

CATHOLIC CHARITIES OF ACADIANA, INC.

Lafayette, Louisiana

Financial Report

For the Year Ended June 30, 2020

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WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmdh.com

INDEPENDENT AUDITORS' REPORT

JOHN W. WRIGHT, CPA *
JAMES H. DUPUIS, CPA *
JAN II. COWEN, CPA *
LANCE E. CRAPPELL, CPA, CGMA *
MICAH R. VIDRINE, CPA *
TRAVIS M. BRINSKO, CPA *
RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*
CHRISTINE R. DUNN, CPA**
DAMIAN II. SPIESS, CPA, CFP **
JOAN MARTIN, CPA, CVA, CFF, FABFA**
ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA
ROBERT T. DUCHARME, II, CPA
BRITTANY ENGLISBEE, CPA, MBA
JUDITH FAULK, CPA, APA
DEREK GODEAUX, CPA, MSA
SHAUN GRANTHAM, MBA, CPA
BRITTANY GUIDRY, CPA
MAGEN M. HORNSBY, CPA
LISA MESTAYER HUSSEY, CPA
MARY PATRICIA KEELEY, CPA
ALEXANDRA LEONARDS, CPA, MBA
CHRISTOPHER LEONARDS, CPA, MBA
WENDY ORTEGO, CPA, CVA
STEPHANIE M. OSBORN, CPA
STEPHANIE A. RAWLINSON, CPA
KIRSTIE C. STELLY, CPA, MBA
ROBIN G. STOCKTON, CPA
TINA B. VIATOR, CPA
STEPHANIE L. WEST, CPA, MBA

The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Catholic Charities of Acadiana, Inc. (CCA) (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCA as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

In our opinion, the supplemental information and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 February 20, 2021 on our consideration of CCA'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCA's internal control over financial reporting and compliance

***Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC***

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
February 20, 2021

FINANCIAL STATEMENTS

CATHOLIC CHARITIES OF ACADIANA, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 1,580,185
Restricted Cash	185,084
Investments	58,920
Grants Receivable	110,281
Accounts Receivable	36,311
Inventory	207,400
Prepaid Insurance	<u>2,206</u>
Total Current Assets	<u>2,180,387</u>

PROPERTY AND EQUIPMENT (NET)

3,241,357

OTHER ASSETS

Deposits	<u>570</u>
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TOTAL ASSETS

\$ 5,422,314

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 78,642
Accrued Payroll and Related Liabilities	81,668
Accrued Compensated Absences	76,826
Due to Residents	437
Other Current Liabilities	1,869
Deferred Revenue	620,739
Current Maturities of Long-Term Debt	<u>141,312</u>
Total Current Liabilities	<u>1,001,493</u>

LONG-TERM LIABILITIES

Long-Term Debt (Less Current Maturities)	<u>289,683</u>
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TOTAL LIABILITIES

1,291,176

NET ASSETS

Net Assets With Donor Restrictions	592,486
Net Assets Without Donor Restrictions	<u>3,538,652</u>
Total Net Assets	<u>4,131,138</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 5,422,314

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

NET ASSETS WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT

Donations:

Community Support	\$ 1,158,950
Church Donations	208,663
Allocation From United Way	<u>71,690</u>
Total Public Support	<u>1,439,303</u>

REVENUES

Social Services	95,634
Rent Income	18,055
Grants and Contracts	1,229,666
Diner Meals	663,388
Interpretation Services	463,095
Client Fees	21,010
Crossroads Bookstore	365,662
Miscellaneous	8,465
In-Kind	432,811
Unrealized Gain/Loss on Investments	<u>(181)</u>
Total Revenues	<u>3,297,605</u>

TOTAL PUBLIC SUPPORT AND REVENUES 4,736,908

Net Assets Released from Donor Restrictions 1,842,708

TOTAL PUBLIC SUPPORT, REVENUES AND NET
ASSETS RELEASED FROM RESTRICTIONS 6,579,616

EXPENSES

Program Services	5,929,937
Supporting Services:	
Fundraising	25,311
Management and General	<u>747,608</u>
Total Expenses	<u>6,702,856</u>

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS (123,240)

