------------------|---------------------|
| | Program Services | Management and General | Fund-raising | Total | Program Services | Management and General | Fund-raising | Total |
| Salaries | \$ 11,235,587 | \$ 786,532 | \$ 238,963 | \$ 12,261,082 | \$ 1,745,207 | \$ 196,582 | \$ 10,991 | \$ 1,952,780 |
| Employee benefits | 1,868,792 | 107,989 | 33,778 | 2,010,559 | 384,172 | 26,990 | 1,554 | 412,716 |
| Payroll Taxes | 821,394 | 54,842 | 17,660 | 893,896 | 130,774 | 13,707 | 813 | 145,294 |
| Total salaries and related expenses | 13,925,773 | 949,363 | 290,401 | 15,165,537 | 2,260,153 | 237,279 | 13,358 | 2,510,790 |
| Professional fees and contract services | 826,745 | 174,692 | 119,981 | 1,121,418 | 371,625 | 43,661 | 5,519 | 420,805 |
| Supplies and other operating expenses | 675,422 | 24,544 | 31,487 | 731,453 | 288,706 | 6,134 | 1,449 | 296,289 |
| Equipment expense | 355,381 | 29,097 | 1,249 | 385,727 | 30,992 | 7,272 | 57 | 38,321 |
| Occupancy | 1,168,508 | 17,379 | 6,130 | 1,192,017 | 554,809 | 4,343 | 282 | 559,434 |
| Travel and transportation | 70,074 | 1,486 | 105 | 71,665 | 634,211 | 371 | 5 | 634,587 |
| Personnel recruitment and development | 136,835 | 5,144 | 4,246 | 146,225 | 3,974 | 1,286 | 196 | 5,456 |
| Insurance | 380,567 | 8,980 | 2,335 | 391,882 | 238,466 | 2,244 | 107 | 240,817 |
| Food | 343,846 | 179 | 58 | 344,083 | 38 | 45 | 2 | 85 |
| Contributed goods and services | 408,835 | - | - | 408,835 | - | - | - | - |
| Miscellaneous | 25,791 | 13,806 | 13,965 | 53,562 | 32,857 | 3,451 | 642 | 36,950 |
| Specific assistance to individuals | 2,062,523 | - | - | 2,062,523 | - | - | - | - |
| Provider services | - | - | - | - | - | - | - | - |
| Depreciation | 469,050 | 13,512 | 437 | 482,999 | 280,375 | 3,377 | 20 | 283,772 |
| Total expenses | \$ 20,849,350 | \$ 1,238,182 | \$ 470,394 | \$ 22,557,926 | \$ 4,696,206 | \$ 309,463 | \$ 21,637 | \$ 5,027,306 |

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED

FOR THE YEAR ENDED JUNE 30, 2022
(with comparative totals for 2021)

