
CATHOLIC COMMUNITY SERVICES OF
BATON ROUGE, INC.

FOR THE FISCAL YEAR ENDED
JUNE 30, 2003

CATHOLIC COMMUNITY SERVICES OF
BATON ROUGE, INC.

FOR THE FISCAL YEAR ENDED
JUNE 30, 2003

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Catholic Community Services of Baton Rouge, Inc.
Baton Rouge, Louisiana

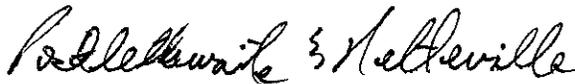
We have audited the statement of financial position of Catholic Community Services of Baton Rouge, Inc. (CCS) (a non-profit organization) as of June 30, 2003, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of CCS's management. 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 and the provisions of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCS as of June 30, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 11 through 24 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 28 and 29 is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued reports dated November 19, 2003 on our consideration of CCS's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.



Baton Rouge, Louisiana
November 19, 2003

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2003

A S S E T S

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 287,741
Cash and cash equivalents - restricted	407,140
Contracts receivable	359,620
Unconditional promises to give - United Wa Services funding for the next fiscal yea	123,000
Other current assets	2,661
Total current assets	<u>1,180,162</u>

OTHER ASSETS

Investments - Catholic Diocese of Baton Roug	38,374
Plant, furniture and equipment - net	<u>137,183</u>
Total assets	<u><u>\$ 1,355,719</u></u>

L I A B I L I T I E S A N D N E T A S S E T S

CURRENT LIABILITIES

Accounts payable	\$ 61,965
Accrued expenses	86,788
Due to United States Catholic Conferenc	7,250
Total current liabilities	<u>156,003</u>

OTHER LIABILITIES

Due to Catholic Diocese of Baton Roug	<u>58,936</u>
Total liabilities	<u>214,939</u>

NET ASSETS

Unrestricted	553,055
Temporarily restricted	587,725
Total net assets	<u>1,140,780</u>
Total liabilities and net assets	<u><u>\$ 1,355,719</u></u>

The accompanying notes are an integral part of this statement.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
United Way	\$ -	\$ 278,307	\$ 278,307
Contributions and foundations	36,151	119,785	155,936
Federal and state contracts	-	2,714,487	2,714,487
Catholic Diocese of Baton Rouge	154,295	440,659	594,954
Fee income	149,643	-	149,643
Miscellaneous	8,517	57,833	66,350
Fundraising	19,648	-	19,648
Net assets released from donor restrictions:			
Satisfaction of program restrictions	3,582,353	(3,582,353)	-
Total revenues	<u>3,950,607</u>	<u>28,718</u>	<u>3,979,325</u>
<u>EXPENSES</u>			
Program services	3,603,761	-	3,603,761
Management and general	345,513	-	345,513
Fundraising	7,560	-	7,560
Total expenses	<u>3,956,834</u>	<u>-</u>	<u>3,956,834</u>
<u>CHANGE IN NET ASSETS</u>	(6,227)	28,718	22,491
<u>BALANCE AT JUNE 30, 2002</u>	<u>559,282</u>	<u>559,007</u>	<u>1,118,289</u>
<u>BALANCE AT JUNE 30, 2003</u>	<u>\$ 553,055</u>	<u>\$ 587,725</u>	<u>\$ 1,140,780</u>

The accompanying notes are an integral part of this statement.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Specific assistance to individuals	\$ 1,643,371	\$ -	\$ -	\$ 1,643,371
Other salaries and wages	1,235,374	48,963	-	1,284,337
Pension plan contributions	61,854	2,338	-	64,192
Other employee benefits	115,439	3,558	-	118,997
Payroll taxes	89,302	3,096	-	92,398
Fundraising expenses	-	-	7,560	7,560
Accounting fees	-	66,071	-	66,071
Legal fees	6,035	-	-	6,035
Supplies	59,755	3,582	-	63,337
Telephone	32,290	1,782	-	34,072
Postage and shipping	8,671	409	-	9,080
Occupancy	146,091	113,592	-	259,683
Equipment rental and maintenance	22,911	5,397	-	28,308
Printing and publications	38,613	6,560	-	45,173
Travel	39,379	1,490	-	40,869
Conferences, conventions, and meetings	21,661	11,685	-	33,346
Depreciation	34,609	4,859	-	39,468
Interest	3,536	-	-	3,536
Other	44,870	72,131	-	117,001
	<u>\$ 3,603,761</u>	<u>\$ 345,513</u>	<u>\$ 7,560</u>	<u>\$ 3,956,834</u>