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

NET ASSETS WITH DONOR RESTRICTIONS	
Individual Donations	\$ 1,233,071
Church Donations	409,090
Special Event Fundraisers	50,500
Diocesan Assistance	99,798
Disaster Relief	<u>284,522</u>
Total Net Assets With Donor Restrictions	<u>2,076,981</u>
Net Assets Released from Donor Restrictions	<u>(1,842,708)</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	234,273
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(123,240)</u>
INCREASE IN NET ASSETS	111,033
NET ASSETS AT BEGINNING OF YEAR	<u>4,020,105</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,131,138</u>

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		FUNDRAISING	MANAGEMENT AND GENERAL	
Compensation and Related Expenses				
Salaries	\$ 1,929,582	\$ -	\$ 388,025	\$ 2,317,607
Compensated Absences	29,403	-	11,035	40,438
Employee Benefits		-		
Insurance	261,172	-	44,026	305,198
Pension Plan	43,553	-	11,630	55,183
Payroll Taxes	114,125	-	28,040	142,165
	<u>2,377,835</u>	<u>-</u>	<u>482,756</u>	<u>2,860,591</u>
Background Checks	1,505	-	216	1,721
Bank Fees	15,305	-	27,181	42,486
Client Financial Assistance	1,009,202	-	-	1,009,202
Conference and Meetings	31,030	-	6,036	37,066
Cost of Goods Sold	131,347	-	-	131,347
Depreciation Expense	185,440	-	58,418	243,858
Dues and Subscriptions	59,266	-	-	59,266
Food	225,951	-	-	225,951
Fundraising/Newsletter	435	25,311	-	25,746
Furnishings and Equipment	25,218	-	12,633	37,851
Insurance	39,366	-	11,733	51,099
Lease Expense	90,277	-	34,819	125,096
Materials and Supplies	116,424	-	19,220	135,644
Postage and Shipping	1,555	-	5,341	6,896
Professional Fees	8,441	-	29,004	37,445
Program Meals	106,854	-	-	106,854
Public Relations	4,179	-	15,321	19,500
Rent Expense (Equipment)	12,332	-	762	13,094
Repairs and Maintenance	131,586	-	17,043	148,629
Taxes	19,133	-	-	19,133
Technology and Software	33,043	-	6,945	39,988
Travel	28,625	-	816	29,441
Utilities	157,762	-	17,850	175,612
In-Kind Expenses	1,117,826	-	1,514	1,119,340
	<u>1,117,826</u>	<u>-</u>	<u>1,514</u>	<u>1,119,340</u>
TOTAL	<u>\$ 5,929,937</u>	<u>\$ 25,311</u>	<u>\$ 747,608</u>	<u>\$ 6,702,856</u>

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 111,033
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	243,858
Unrealized Loss on Investments	181
Donated Equipment	(152,623)
Changes in Current Assets and Liabilities:	
Grant Receivables	73,302
Accounts Receivables	(36,311)
Other Receivables	3,994
Inventory	(111,505)
Prepaid Expenses	(2,206)
Deposit	(570)
Accounts Payable	62,110
Accrued Compensated Absences	40,439
Accrued Payroll and Related Liabilities	18,937
Deferred Revenue	406,837
Other Current Liabilities	<u>2,306</u>
Net Provided By Operating Activities	<u>659,782</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(52,757)
Purchase of Investments	<u>(36,197)</u>
Net Cash Used In Investing Activities	<u>(88,954)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Long-Term Debt	<u>430,995</u>
Net Cash Provided By Financing Activities	<u>430,995</u>

INCREASE IN CASH AND EQUIVALENTS 1,001,823

CASH AND RESTRICTED CASH, BEGINNING 763,446

CASH AND RESTRICTED CASH, END OF YEAR \$ 1,765,269

The accompanying notes are an integral part of these statements.