| | PACE | | | | Eliminations - Program Services | 2022 Consolidated Totals | | | | 2021 Consolidated Totals |
|--|----------------------|---------------------------|-----------------|----------------------|---------------------------------------|--------------------------|---------------------------|-------------------|----------------------|--------------------------------|
| | Program Services | Management and General | Fund-raising | Total | | Program Services | Management and General | Fund-raising | Total | |
| Salaries | \$ 3,438,294 | \$ 393,703 | \$ 789 | \$ 3,832,786 | \$ - | \$ 16,419,088 | \$ 1,376,817 | \$ 250,743 | \$ 18,046,648 | \$ 19,376,453 |
| Employee benefits | 561,975 | 54,055 | 112 | 616,142 | - | 2,814,939 | 189,034 | 35,444 | 3,039,417 | 3,237,817 |
| Payroll Taxes | 255,027 | 27,452 | 59 | 282,538 | - | 1,207,195 | 96,001 | 18,532 | 1,321,728 | 1,333,945 |
| Total salaries and related expenses | 4,255,296 | 475,210 | 960 | 4,731,466 | - | 20,441,222 | 1,661,852 | 304,719 | 22,407,793 | 23,948,215 |
| Professional fees and contract services | 1,061,964 | 87,441 | 397 | 1,149,802 | - | 2,260,334 | 305,794 | 125,897 | 2,692,025 | 2,285,567 |
| Supplies and other operating expenses | 248,104 | 12,286 | 105 | 260,495 | - | 1,212,232 | 42,964 | 33,041 | 1,288,237 | 1,305,723 |
| Equipment expense | 73,485 | 14,565 | 4 | 88,054 | - | 459,858 | 50,934 | 1,310 | 512,102 | 461,126 |
| Occupancy | 198,259 | 8,699 | 20 | 206,978 | - | 1,921,576 | 30,421 | 6,432 | 1,958,429 | 1,945,486 |
| Travel and transportation | 197,391 | 744 | - | 198,135 | - | 901,676 | 2,601 | 110 | 904,387 | 649,868 |
| Personnel recruitment and development | 16,515 | 2,575 | 14 | 19,104 | - | 157,324 | 9,005 | 4,456 | 170,785 | 204,459 |
| Insurance | 241,619 | 4,495 | 8 | 246,122 | - | 860,652 | 15,719 | 2,450 | 878,821 | 1,126,827 |
| Food | 265,390 | 89 | - | 265,479 | - | 609,274 | 313 | 60 | 609,647 | 432,330 |
| Contributed goods and services | - | - | - | - | - | 408,835 | - | - | 408,835 | 388,727 |
| Miscellaneous | 5,533 | 6,911 | 47 | 12,491 | - | 64,181 | 24,168 | 14,654 | 103,003 | 71,601 |
| Specific assistance to individuals | 71,323 | - | - | 71,323 | (1,020) | 2,132,826 | - | - | 2,132,826 | 2,981,896 |
| Provider services | 6,528,559 | - | - | 6,528,559 | - | 6,528,559 | - | - | 6,528,559 | 6,559,910 |
| Depreciation | 377,895 | 6,764 | 1 | 384,660 | - | 1,127,320 | 23,653 | 458 | 1,151,431 | 1,164,468 |
| Total expenses | \$ 13,541,333 | \$ 619,779 | \$ 1,556 | \$ 14,162,668 | \$ (1,020) | \$ 39,085,869 | \$ 2,167,424 | \$ 493,587 | \$ 41,746,880 | \$ 43,526,203 |