The accompanying notes are an integral part of this statement.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 22,491
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	39,468
Income recognized for donated vehicle	(11,700)
Changes in:	
Contract receivables	(68,293)
Other current assets	(2,231)
Accounts payable	18,988
Accrued expenses	1,397
	<hr/>
Net cash provided by operating activities	120

CASH FLOW FROM INVESTING ACTIVITIES

Decrease in restricted cash and cash equivalents	(121,413)
Purchase of furniture and equipment	(49,442)
	<hr/>
Net cash used in investing activities	(170,855)

CASH FLOW FROM FINANCING ACTIVITIES

Repayment of advances from United States Catholic Conference	(5,250)
	<hr/>
Decrease in cash	(175,985)
Cash and cash equivalents, beginning of year	463,726
	<hr/>
Cash and cash equivalents, end of year (See Note 1g)	\$ 287,741
	<hr/> <hr/>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year:	
Interest	\$ 3,536
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Nature of Activities

Catholic Community Services of Baton Rouge, Inc. (CCS and the Organization) is a non-profit corporation organized under the laws of the State of Louisiana on April 2, 1975, to promote organized charitable welfare and social service work for the moral betterment of all persons. CCS receives grants and support which comprise more than 10% of its revenues from the Governor's Office of Elderly Affairs, the Diocese of Baton Rouge, and federal grants for Migration and Refugee Services.

b. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

c. Promises to Give and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization does not have any permanently restricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management feels that all receivables are collectible, and as such, no allowance for doubtful accounts has been established.

d. Contracts Receivable

Contracts receivable represents amounts owed to the Organization for costs incurred under grant contracts which are reimbursable to the Organization. Contracts receivable are stated at unpaid balances, less an allowance doubtful accounts. The Organization provides for losses on contract receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of contractors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible contracts receivable when management determines the receivable will not be collected. Management feels that all receivables are collectible, and as such, no allowance for doubtful accounts has been established.

e. Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range as follows:

Furniture & Equipment	3 - 10 Years
Shelters	20 - 25 Years

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

f. Donated Services

A significant portion of CCS's functions are conducted by unpaid volunteers. The value of the contributed time is not reflected in the accompanying financial statements since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

g. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include highly liquid investments with original maturities of three months or less. Restricted cash balances are not included in cash and cash equivalents for purposes of the statement of cash flows since these balances are not available for operations but are donor restricted for specific purposes.

h. Use of Estimates

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

i. Income Taxes

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Contracts Receivable

The detail of contracts receivable as of June 30, 2003, is as follows:

Workforce Investment Act	\$ 74,268
Foster Grandparents Program Title II, Part B	33,019
Preferred Community	5,408
Migration and Refugee Services	89,761
United States Catholic Conference	8,436
Match Grant	6,990
Public Private Partnership	11,195
Human Services Consortium	40,024
Joseph Homes, Inc.	27,782
HUD - SHP	60,078
Other Program Services	2,659
	<u>\$ 359,620</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

3. Investments - Diocese of Baton Rouge

The Organization has \$38,374 on deposit with the Catholic Diocese of Baton Rouge. The deposits are payable on demand and the Organization earned \$1,776 in interest during 2003 at 4.0%. Although these balances are due on demand, they are classified as long-term assets since it is not the intention of CCS to withdraw or use the money in the near term.

4. Plant, Furniture and Equipment

Property and equipment acquired by the Organization is considered to be owned by the Organization. However, the State of Louisiana maintains the title to the property and equipment purchased in whole or in part under contract/grant funded by the State of Louisiana. The State has the right to require the transfer of the property and equipment (including title) to the State or to an eligible non-state party named by the State. Such transfer may occur at any time.