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Catholic Charities of Acadiana, Inc. (CCA) (formerly known as Catholic Services of Acadiana, Inc.) was established in 1973 under the auspices of the Roman Catholic Diocese of Lafayette and incorporated as a Louisiana Company (not-for-profit corporation) on October 8, 1981. Motivated by the Gospel, CCA offers services to preserve and enhance the lives of those experiencing hunger, poverty, and homelessness in Acadiana. The programs operating under the CCA corporation are: St. Joseph Shelter for Men, St. Joseph Diner, Monsignor A. O. Sigur Service Center, Rapid Re-Housing, Permanent Supportive Housing, St. Michael's Center for Veterans, St. Michael's Emergency Shelter for Veterans, Emily House, Stella Maris Center, Coordinated Entry, Disaster Response and Homeless Management Information Systems.

A portion of the CCA administration building also houses a health clinic operated by Our Lady of Lourdes Hospital called St. Bernadette Community Clinic. The Clinic provides free medical and dental services to the community with the assistance of Lourdes' staff nurses and physicians Monday through Friday. In fiscal year 2003-2004, St. Bernadette Community Clinic expanded into a 5,900 square foot facility in a new section of the building, which was paid for and is being operated by Our Lady of Lourdes Hospital. CCA records \$64,641 in annual donated facilities as an in-kind contribution to reflect the annual rental value of the clinic portion of the building. Discussed in Note D.

In April 2018, CCA opened Emily House, a new emergency shelter serving primarily homeless women and children located in Lafayette, Louisiana. Primary services are food, shelter, clothing, after school tutoring, social service referrals, and life skills educational classes. Specific programs at the Emily House include emergency and transitional housing for women and children.

In July 2019, CCA acquired Foodnet of Acadiana, Inc., Rebuilding Together Acadiana, Inc., and Crossroads Collective Bookstore through separate joint merger agreements. Additionally, CCA began operating two programs previously managed by the Diocese of Lafayette. These programs are the Deaf Action Center and the Immigration and Refugee Office.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Basis of Accounting

The financial statements of Catholic Charities of Acadiana, Inc. (CCA) have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Recognition of Donor Restrictions

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

All donor-restricted contributions, if any, are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the totals of the same such amount in the statement of cash flows.

Cash	\$ 1,580,185
Restricted Cash	<u>185,084</u>
	\$ 1,765,270

Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been established, as it is CCA's policy to use the direct write-off method for accounts that are deemed to be uncollectible.

Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles of the United States of America. The Organization generally does not require collateral, and the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

Prepaid Expenses

Insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid

Use of Estimates

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

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Deferred Revenue - Grants and Exchange Transactions

Some cost reimbursement type grants are actually "exchange transactions" that do not qualify as contributions under FASB-ASC 958. In such cases, revenue is not recognized until the services required by the grant are rendered. Until the revenue is recognized, any cash or grant receivable asset must be offset by a "deferred or unearned revenue" liability. These exchange transactions differ from contributions in that the method or type of services reimbursed is stipulated by the granting authority and not by the nonprofit organization.

Investments

The balance in the Investments account reflects the June 30, 2020 fair market value of the shares of a publicly traded company, which were donated to CCA. The fair market value at the time of donation was recorded as in-kind revenue. The value is updated every year to reflect the current fair market value with the change in value being recorded as Unrealized Gain (Loss) on Investments in the Statement of Activities.

Inventory

Inventory consists primarily of donated supplies and food, which are stated at the estimated fair market value at the time of donation. Other donated items such as clothing, furniture, and household equipment are also valued at thrift store value using IRS Regulations.

Inventory for Crossroads Collective Bookstore consists of books and general merchandise and is stated at the lower of cost (retail method) or market.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$2,500 for property and equipment at historical cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$243,858 for the year ended June 30, 2020.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of CCA'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 CCA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Compensated Absences

Employees accrue personal leave time from the first day of employment with the amount being determined based on length of service. An employee is allowed to earn a maximum of leave based on length of employment, but they may not accrue more than this maximum balance. At the time of termination of employment, employees are entitled to receive payment for earned personal leave not yet taken. Accordingly, an accrual has been made for accumulated personal leave as of June 30, 2020.

Income Taxes

CCA qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. There is no 990 filing requirement and no issues relative to federal and state statutes of limitations.