See accompanying independent auditors' report

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING SCHEDULE OF ACTIVITIES BY PROGRAM SERVICES

FOR THE YEAR ENDED JUNE 30, 2022

| | Catholic Charities | | | | | | Totals | PHILMAT | PACE | Eliminations | 2022 Consolidated Totals |
|--|--------------------|-----------------------|----------------------------|--------------------------------|---------------------------|------------------------------|----------------|--------------|--------------|--------------|--------------------------|
| | Head Start | Adult Day Health Care | Padua Pediatrics and Adult | Community Centers and Services | Residential Special Needs | Non-Residential Day Programs | | | | | |
| Revenues | | | | | | | | | | | |
| Public support: | | | | | | | | | | | |
| Contributions | \$ 554,257 | \$ 749 | \$ 25,413 | \$ 1,462,735 | \$ 185,235 | 2,003,500 | \$ 4,231,889 | \$ 455,955 | \$ 9,739 | \$ - | \$ 4,697,583 |
| Contributed goods and services | 329,735 | - | 4,100 | - | - | - | 333,835 | - | - | - | 333,835 |
| United Way: | | | | | | | | | | | |
| Southeast Louisiana: | | | | | | | | | | | |
| Allocations | - | - | - | - | - | - | - | - | - | - | - |
| Designations | 20,971 | - | - | 10,454 | - | 31,362 | 62,787 | - | - | - | 62,787 |
| St. Charles Parish: | | | | | | | | | | | |
| Allocations | - | - | - | 81,650 | - | - | 81,650 | - | - | - | 81,650 |
| St. John Parish: | | | | | | | | | | | |
| Allocations | - | - | - | - | - | 13,750 | 13,750 | - | - | - | 13,750 |
| Special events (net of direct costs) | - | - | - | - | - | 79,874 | 79,874 | - | - | - | 79,874 |
| Total public support | 904,963 | 749 | 29,513 | 1,554,839 | 185,235 | 2,128,486 | 4,803,785 | 455,955 | 9,739 | - | 5,269,479 |
| Governmental financial assistance: | | | | | | | | | | | |
| Federal | 6,321,493 | - | 3,339,426 | 367,181 | 684,606 | 3,850,385 | 14,563,091 | 4,226,462 | 13,766,904 | - | 32,556,457 |
| Other governmental agencies | - | - | - | - | - | 530,944 | 530,944 | - | - | - | 530,944 |
| Total governmental financial assistance | 6,321,493 | - | 3,339,426 | 367,181 | 684,606 | 4,381,329 | 15,094,035 | 4,226,462 | 13,766,904 | - | 33,087,401 |
| Other Revenue: | | | | | | | | | | | |
| Program service fees | - | - | 273,348 | - | 175,264 | 403,086 | 851,698 | 500 | 12,399 | (1,020) | 863,577 |
| Legal settlement | - | - | - | 10,720 | - | - | 10,720 | - | - | - | 10,720 |
| Miscellaneous | - | - | 208,204 | - | - | - | 208,204 | - | - | - | 208,204 |
| Gain (loss) on disposition of property | (228) | - | - | - | - | (76,382) | (76,610) | - | - | - | (76,610) |
| Property recoveries | - | - | - | - | - | - | - | 15,229 | - | - | 15,229 |
| Total other revenue | (228) | - | 481,552 | 10,720 | 175,264 | 326,704 | 994,012 | 15,729 | 12,399 | (1,020) | 1,021,120 |
| Total revenue | 7,226,228 | 749 | 3,850,491 | 1,932,740 | 1,045,105 | 6,836,519 | 20,891,832 | 4,698,146 | 13,789,042 | (1,020) | 39,378,000 |
| Expenses | | | | | | | | | | | |
| Salaries | 3,776,244 | 37 | 2,004,469 | 724,258 | 818,557 | 3,912,022 | 11,235,587 | 1,745,207 | 3,438,294 | - | 16,419,088 |
| Employee benefits | 666,913 | 5 | 302,865 | 105,062 | 139,928 | 654,019 | 1,868,792 | 384,172 | 561,975 | - | 2,814,939 |
| Payroll taxes | 277,429 | 3 | 148,588 | 49,992 | 60,638 | 284,744 | 821,394 | 130,774 | 255,027 | - | 1,207,195 |
| Total salaries and related expenses | 4,720,586 | 45 | 2,455,922 | 879,312 | 1,019,123 | 4,850,785 | 13,925,773 | 2,260,153 | 4,255,296 | - | 20,441,222 |
| Professional fees and contract service payments | 212,209 | 7,349 | 197,752 | 87,122 | 177,395 | 144,918 | 826,745 | 371,625 | 1,061,964 | - | 2,260,334 |
| Supplies and other operating expenses | 233,416 | 1 | 267,494 | 21,337 | 12,413 | 140,761 | 675,422 | 288,706 | 248,104 | - | 1,212,232 |
| Equipment expense | 71,400 | 126 | 43,802 | 75,951 | 18,211 | 145,891 | 355,381 | 30,992 | 73,485 | - | 459,858 |
| Occupancy | 611,469 | 7,230 | 201,640 | (237,798) | 172,921 | 413,046 | 1,168,508 | 554,809 | 198,259 | - | 1,921,576 |
| Travel and transportation | 6,653 | - | 30,834 | 13,043 | 8,222 | 11,322 | 70,074 | 634,211 | 197,391 | - | 901,676 |
| Personnel recruitment and development | 93,344 | - | 2,225 | 7,257 | 2,065 | 31,944 | 136,835 | 3,974 | 16,515 | - | 157,324 |
| Insurance | 85,223 | 339 | 141,991 | 36,762 | 31,794 | 84,458 | 380,567 | 238,466 | 241,619 | - | 860,652 |
| Food | 170,340 | - | 171,494 | 783 | 429 | 800 | 343,846 | 38 | 265,390 | - | 609,274 |
| Contributed goods and services | 329,735 | - | 4,100 | - | - | 75,000 | 408,835 | - | - | - | 408,835 |
| Management and general | 394,103 | 1,108 | 238,700 | 113,979 | 156,827 | 333,465 | 1,238,182 | 309,463 | 619,779 | - | 2,167,424 |
| Miscellaneous | 4,345 | 1 | 13,814 | 901 | 1,184 | 5,546 | 25,791 | 32,857 | 5,533 | - | 64,181 |
| Specific assistance to individuals | 234 | - | 64,839 | 350,914 | 889,224 | 757,312 | 2,062,523 | - | 71,323 | (1,020) | 2,132,826 |
| Provider services | - | - | - | - | - | - | - | - | 6,528,559 | - | 6,528,559 |
| Fundraising | 8,232 | - | 4,119 | 220,749 | 4,670 | 232,624 | 470,394 | 21,637 | 1,556 | - | 493,587 |
| Depreciation | 150,294 | 1 | 102,877 | 132,108 | 67,985 | 15,785 | 469,050 | 280,375 | 377,895 | - | 1,127,320 |
| Total expenses | 7,091,583 | 16,200 | 3,941,603 | 1,702,420 | 2,562,463 | 7,243,657 | 22,557,926 | 5,027,306 | 14,162,668 | (1,020) | 41,746,880 |
| Change in net assets before investment activity | 134,645 | (15,451) | (91,112) | 230,320 | (1,517,358) | (407,138) | (1,666,094) | (329,160) | (373,626) | - | (2,368,880) |
| Net investment loss | (125,424) | - | - | (202,711) | (374,949) | (861,755) | (1,564,839) | (257,662) | - | - | (1,822,501) |
| Change in net assets | \$ 9,221 | \$ (15,451) | \$ (91,112) | \$ 27,609 | \$ (1,892,307) | \$ (1,268,893) | \$ (3,230,933) | \$ (586,822) | \$ (373,626) | \$ - | \$ (4,191,381) |