The composition of plant, furniture and equipment at June 30, 2003 was as follows:

Land and shelters	\$ 78,614
Furniture and equipment	<u>201,921</u>
	280,535
Accumulated depreciation	(<u>143,352</u>)
	<u>\$ 137,183</u>

5. Due to United States Catholic Conference

Prior to January 1, 1980, the Migration and Refugee Services Program established a revolving account with the United States Catholic Conference (USCC) for the purpose of resettling refugees. In accordance with the revolving account agreement, these funds are to be returned to the USCC upon the termination of the program. As of June 30, 2003, the balance due USCC amounted to \$7,250.

6. In-Kind Contributions

The Foster Grandparents and the Senior Employment Programs received in-kind contributions during the year from various donors for meals, space and recognition to program participants without charge. For the year ended June 30, 2003, these contributions have been recorded as revenue with the offset being recorded as expenditures in the amount of \$44,086.

7. Pension Plan

Employees of the Organization participate in a defined benefit pension plan with the Catholic Diocese of Baton Rouge and the participants are required to contribute 3% of their salaries with the Organization contributing 6%. The Diocese of Baton Rouge administers the plan. For the year ended June 30, 2003, contributions of \$64,192 were made to the plan.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

8. Due to Catholic Diocese of Baton Rouge

As of June 30, 2003, the Senior Community Service Employment Program and the Migration and Refugee Services Program owed the Catholic Diocese of Baton Rouge \$30,000 and \$28,936, respectively. These loans bear interest at a variable rate (6% throughout 2003), and have no specific repayment terms. As management does not anticipate the repayment of these loans within one year, these loans have been classified as long term. Interest expense of \$3,536 was incurred on these loans in 2003.

9. Related Party

CCS has a relationship with the Catholic Diocese of Baton Rouge (DOBR) that includes participation in Diocesan benefit programs, and considerable savings on rent, insurance, telephone, and other equipment usage. For the year ended June 30, 2003, these in-kind contributions have been recorded as revenue with the offset being recorded as expenditures in the amount of \$242,211. Due to the nature of CCS's organization, this relationship is expected to continue for the duration of program operations of Catholic Community Services.

In addition, three of CCS's programs, Counseling, Maternity and Adoption, Satellite Counseling Offices and Citizens Advocacy, are subsidized by the DOBR. Included in revenues is \$241,229 of funding from the DOBR to subsidize these programs. Due to the nature of CCS's organization, this funding is expected to continue for the duration of program operations of CCS. CCS also received cash contributions from the DOBR resulting from the Bishop's Annual Appeal in the amount of \$111,514.

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes for periods after June 30, 2003:

Provide social services in state and federal programs	\$ 233,342
Provide social services in other programs	<u>354,383</u>
	<u>\$ 587,725</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

11. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors to the following programs:

S.C.S.E.P. Title V	\$ 980,976
Workforce Investment Act	274,730
Foster Grandparent Program Title II, Part B	344,307
Migration and Refugee Services	400,167
United States Catholic Conference	95,255
Match Grant	71,951
Public Private Partnership	50,944
Preferred Community	86,519
Counseling, Maternity and Adoption	378,567
Satellite Counseling Offices	19,307
Citizens Advocacy	70,585
HUD - SHP	205,919
Human Services Consortium	116,313
Tangipahoa Cares Program	96,738
Coeur du Bayou	2,745
Joseph Homes, Inc.	126,401
Emergency Assistance Program	193,991
Other Program Services	66,938
	<u>\$ 3,582,353</u>

SUPPLEMENTAL SCHEDULES

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULE OF REVENUES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