Fair Value Considerations

Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The estimated fair values of each entity's short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers, or Accounting Standards Codification Topic 606 ("ASC 606"), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition ("ASC 605"). This literature is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The accounting guidance also requires additional disclosure regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts including significant judgements and changes to judgements, as well as assets recognized from costs incurred to obtain or fulfill a contract. On July 1, 2019, the Organization adopted ASC 606.

(B) INVESTMENTS

Investments are carried at their fair value, which equals quoted market value. Investments at June 30, 2020 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Cash	\$ 744	\$ 744	\$ -
Stocks	<u>19,729</u>	<u>19,729</u>	<u>-</u>
	<u>\$ 20,473</u>	<u>\$ 20,473</u>	<u>\$ -</u>

(C) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

Land	\$ 135,145
Buildings	5,228,814
Vehicles/Trailers	100,561
Furniture and Equipment	531,579
Leasehold Improvements	<u>42,025</u>
Total	6,038,124
Less: Accumulated Depreciation	<u>(2,796,767)</u>
Net Property and Equipment	<u>\$ 3,241,357</u>

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(D) PAYCHECK PROTECTION PROGRAM LOANS

On April 7, 2020, the Organization received loan proceeds in the amount of \$430,995 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrow maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll benefits, rent, and utilities. The forgiveness amount will be reduced if the borrow terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period.

To the extent that the Organization is not granted forgives, the Organization will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of November 22, 2022. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event.

Total	\$ 430,995
Less Current Maturities	<u>141,312</u>
Total Long-Term Debt, Net of Current Portion	\$ 298,683

(E) CLIENT SERVICES PROVIDED

For the year ended June 30, 2020, CCA agencies (combined) provided shelter for 148 individuals, plus 15 households with a total of 25 children, for a total of 23,446 nights of lodging. Further, 91,943 meals were served and 562 families and individuals received direct financial assistance. One Hundred and twenty-two (122) people were assisted through the Rapid Rehousing and Permanent Supportive Housing Projects. Also, this year, 23 households received disaster assistance in recovering from the August 2016 Flood.

(F) DONATED SERVICES, MATERIALS, AND FACILITIES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. CCA has recorded the professional services of \$159,340 and volunteer labor of \$117,737 (all departments and programs combined) as both revenue and expense, based on the criteria described above. Many other skilled services were provided but could not be measured and are not recorded. These include construction project management, computer consulting, legal consulting, advertising, management council services and others.

CATHOLIC CHARITIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(F) DONATED SERVICES, MATERIALS, AND FACILITIES - continued

Donated facilities are considered contributed assets and not services, and are recognized in the statement of activities at the fair market value as both revenue and expense in the period it is received and used.

Lady of Lourdes Hospital (LOL) funded the leasehold improvements and funds the annual operations of the medical and dental clinic portion of St. Bernadette's Clinic in the CCA building. The annual rental value of the donated facilities provided by the Clinic is reflected at \$64,641 in the financial statements. The value of the donated services provided by LOL doctors and nurses and volunteer dentists at the new dental clinic is not valued in the CCA financial statements since this is an outreach program run by LOL.

Our Lady of Lourdes Hospital (LOL) funded the leasehold improvements and funds the annual operations of the medical and dental clinic portion of St. Bernadette's Clinic in the CCA building. The annual rental value of the donated facilities provided by the Clinic is reflected at \$64,641 in the financial statements. The value of the donated services provided by LOL doctors and nurses and volunteer dentists at the new dental clinic is not valued in the CCA financial statements since this is an outreach program run by LOL.

Additionally, LOL provides nursing and medical care services to the residents of Emily House. Under the terms of the lease in 2012, LOL hospital has exercised a lease renewal option for an additional 10-year term expiring July 31, 2022. The rent charged to the hospital is \$12 per year, paid annually. Minimum future rental payments under the current lease agreement will be \$12 for 2020, \$12 for 2021, and \$1 for 2022.