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO OR ON BEHALF OF THE AGENCY HEAD

FOR THE YEAR ENDED JUNE 30, 2022

Agency Head: Sr. Marjorie Hebert, President and Chief Executive Officer

| Purpose | Amount |
|----------------|---------------|
| Salary | \$ 154,759 |
| Travel | 90 |

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

SINGLE AUDIT REPORT

JUNE 30, 2022

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES**

SINGLE AUDIT REPORT

JUNE 30, 2022

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Single Audit Reports

June 30, 2022

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

Most Reverend Gregory M. Aymond and the Board of Directors,
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Catholic Charities Archdiocese of New Orleans (the “Agency”) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Agency’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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency’s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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.

Postlethwaite & Netterville

Metairie, Louisiana
December 21, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Most Reverend Gregory M. Aymond and the Board of Directors,
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Charities Archdiocese of New Orleans’ (the “Agency”) 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 the Agency’s major federal program for the year ended June 30, 2022. The Agency’s major federal program is identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Agency and to meet our other ethical responsibilities, in accordance with 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 the major federal program. Our audit does not provide a legal determination of the Agency’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 Agency’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 the Agency'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 generally accepted auditing standards, *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, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of the major federal program.

In performing an audit in accordance with generally accepted auditing standards, *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 Agency'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 Agency'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 Agency'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 a 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 in internal control over compliance 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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Agency as of and for the year ended June 30, 2022 and have issued our report thereon dated December 21, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Postlethwaite & Netterville

Metairie, Louisiana
December 21, 2022

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2022

| Federal Grantor/Pass-Through Grantor/ Program Title/Program Description | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---|--|-------------------------|
| U.S. Department of Agriculture | | | |
| Pass-through programs from: | | | |
| State of Louisiana | | | |
| Department of Education | | | |
| Division of Nutrition Support | | | |
| Child and Adult Care Food Program | | | |
| Child Day Care | 10.558 | 2004-795171297 | \$ 212,195 |
| Child Nutrition Cluster | | | |
| National School Lunch Program | 10.555 | 2004-795171297 | 34,939 |
| Total - Louisiana Department of Education | | | <u>247,134</u> |
| Department of Health | | | |
| Office of Public Health | | | |
| Food Distribution Cluster | | | |
| Commodity Supplemental Food Program | 10.565 | 2000393530-062140 | 4,226,462 |
| Total - State of Louisiana | | | <u>4,473,596</u> |
| Total - U.S. Department of Agriculture | | | <u>4,473,596</u> |
| U.S. Department of Housing and Urban Development | | | |
| Direct Programs: | | | |
| Continuum of Care Program | | | |
| Transitional Housing | 14.267 | LA0052L6H032013 | 186,406 |
| Total - Direct Programs | | | <u>186,406</u> |
| Pass-through programs from: | | | |
| UNITY for the Homeless, Inc. | | | |
| Continuum of Care Program | | | |
| Sacred Heart | 14.267 | LA0049L6H032007 | 83,216 |
| Total - U.S. Department of Housing and Urban Development | | | <u>269,622</u> |
| U.S. Department of Justice | | | |
| Pass-through programs from: | | | |
| Louisiana Commission on Law Enforcement and Administration of Criminal Justice | | | |
| Domestic Violence | 16.575 | 2020-VA-02-6139 | 163,186 |
| Office of Juvenile Justice and Delinquency Prevention | | | |
| Cornerstone Builders | 16.726 | 2018-JU-FX-0018 | 42,647 |
| Total - U.S. Department of Justice | | | <u>205,833</u> |
| U.S. Department of State | | | |
| Pass-through program from: | | | |
| United States Conference of Catholic Bishops | | | |
| Reception and Placement - Administration | 19.510 | SPRMCO22CA0023 | 12,743 |
| USCCB APA Program | 19.510 | N/A | 17,113 |
| Total - U.S. Department of State | | | <u>29,856</u> |