	<u>United</u> <u>Way</u>	<u>Contributions</u>	<u>Federal</u> <u>and</u> <u>State</u> <u>Contracts</u>	<u>Catholic</u> <u>Diocese of</u> <u>Baton</u> <u>Rouge</u>	<u>Fee</u> <u>Income</u>	<u>Miscellaneous</u>	<u>Fundraising</u>	<u>Total</u>
S.C.S.E.P. Title V (Governor's Office of Elderly Affairs)	\$ -	\$ -	\$ 944,642	\$ 6,927	\$ -	\$ 25,808	\$ -	\$ 977,377
Workforce Investment Act	-	-	287,801	21,482	-	-	-	309,283
Public Private Partnership	-	-	41,276	-	-	-	-	41,276
Foster Grandparent Program Title II, Part B	-	1,191	303,213	-	-	18,638	-	323,042
Foster Grandparent Program Title II, Part B (GOEA)	-	-	20,378	-	-	-	-	20,378
Migration and Refugee Services	-	500	394,327	17,782	20,583	-	-	433,192
United States Catholic Conference	-	-	63,288	10,601	-	-	-	73,889
Match Grant	-	3,170	57,916	10,001	3,540	-	-	74,627
Preferred Community	-	-	76,899	10,985	-	-	-	87,884
Counseling, Maternity and Adoption	103,546	1,125	22,500	251,396	82,085	-	-	460,652
Satellite Counseling Offices	-	19,307	-	-	24,070	-	-	43,377
Joseph Homes, Inc. (ESBG)	-	6,811	113,944	-	4,431	-	-	125,186
Citizens Advocacy	67,967	-	-	(29)	-	-	-	67,938
Coeur du Bayou	-	1,775	-	5,635	-	-	1,629	9,039
Emergency Assistance Program	21,270	20,353	60,134	70,000	-	861	-	172,618
Tangipahoa Cares Program (ESBG & FEMA)	32,237	23,961	25,865	4,000	-	-	-	86,063
HUD - SHP	-	-	206,059	-	-	-	-	206,059
Human Services Consortium	20,705	1,160	83,822	-	400	800	-	106,887
Other Program Services	32,582	40,432	7,423	31,879	3,862	11,726	-	127,904
Agency	-	36,151	5,000	154,295	10,672	8,517	18,019	232,654
	<u>\$ 278,307</u>	<u>\$ 155,936</u>	<u>\$ 2,714,487</u>	<u>\$ 594,954</u>	<u>\$ 149,643</u>	<u>\$ 66,350</u>	<u>\$ 19,648</u>	<u>\$ 3,979,325</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

S.C.S.E.P. Title V

Program services:

Specific assistance to individuals	\$ 777,545
Other salaries and wages	116,992
Pension plan contributions	5,541
Other employee benefits	9,155
Payroll taxes	9,173
Supplies	3,066
Telephone	4,790
Postage and shipping	2,330
Occupancy	9,756
Equipment rental and maintenance	4,726
Printing and publications	585
Travel	2,311
Conferences, conventions, and meetings	455
Depreciation	3,565
Other	119

Management and general:

Other salaries and wages	2,130
Pension plan contributions	128
Other employee benefits	184
Payroll taxes	163
Accounting fees	16,123
Other	<u>12,139</u>

Total expenses \$ 980,976

Workforce Investment Act

Program services:

Other salaries and wages	\$ 125,601
Pension plan contributions	5,626
Other employee benefits	6,338
Payroll taxes	9,638
Supplies	30,396
Telephone	6,112
Occupancy	30,893
Equipment rental and maintenance	3,491
Printing and publications	12,621
Travel	7,646
Conferences, conventions, and meetings	840
Depreciation	9,913
Other	16,261

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Workforce Investment Act (continued)

Management and general:	
Other salaries and wages	\$ 2,130
Pension plan contributions	128
Other employee benefits	184
Payroll taxes	163
Accounting fees	2,703
Other expenses	<u>4,046</u>
 Total expenses	 <u>\$ 274,730</u>

Foster Grandparent Program Title II, Part B

Program services:	
Specific assistance to individuals	\$ 256,015
Other salaries and wages	58,674
Pension plan contributions	3,520
Other employee benefits	3,602
Payroll taxes	4,592
Supplies	1,914
Telephone	1,804
Postage and shipping	940
Occupancy	2,160
Printing and publications	486
Travel	569
Conferences, conventions, and meetings	107
Depreciation	1,372
Other expenses	1,506
 Management and general:	
Accounting fees	1,649
Other expenses	<u>5,397</u>
 Total expenses	 <u>\$ 344,307</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Migration and Refugee Services