St. Bernadette's Clinic is a recipient of a three-year grant awarded to Our Lady of Lourdes Hospital (LOL) for implementing a dietary program at St. Joseph's Diner with the intention of improving the general health of patrons. As part of the grant, the services of a dietician and cook are provided as diner support staff and all food acquisitions are made through St. Bernadette's Clinic. Donated labor for the diner support staff is \$57,541 and donated food totals \$5,295. CCA's budgeted amount of \$16,000 for the cost food was forwarded to St. Bernadette's Clinic to help defray food costs incurred by St. Bernadette's Clinic on behalf of the diner. Though the grant expired in 2017, Our Lady of Lourdes extended the agreement indefinitely and currently operates the food and nutrition program as originally implemented according to the grant.

(G) REVENUE RECOGNITION

The Organization has analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard. Revenues are recognized when received.

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(H) NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2020, net assets with donor restrictions are available for the following purpose:

For Support of Monsignor Sigur Center	\$ 138,249
For Support of Integrated Data and Analytics	3,394
For Support of PHS	6,563
For Support of Foodnet, Inc.	367,137
For Support of St. Joseph's Men's Shelter	23,036
For Support of St. Michael's Emergency Shelter	46,687
For Support of Special Projects	<u>7,420</u>
	\$ 592,846

(I) NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors/grantors. Total amount released from restrictions during the year was \$1,842,708.

(J) RETAIL STORE

The Organization operates a retail store that sells books and other religious items. Income and expenses for the bookstore were the following for the year ended June 30, 2021.

Sales	\$ 365,662
Cost of Goods Sold	<u>131,347</u>
Gross Profit	<u>\$ 234,315</u>

Sales revenue and cost of goods sold are reported net of discounts, estimated returns, and sales taxes.

(K) RETIREMENT PLAN

The CCA employees participate in the Diocese of Lafayette group retirement plan. This plan is a 403 (B) profit-sharing plan whereby the employer contributes 3% of the salary of eligible participants. Total retirement plan expense for the year ended June 30, 2020 was \$55,183.

(L) CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject CCA to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with three high quality financial institution. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of June 30, 2020, CCA had \$1,060,755 of cash in excess of FDIC limits. It is the opinion of management that the solvency of the referenced financial instruments is not of particular concern at this time.

The majority of CCA'S revenues and accounts receivable are from contracts with one major federal grantor – the Department of Housing and Urban Development (HUD), support from which approximately 11.46% of total cash support/revenues.

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(M) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

(N) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to the Executive Director, Kimberly Boudreaux, for the year ended June 30, 2020:

<u>Purpose</u>	
Salary	\$ 112,377
Benefits - Insurance	\$ 7,500
Benefits – Life Insurance	\$ 264
Benefits – Retirement	\$ 3,371

(O) LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in interest bearing deposits and money market funds.

The following table reflects the Organization's financial assets as of June 30, 2020. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

	<u>2020</u>
Cash and Interest Bearing Deposits	\$ 1,765,270
Grant Receivables	110,281
Accounts Receivables	<u>36,311</u>
Total Financial Assets	\$ 1,911,862
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	\$ 1,911,862

(P) BUSINESS MERGERS

Effective July 1, 2019, Catholic Charities of Acadiana, Inc. entered into a Joint Merger Agreement with FoodNet, of Lafayette, Louisiana (a Louisiana nonprofit corporation). As a result of this merger, all assets and liabilities of FoodNet were combined with Catholic Charities and per the agreement, the transaction is intended to be a charitable contribution by FoodNet to Catholic Charities. The joint merger resulted in a donation of \$286,301 being recorded from FoodNet and is reflected as such in the accompanying financial statements as of June 30, 2020.

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(P) BUSINESS MERGERS – continued

Effective July 1, 2019, Catholic Charities of Acadiana, Inc. entered into a Joint Merger Agreement with Lafayette Catholic Bookstore (a Louisiana nonprofit corporation). As a result of this merger, all assets and liabilities of Lafayette Catholic Bookstore were combined with Catholic Charities and per the agreement, the transaction is intended to be a charitable contribution by Lafayette Catholic Bookstore to Catholic Charities. The joint merger resulted in a donation of \$178,365 being recorded from Lafayette Catholic Bookstore and is reflected as such in the accompanying financial statements as of June 30, 2020.