(Continued)

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2022

| Federal Grantor/Pass-Through Grantor/ Program Title/Program Description | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---|--|-------------------------|
| U.S. Department of Education | | | |
| Pass-through program from: | | | |
| State of Louisiana | | | |
| Louisiana Community and Technical College System | | | |
| Adult Education Leadership Funds | 84.002 | V002A170018 | \$ 3,140 |
| Adult Education | 84.002 | V002A180018 | 162,554 |
| Total - U.S. Department of Education | | | <u>165,694</u> |
| U.S. Department of Health and Human Services | | | |
| Direct Program: | | | |
| Head Start Cluster | | | |
| Head Start / Early Head Start Program | 93.600 | 06CH011572 | 5,898,948 |
| Head Start / Early Head Start Program | 93.600 | 06HE000573 | 210,350 |
| Total- Head Start Cluster | | | <u>6,109,298</u> |
| Pass-through programs from: | | | |
| State of Louisiana | | | |
| Office for Refugees | | | |
| Older Refugee Support Services | 93.566 | None | 24,229 |
| Refugee Social Services | 93.566 | None | 283,777 |
| CMA - LOR/CCDBR | 93.566 | None | 157,659 |
| LOR - Youth Mentoring | 93.566 | None | 3,103 |
| LOR - Base ASA | 93.566 | None | 776 |
| Total - Office for Refugees | | | <u>469,544</u> |
| Department of Children and Family Services | | | |
| Social Services Block Grant | | | |
| Therapeutic Family Services | 93.667 | 010007814 | 334,368 |
| Temporary Assistance for Needy Families | | | |
| Alternatives to Abortion | 93.558 | 2000611649 | 15,873 |
| Total - State of Louisiana | | | <u>819,785</u> |
| National Council on Aging | | | |
| Medicare Enrollment Assistance Program | 93.071 | None | 110,000 |
| Passed through USCCB/Office of Refugee Resettlement/ Administration for Children and Families | | | |
| Match Grant - USCCB | 93.567 | 2201DCRVMG | 14,694 |
| United States Conference of Catholic Bishops | | | |
| Vulnerable Care Services | 93.576 | None | 2,750 |
| Total - U.S. Department of Health and Human Services | | | <u>7,056,527</u> |
| Corporation for National and Community Service | | | |
| Direct program: | | | |
| Foster Grandparent/Senior Companion Cluster | | | |
| Foster Grandparents Program | 94.011 | 19SFWLA001 | 355,940 |
| Total - Corporation for National and Community Service | | | <u>355,940</u> |

(Continued)

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2022

| Federal Grantor/Pass-Through Grantor/ Program Title/Program Description | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---|--|-------------------------|
| U.S. Department of Homeland Security | | | |
| Direct program: | | | |
| Citizenship Education and Training Pathways to Citizenship | 97.010 | 21-CICET00212 | \$ 77,108 |
| Pass-through programs from: | | | |
| State of Louisiana Disaster Case Management Program | 97.088 | 2000660688 | 238,104 |
| United Way Emergency Food and Shelter National Board Program | 97.024 | 363400-020 | 45,000 |
| Total - U.S. Department of Homeland Security | | | <u>360,212</u> |
| Total Expenditures of Federal Awards included in this report | | | <u>\$ 12,917,280</u> |