Program services:	
Specific assistance to individuals	\$ 117,639
Other salaries and wages	194,999
Pension plan contributions	10,167
Other employee benefits	24,818
Payroll taxes	13,701
Supplies	1,779
Telephone	3,481
Postage and shipping	105
Occupancy	12,846
Equipment rental and maintenance	5,419
Printing and publications	698
Travel	5,320
Depreciation	2,943
Other	1,979
Management and general:	
Other salaries and wages	916
Pension plan contributions	55
Other employee benefits	91
Payroll taxes	70
Accounting fees	13,229
Other expenses	<u>10,495</u>
Total expenses	<u>\$ 420,750</u>

United States Catholic Conference

Program services:	
Specific assistance to individuals	\$ 29,845
Other salaries and wages	29,295
Pension plan contributions	1,411
Other employee benefits	5,986
Payroll taxes	1,863
Supplies	370
Telephone	1,422
Postage and shipping	127
Occupancy	11,681
Equipment rental and maintenance	939
Printing and publications	78
Travel	146
Depreciation	2,702
Other	413

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

United States Catholic Conference (continued)

Management and general:	
Other salaries and wages	\$ 916
Pension plan contributions	55
Other employee benefits	91
Payroll taxes	70
Accounting fees	4,745
Other	<u>3,100</u>
 Total expenses	 <u>\$ 95,255</u>

Match Grant

Program services:	
Specific assistance to individuals	\$ 11,316
Other salaries and wages	31,095
Pension plan contributions	1,971
Other employee benefits	4,790
Payroll taxes	2,209
Supplies	333
Telephone	518
Postage and shipping	113
Occupancy	11,266
Equipment rental and maintenance	769
Travel	945
Depreciation	1,028
Other	932
 Management and general:	
Other salaries and wages	916
Pension plan contributions	55
Other employee benefits	91
Payroll taxes	70
Accounting fees	2,473
Other	<u>4,901</u>
 Total expenses	 <u>\$ 75,491</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Public Private Partnership

Program Services:

Specific assistance to individuals	\$ 980
Other salaries and wages	26,677
Other employee benefits	4,345
Payroll taxes	2,189
Supplies	239
Telephone	247
Postage and shipping	40
Occupancy	11,101
Equipment rental and maintenance	90
Printing and publications	6
Travel	148

Management and General:

Other salaries and wages	\$ 916
Other employee benefits	91
Payroll taxes	70
Accounting fees	1,500
Other expenses	<u>2,305</u>

Total expenses \$ 50,944

Preferred Community

Program services:

Specific assistance to individuals	\$ 95
Other salaries and wages	45,754
Pension plan contributions	2,747
Other employee benefits	4,750
Payroll taxes	3,685
Supplies	1,722
Telephone	2,285
Postage and shipping	874
Occupancy	13,312
Equipment rental and maintenance	1,593
Printing and publications	81
Travel	1,593
Other expenses	338

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Preferred Community (continued)

Management and general:	
Other salaries and wages	\$ 916
Pension plan contributions	55
Other employee benefits	91
Payroll taxes	70
Accounting fees	2,972
Other expenses	<u>3,585</u>
 Total expenses	 <u>\$ 86,518</u>

Counseling, Maternity and Adoption

Program services:	
Specific assistance to individuals	\$ 43,989
Other salaries and wages	253,100
Pension plan contributions	15,186
Other employee benefits	24,088
Payroll taxes	20,106
Legal fees	4,467
Supplies	6,529
Telephone	2,163
Postage and shipping	3,147
Occupancy	32,676
Equipment rental and maintenance	488
Printing and publications	22,103
Travel	5,579
Conferences, conventions, and meetings	6,540
Other	12,091
 Management and general:	
Other salaries and wages	4,963
Pension plan contributions	298
Other employee benefits	371
Payroll taxes	380
Accounting fees	<u>2,388</u>
 Total expenses	 <u>\$ 460,652</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Satellite Counseling Offices