Effective July 1, 2019, Catholic Charities of Acadiana, Inc. entered into a Joint Merger Agreement with Rebuilding Together Acadiana, Inc. (a Louisiana nonprofit corporation). As a result of this merger, all assets and liabilities of Rebuilding Together Acadiana, Inc. were combined with Catholic Charities and per the agreement, the transaction is intended to be a charitable contribution by Rebuilding Together Acadiana, Inc. to Catholic Charities. The joint merger resulted in a donation of \$100,146 being recorded from Rebuilding Together Acadiana, Inc. and is reflected as such in the accompanying financial statements as of June 30, 2020.

(Q) SUBSEQUENT EVENTS

Subsequent events were evaluated through February 20, 2021, which is the date the financial statements were available to be issued. CCA was awarded the Bezos Day One Fund in the amount of \$5,000,000 in November 2020.

SUPPLEMENTAL INFORMATION

**INTERNAL CONTROL, COMPLIANCE
AND OTHER GRANT INFORMATION**

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

<u>Program Title</u>	<u>CFDA</u>	<u>Grant Number</u>	<u>Expenditures</u>	<u>Subrecipients</u>
U.S. Department of Housing and Urban Development				
Passed through Lafayette City-Parish Consolidated Government				
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-22-0003	\$ 11,198	\$ -
Emergency Solutions Grant Program	14.231	N/A	55,322	-
Home Investment Partnerships Program	14.239	N/A	21,764	-
Continuum of Care Program	14.267	* COC RRH--LA0270L6H001600	319,625	-
Continuum of Care Program	14.267	* COC HMIS--LA0007L6H001710	186,623	-
Continuum of Care Program	14.267	* COD PSH--LA0219L6H001805	263,009	-
Continuum of Care Program	14.267	* COC PSHI--LA0219L6H001704	106,648	-
Continuum of Care Program	14.267	* COC STELLA--LA0023L6H001712	27,306	-
Continuum of Care Program	14.267	* COC STELLA--LA0023L6H001811	<u>63,550</u>	-
Total for U.S. Department of Housing and Urban Development			<u>1,055,045</u>	-
U.S. Department of Veterans Affairs				
VA Homeless Providers Grant and Per Diem Program	64.024	Low Demand--CSAC497-0384-502-LD-	74,156	\$ -
VA Homeless Providers Grant and Per Diem Program	64.024	Bridge Housing--CSAC497-0417-502-BH-	<u>32,158</u>	-
Total for U.S. Department of Veterans Affairs			<u>106,314</u>	-
Department of Health and Human Services				
Refugee and Entrant Assistance Wilson/Fish Program	93.583		<u>38,367</u>	-
Total Expenditures			<u>\$ 1,199,726</u>	<u>\$ -</u>

* - denotes a major program

CATHOLIC CHARITIES OF ACADIANA, INC.

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

(A) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of CCA under programs of the federal government for the year ended June 30, 2020. 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 CCA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CCA.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are 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.

(C) INDIRECT COST RATE

CCA has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Indirect Costs are allocated based on actual expenditures.

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmdh.com

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

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



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ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, 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 financial statements of Catholic Charities of Acadiana, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CCA internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
February 20, 2021

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmdh.com

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

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

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The Board of Directors
Catholic Charities of Acadiana, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities of Acadiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CCA's major federal programs for the year ended June 30, 2020. CCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CCA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CCA's compliance.

Opinion on Each Major Federal Program

In our opinion, CCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of CCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CCA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

***Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC***

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
February 20, 2021

CATHOLIC CHARITIES OF ACADIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

We have audited the financial statements of Catholic Charities of Acadiana, Inc. as of and for the year ended June 30, 2020, and have issued our report thereon dated February 20, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2020 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

b. *Federal Awards*

Major Programs Identification

CCA at June 30, 2020, had one major program:

- Department of Housing and Urban Development – Continuum of Care - CFDA No. 14.267

Low-Risk Auditee

CCA is considered a low-risk auditee for the year ended June 30, 2020.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2020.

Auditors' Report - Major Programs

An unmodified opinion has been issued on CCA's compliance for its major program as of and for the year ended June 30, 2020.

Significant Deficiencies – Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

CATHOLIC CHARITIES OF ACADIANA, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

CATHOLIC CHARITIES OF ACADIANA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020

There were no prior year findings.