Federal Expenditures Summarized by Assistance Listing Number:

| | | |
|--|--------|----------------------|
| National School Lunch Program | 10.555 | \$ 34,939 |
| Child and Adult Care Food Program | 10.558 | 212,195 |
| Commodity Supplemental Food Program | 10.565 | 4,226,462 |
| Continuum of Care Program | 14.267 | 269,622 |
| Crime Victim Assistance | 16.575 | 163,186 |
| Juvenile Mentoring Program | 16.726 | 42,647 |
| U.S. Refugee Admissions Program | 19.510 | 29,856 |
| Adult Education - Basic Grants to States | 84.002 | 165,694 |
| Medicare Enrollment Assistance Program | 93.071 | 110,000 |
| Temporary Assistance for Needy Families | 93.558 | 15,873 |
| Refugee and Entrant Assistance - State Administered Programs | 93.566 | 469,544 |
| Refugee and Entrant Assistance - Voluntary Agency Programs | 93.567 | 14,694 |
| Refugee and Entrant Assistance - Discretionary Grants | 93.576 | 2,750 |
| Head Start | 93.600 | 6,109,298 |
| Social Services Block Grant | 93.667 | 334,368 |
| Foster Grandparent Program | 94.011 | 355,940 |
| Citizenship Education and Training | 97.010 | 77,108 |
| Emergency Food and Shelter National Board Program | 97.024 | 45,000 |
| Disaster Assistance Projects | 97.088 | 238,104 |
| | | <u>\$ 12,917,280</u> |

See accompanying notes to schedule of expenditures of federal awards.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Notes to Schedule of Expenditures of Federal Awards

June 30, 2022

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Catholic Charities Archdiocese of New Orleans, PHILMAT, Inc., and PACE Greater New Orleans (collectively, the “Agency”). The Agency’s reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2022. All federal awards received from federal agencies are included on the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) Relationship to Financial Statements

Federal awards are included in the consolidated financial statements of the Agency as follows:

| | |
|--|-----------------------------|
| Schedule of Federal Awards | \$ 12,917,280 |
| State and local funds | 530,944 |
| U.S. Department of Health and Human Services - Fees | 2,487,241 |
| Office of Health and Hospitals –Medicaid and Medicare | <u>17,181,121</u> |
| Total governmental financial assistance | 33,116,586 |
| Less amount recorded as refundable advance | <u>(29,185)</u> |
| Total governmental financial assistance, reported | <u>\$ 33,087,401</u> |

The Agency received and expended \$29,185 of federal awards during the year ended June 30, 2022, that are reported in refundable advances on the statement of financial position at June 30, 2022. The revenue for these awards was not recognized during the year ended June 30, 2022, as there were certain conditions in place that were not met as of year-end.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted: no

Federal Awards

Internal control over major programs:

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

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

Any audit findings which are required to be reported in accordance with the 2 CFR 200.516(a)? no

Identification of major program:

U.S. Department of Health and Human Services
Head Start 93.600

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? yes

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

- (2) Findings relating to the consolidated financial statements reported in accordance with Government Auditing Standards:

None

- (3) Findings and questioned costs relating to federal awards:

None

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings

Year ended June 30, 2022

Findings relating to the consolidated financial statements reported in accordance with *Government Auditing Standards*:

None

Findings and questioned costs relating to federal awards:

None

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON
COMPLIANCE AND CONTROL AREAS

FOR THE YEAR ENDED JUNE 30, 2022

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
AND SUBSIDIARIES**

**REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON
COMPLIANCE AND CONTROL AREAS**

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Most Reverend Gregory M Aymond and the Board of Directors
Catholic Charities Archdiocese of New Orleans and Subsidiaries, 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) for the fiscal period July 1, 2021 through June 30, 2022. Catholic Charities Archdiocese of New Orleans and Subsidiaries' management is responsible for those C/C areas identified in the SAUPs.

Catholic Charities Archdiocese of New Orleans and Subsidiaries (the Agency) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. 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 the Agency to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

Postlethwaite & Netterville

Metairie, Louisiana
December 21, 2022

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2022

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 exceptions noted*” or for step 25 “*we performed the procedure and discussed the results with management.*” If not, then a description of the exception ensues.