Program services:	
Other salaries and wages	\$ 35,828
Supplies	220
Telephone	615
Postage and shipping	125
Printing and publications	378
Occupancy	1,500
Equipment rental and maintenance	691
Travel	3,227
Conferences, conventions, and meetings	783
Other	<u>10</u>
 Total expenses	 <u>\$ 43,377</u>

Citizens Advocacy

Program services:	
Specific assistance to individuals	\$ 273
Other salaries and wages	50,140
Pension plan contributions	2,771
Other employee benefits	6,764
Payroll taxes	3,966
Supplies	620
Postage and shipping	71
Occupancy	1,200
Printing and publications	310
Conferences, conventions, and meetings	547
Legal fees	1,568
 Management and general:	
Depreciation	358
Other	<u>1,998</u>
 Total expenses	 <u>\$ 70,586</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

HUD - SHP

Program Services:

Specific assistance to individuals	\$ 90,837
Other salaries and wages	83,707
Pension plan contributions	4,198
Other employee benefits	7,786
Payroll taxes	5,916
Supplies	474
Telephone	1,116
Equipment rental and maintenance	1,320
Printing and publications	55
Travel	1,292
Conferences, conventions, and meetings	185
Depreciation	951
Other	2,880

Management and General:

Accounting fees	<u>5,202</u>
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Total expenses	<u>\$ 205,919</u>
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Human Services Consortium

Program Services:

Specific assistance to individuals	\$ 922
Other salaries and wages	76,702
Pension plan contributions	4,602
Other employee benefits	8,441
Payroll taxes	6,228
Supplies	165
Telephone	2,718
Postage and shipping	35
Occupancy	1,200
Equipment rental and maintenance	745
Printing and publications	316
Travel	2,432
Conferences, conventions, and meetings	6,640
Depreciation	1,500
Other	106

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Human Services Consortium (continued)

Management and general:	
Accounting fees	\$ 2,061
Other expenses	<u>1,900</u>
Total expenses	<u>\$ 116,713</u>

Tangipahoa Cares Program

Program Services:	
Specific assistance to individuals	\$ 42,111
Other salaries and wages	34,282
Pension plan contributions	1,927
Other employee benefits	272
Payroll taxes	2,536
Supplies	1,533
Telephone	3,226
Postage and shipping	133
Equipment rental and maintenance	2,423
Printing and publications	404
Travel	528
Depreciation	790
Other	132
Management and General:	
Accounting fees	2,291
Other	<u>4,150</u>
Total expenses	<u>\$ 96,738</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Coeur du Bayou

Program services:	
Specific assistance to individuals	\$ 1,384
Supplies	296
Postage and shipping	37
Telephone	165
Travel	236
Depreciation	607
Other	<u>20</u>
 Total expenses	 \$ <u>2,745</u>

Joseph Homes, Inc.

Program Services:	
Specific assistance to individuals	\$ 66,196
Other salaries and wages	33,935
Pension plan contributions	1,370
Other employee benefits	2,270
Payroll taxes	2,362
Supplies	1,653
Telephone	713
Postage and shipping	366
Equipment rental and maintenance	20
Printing and publications	177
Travel	1,923
Conferences, conventions, and meetings	4,579
Depreciation	6,175
Other	4,198
 Management and general:	
Accounting fees	<u>4,896</u>
 Total expenses	 \$ <u>130,833</u>

Emergency Assistance Program

Program services:	
Specific assistance to individuals	\$ 191,093
Supplies	<u>2,898</u>
 Total expenses	 \$ <u>193,991</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Other Program Services

Program services:

Specific assistance to individuals	\$ 12,409
Other salaries and wages	24,759
Pension plan contributions	43
Other employee benefits	840
Payroll taxes	83
Supplies	167
Telephone	915
Postage and shipping	185
Occupancy	6,500
Equipment rental and maintenance	196
Printing and publications	355
Travel	5,378
Conferences, conventions, and meetings	985
Interest	3,536
Depreciation	3,063
Other expenses	3,617

Management and general:

Accounting fees	952
Supplies	2,147
Printing and publications	53
Depreciation	3,097
Other	<u>1,520</u>

Total expenses \$ 70,800

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

Agency

Program Services:

Specific assistance to individuals	\$ 715
Supplies	5,380
Travel	135
Other expenses	576

Management and general:

Other salaries and wages	48,963
Pension plan contributions	2,338
Other employee benefits	3,558
Payroll taxes	3,096
Occupancy	113,592
Accounting fees	2,888
Supplies	1,435
Telephone	1,782
Postage and shipping	409
Printing and publications	6,507
Travel	1,490
Conferences, conventions, and meetings	11,685
Depreciation	1,404
Other	21,996

Fundraising:

Miscellaneous	<u>7,560</u>
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Total expenses	<u>\$ 235,509</u>
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CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULE OF EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Expenses</u>	<u>Non-cash Adjustments, Including Depreciation</u>	<u>Equipment Purchases</u>	<u>Expenditures</u>
S.C.S.E.P. Title V	\$ 980,976	\$ (3,565)	\$ -	\$ 977,411
Workforce Investment Act	274,730	(9,913)	45,317	310,134
Foster Grandparent Program Title II, Part E	344,307	(1,372)	-	342,935
Migration and Refugee Services	420,750	(2,943)	-	417,807
United States Catholic Conference	95,255	(2,702)	-	92,553
Match Grant	75,491	(1,028)	-	74,463
Public Private Partnership	50,944	-	-	50,944
Preferred Community	86,518	-	-	86,518
Counseling, Maternity & Adoption	460,652	-	-	460,652
Satellite Counseling Offices	43,377	-	-	43,377
Citizens Advocacy	70,586	(358)	-	70,228
HUD - SHP	205,919	(951)	-	204,968
Human Services Consortium	116,713	(1,500)	-	115,213
Tangipahoa Cares Program (ESBG & FEMA)	96,738	(790)	-	95,948
Coeur du Bayou	2,745	(607)	3,635	5,773
Joseph Homes, Inc. (ESBG)	130,833	(6,175)	-	124,658
Emergency Assistance Program	193,991	-	-	193,991
Other Program Services	70,800	(6,160)	490	65,130
Agency	235,509	(1,404)	-	234,105
	<u>\$ 3,956,834</u>	<u>\$ (39,468)</u>	<u>\$ 49,442</u>	<u>\$ 3,966,808</u>

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

To the Board of Directors
Catholic Community Services
of Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of Catholic Community Services of Baton Rouge, Inc. (CCS) (a non-profit organization) as of and for the year ended June 30, 2003, and have issued our report thereon dated November 19, 2003. 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.

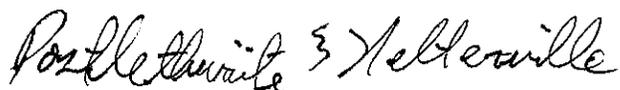
Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information of the board of directors, management, federal awarding agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties.

 R. L. Thurrite

Baton Rouge, Louisiana
November 19, 2003

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Catholic Community Services
of Baton Rouge, Inc.
Baton Rouge, Louisiana

Compliance

We have audited the compliance of Catholic Community Services of Baton Rouge, Inc. (CCS) (a non-profit organization) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. CCS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of CCS's management. Our responsibility is to express an opinion on CCS's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CCS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on CCS's compliance with those requirements.

In our opinion, CCS complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

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

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

This report is intended for the information of the board of directors, management, federal awarding agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties.