A - Written Policies and Procedures

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

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

No exceptions noted.

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

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

No exceptions noted.

- d) ***Receipts/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 exceptions noted.

- e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

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

The Agency has written policies and procedures for contracting. However, the policies and procedures do not contain attributes (1) types of services requiring written contracts and (2) standard terms and conditions.

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

No exceptions noted.

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

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (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.

The Agency is a non-profit. Thus, this procedure is not applicable.

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

The Agency does not have debt, and thus, this procedure is not applicable.

- k) **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 exceptions noted.

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

The Agency is a non-profit. Thus, this procedure is not applicable.

B - Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
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- b) 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. *Alternately, for those entities reporting on the nonprofit 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 exceptions noted.

- c) 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.

The Agency is a non-profit. Thus, this procedure is not applicable.

C - Bank Reconciliations

3. 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:

A listing of bank accounts was provided and included a total of 106 bank accounts. Management identified the Agency's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (3 main operating and 2 randomly) and obtained the bank reconciliations for the month ending June 30, 2022, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

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

No exceptions noted.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

In the bank reconciliations selected in step 1, there were no reconciling items that have been outstanding for more than 12 months from the statement closing date. Thus, this procedure is not applicable.

D - Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided and included a total of 4 deposit sites. No exceptions were noted as a result of performing this procedure.

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

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

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

From each of the listings provided, we randomly selected one collection location for each 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.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted.

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

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3 if deposits were made during the fiscal period. However, one account had no deposits during the period and one account had one deposit during the period. We obtained supporting documentation for each of the 7 deposits selected and performed the procedures below.

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

The Agency does not maintain sequentially pre-numbered receipts.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe 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).

For one of the seven deposits tested, the deposit was not made within one business day of receipt at the collection location.

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

No exceptions noted.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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E - Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

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 the 1 location and performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for the payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for the payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

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

- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exceptions noted.

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

No exceptions noted.

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

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

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

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

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

No exceptions noted.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
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Schedule A

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

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

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

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

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.

- a) If reimbursed using a per diem, observe the 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.

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

No exceptions noted.

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

No exceptions noted.

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AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

H - Contracts

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

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, we randomly selected 5 contracts and performed the procedures below.

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

No exceptions noted.

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

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe 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, was approval documented).

No exceptions noted.

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

No exceptions noted.

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AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

I - Payroll and Personnel

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

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. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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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. No exceptions noted.

19. 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.

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

The Agency is a non-profit. Thus, this procedure is not applicable.

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

The Agency is a non-profit. Thus, this procedure is not applicable.

K - Debt Service

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

The Agency does have debt, so this procedure is not applicable.

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

The Agency does have debt, so this procedure is not applicable.

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AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

L - Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management represented that there were no misappropriations of public funds and assets during the fiscal period.

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

No exceptions noted.

M - Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

- c) 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.

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Schedule A

N - Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

The Agency is a non-profit. Thus, this procedure is not applicable.

27. Observe 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).

The Agency is a non-profit. Thus, this procedure is not applicable.

28. 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 it includes the applicable requirements of R.S. 42:344:

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

The Agency is a non-profit. Thus, this procedure is not applicable.

- b) Number of sexual harassment complaints received by the agency;

The Agency is a non-profit. Thus, this procedure is not applicable.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

The Agency is a non-profit. Thus, this procedure is not applicable.

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

The Agency is a non-profit. Thus, this procedure is not applicable.

- e) Amount of time it took to resolve each complaint.

The Agency is a non-profit. Thus, this procedure is not applicable.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
JUNE 30, 2022**

Schedule B

Catholic Charities Archdiocese of New Orleans and Subsidiaries (the agency) provided a response and corrective action plan for the exceptions noted in Schedule A as set forth below.

Written Policies and Procedures

Procedure 1f: It is general procedure that any time a service requires work on-site, insurance is required, therefore a contract is needed. We will make sure to add specific language to our policy stating the types of services requiring written contracts and also standard terms and conditions to be included in all contracts.

Collections (excluding electronic funds transfers)

Procedure 7d: This deposit was made two days after receipt due to the bookkeeper being out. All deposits will be made within one day of receipt going forward.