Postlethwaite & McDevitt

Baton Rouge, Louisiana
November 19, 2003

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

<u>FEDERAL GRANT AGENCY/RECIPIENT STATE</u> <u>AGENCY/GRANT PROGRAM/NUMBER</u>	<u>FEDERAL</u> <u>CATALOGUE</u> <u>NUMBER</u>	<u>DISBURSEMENTS/</u> <u>EXPENDITURES</u>
U. S. Department of Labor:		
Pass through from State of Louisiana - Governor's Office of Elderly Affairs:		
S.C.S.E.P. - Title V	17.235	\$ 944,642
Pass through from State of Louisiana - Department of Labor:		
Workforce Investment Act	17.255	151,386
REED	-	<u>136,415</u>
Total Department of Labor		<u>287,801</u>
Department of Health and Human Services:		
State of Louisiana - Office of Community Services:		
Migration and Refugee Services Program	93.566	200,889
Public Private Partnership	93.566	40,823
Temporary Assistance for Needy Families (TANF)	93.558	247,630
Counseling, Maternity and Adoption	93.556	27,500
Administration for Children and Families – Office of Refugee Resettlement:		
Preferred Community	93.576	76,899
United States Catholic Conference - Match Grant	-	<u>57,916</u>
Total Department of Health and Human Services		<u>651,657</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

<u>FEDERAL GRANT AGENCY/RECIPIENT STATE</u> <u>AGENCY/GRANT PROGRAM/NUMBER</u>	<u>FEDERAL</u> <u>CATALOGUE</u> <u>NUMBER</u>	<u>DISBURSEMENTS/</u> <u>EXPENDITURES</u>
Department of Housing and Urban Development:		
ESBG Grant	14.231	44,865
Supportive Housing	14.235	<u>204,968</u>
		<u>249,833</u>
Department of State:		
United States Catholic Conference	-	<u>73,287</u>
Corporation for National and Community Service (formerly ACTION):		
Foster Grandparent Program, Title II, Part B	94.001	<u>302,458</u>
Federal Emergency Management Agency:		
Emergency Assistance Program	85.516	<u>71,634</u>
 Total All Grants		 <u>\$ 2,581,312</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of federal financial awards includes the federal grant activity of Catholic Community Services of Baton Rouge, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B - RECONCILIATION OF EXPENSES TO FEDERAL EXPENDITURES

	<u>Expenses</u>	<u>Non- Federal Award Expenditures</u>	<u>Non-cash Adjustments, Including Depreciation</u>	<u>Equipment Purchases</u>	<u>Expenditures</u>
S.C.S.E.P. Title V	\$ 980,976	\$ (32,769)	\$ (3,565)	\$ -	\$ 944,642
Workforce Investment Act	274,730	(22,333)	(9,913)	45,317	287,801
Foster Grandparent Program Title II, Part B	344,307	(40,477)	(1,372)	-	302,458
Migration and Refugee Services	420,750	(50,153)	(2,943)	-	367,654
United State Catholic Conference	95,255	(29,265)	(2,702)	-	63,288
Match Grant	75,491	(16,547)	(1,028)	-	57,916
Public Private Partnership	50,944	(10,121)	-	-	40,823
Preferred Community	86,518	(9,619)	-	-	76,899
Counseling, Maternity & Adoption	460,652	(438,152)	-	-	22,500
Satellite Counseling Offices	43,377	(43,377)	-	-	-
Citizens Advocacy	70,586	(70,228)	(358)	-	-
HUD – SHP	205,919	-	(951)	-	204,968
Human Services Consortium	116,713	(115,213)	(1,500)	-	-
Tangipahoa Cares Program (ESBG & FEMA)	96,738	(70,083)	(790)	-	25,865
Coeur du Bayou	2,745	(5,773)	(607)	3,635	-
Joseph Homes, Inc. (ESBG)	130,833	(10,716)	(6,175)	-	113,942
Emergency Assistance Program	193,991	(133,857)	-	-	60,134
Other Program Services	70,800	(57,708)	(6,160)	490	7,422
Agency	235,509	(229,105)	(1,404)	-	5,000
	<u>\$ 3,956,834</u>	<u>\$ (1,385,496)</u>	<u>\$ (39,468)</u>	<u>\$ 49,442</u>	<u>\$ 2,581,312</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

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

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes x no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
17.235	S.C.S.E.P. – Title V
94.001	Foster Grandparent Program, Title II, Part B

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- Catholic Community Services of Baton Rouge, Inc. was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None