

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION
Annual Financial Report
WEST MONROE, LOUISIANA
DECEMBER 31, 2021 AND 2020

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS

| | <u>Page</u> |
|-----------------------------------|-------------|
| Independent Auditor's Report | 1-3 |
| Statements of Financial Position | 4 |
| Statements of Activities | 5 |
| Statements of Functional Expenses | 6-7 |
| Statements of Cash Flows | 8 |
| Notes to Financial Statements | 9-18 |

SUPPLEMENTARY INFORMATION

| | |
|--|----|
| Schedule of Expenditures of Federal Awards | 19 |
| Notes to the Schedule of Expenditures of Federal Awards | 20 |
| Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head | 21 |

OTHER REPORTS

| | |
|---|-------|
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 22-23 |
| Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by The Uniform Guidance | 24-25 |
| Schedule of Findings and Questioned Costs | 26 |
| Schedule of Prior Audit Findings | 27 |

AUDITED FINANCIAL STATEMENTS



PREMIER PLAZA
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June 21, 2022

Board of Directors
Greater Ouachita Coalition
Providing AIDS Resources and Education

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Greater Ouachita Coalition Providing AIDS Resources and Education (GO CARE) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GO CARE as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 21 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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 on page 21 and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022 on our consideration of GO CARE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GO CARE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GO CARE's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Heard, McElroy & Vestal, LLC". The signature is written in a cursive, flowing style.

Monroe, Louisiana

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

| <u>ASSETS</u> | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| <u>Current assets:</u> | | |
| Cash and cash equivalents | 1,216,394 | 463,987 |
| Investments | 162,378 | 145,864 |
| Grants program receivable | 441,274 | 109,459 |
| 340B program receivable | 470,629 | 535,560 |
| Medical services accounts receivable, net | 60,172 | 128,105 |
| Inventories | 44,210 | 44,109 |
| Total current assets | <u>2,395,057</u> | <u>1,427,084</u> |
| Property and equipment, net | <u>299,969</u> | <u>69,464</u> |
| Total assets | <u>2,695,026</u> | <u>1,496,548</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| <u>Current liabilities:</u> | | |
| Accounts payable | 181,187 | 390,840 |
| Accrued expenses | 45,654 | 22,888 |
| Current portion of long-term debt | 595 | - |
| Total current liabilities | <u>227,436</u> | <u>413,728</u> |
| <u>Other liabilities</u> | | |
| Long-term debt, net of current portion | <u>149,405</u> | <u>150,000</u> |
| Total liabilities | 376,841 | 563,728 |
| <u>Net assets:</u> | | |
| Without donor restrictions | <u>2,318,185</u> | <u>932,820</u> |
| Total liabilities and net assets | <u>2,695,026</u> | <u>1,496,548</u> |

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

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| <u>Support and revenue:</u> | | |
| Federal grant funding | 1,868,297 | 1,399,592 |
| Nongovernmental grants | 10,000 | 9,000 |
| Contributions | 9,457 | 6,564 |
| 340B revenue | 5,398,688 | 3,153,535 |
| Medical service income, net | 740,951 | 307,736 |
| Net investment return | 18,719 | 16,879 |
| PPP loan forgiveness | - | 184,127 |
| Other | - | <u>1,619</u> |
| Total support and revenue | <u>8,046,112</u> | <u>5,079,052</u> |
| <u>Expenses:</u> | | |
| Program services | | |
| Part C Ryan White | 544,169 | 490,665 |
| Part C Ryan White - COVID | 17,389 | 56,987 |
| Part B Ryan White | 859,817 | 486,224 |
| FQHC LAL Clinic and 340B | 4,376,166 | 2,971,965 |
| LAL - COVID | 46,192 | 49,356 |
| Prevention and wellness | 44,189 | 158,123 |
| ARP - LAL | 144,993 | - |
| Broadway Cares | <u>3,784</u> | <u>1,357</u> |
| Total program services | <u>6,036,699</u> | <u>4,214,677</u> |
| Supporting services | | |
| Management & general | <u>624,048</u> | <u>504,222</u> |
| Total supporting services | <u>624,048</u> | <u>504,222</u> |
| Total expenses | <u>6,660,747</u> | <u>4,718,899</u> |
| <u>Change in net assets without donor restrictions</u> | 1,385,365 | 360,153 |
| <u>Net assets-without donor restrictions at beginning of year</u> | <u>932,820</u> | <u>572,667</u> |
| <u>Net assets- without donor restrictions at end of year</u> | <u>2,318,185</u> | <u>932,820</u> |

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

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

| | Program Services | | | | Medical Clinic &340B |
|---|-------------------------|--|---------------|--------------|----------------------------|
| | Part C Ryan White | Part B Ryan White Medical Services | TBRA | STRMU | |
| Bank charges | - | - | - | - | - |
| Advertising | - | - | - | - | - |
| Continuing education | - | 663 | - | - | 3,858 |
| Cleaning | - | 4,680 | - | - | 8,098 |
| Contract labor | 18,921 | 100 | - | - | 79,613 |
| Dues and subscriptions | - | - | - | - | 18,393 |
| Building expense | - | - | - | - | 17,000 |
| Miscellaneous | - | 10 | - | - | 3,194 |
| Office expense | - | 14,190 | - | - | 26,869 |
| Professional fees | - | - | - | - | - |
| Postage | - | 16,561 | - | - | 32 |
| Telephone | - | 10,666 | - | - | 22,566 |
| Utilities | - | 8,489 | - | - | 11,004 |
| Direct assistance: | - | - | - | - | - |
| Food | - | 254,775 | - | - | - |
| Health support | 14,843 | - | - | - | - |
| HIV Clinic | - | - | - | - | 2,412 |
| Dental | 15,161 | - | - | - | - |
| Housing | - | 2,058 | 54,926 | 3,556 | - |
| Medicine | - | - | - | - | 3,202,584 |
| Transportation | - | 40,650 | - | - | 3,467 |
| Utilities | - | - | 1,268 | 2,318 | 321 |
| Other | 23,943 | - | - | - | 47,241 |
| Medical expense | - | 2,002 | - | - | 156,659 |
| Educational materials | - | - | - | - | - |
| Equipment rental | - | 923 | - | - | 6,498 |
| Equipment repairs | - | - | - | - | 100 |
| Insurance | - | 1,811 | - | - | 48,882 |
| Health insurance | 24,872 | 47,509 | - | - | 26,240 |
| Workman's compensation | - | 1,272 | - | - | 2,349 |
| Rent | - | 36,250 | - | - | 67,960 |
| Salaries and wages | 403,845 | 322,653 | - | - | 557,071 |
| Retirement | 11,687 | 7,642 | - | - | 20,246 |
| Payroll taxes | 30,897 | 24,312 | - | - | 40,999 |
| Interest expense | - | - | - | - | - |
| Travel | - | 533 | - | - | 191 |
| Vehicle expense | - | - | - | - | 2,319 |
| Total expenses before depreciation | 544,169 | 797,749 | 56,194 | 5,874 | 4,376,166 |
| Depreciation | - | - | - | - | - |
| Total expenses, year ended December 31, 2021 | <u>544,169</u> | <u>797,749</u> | <u>56,194</u> | <u>5,874</u> | <u>4,376,166</u> |

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

| Program Services | | | | | | Supporting Services | Totals | |
|-------------------------|----------|----------|----------|----------|---------|---------------------|----------------|-----------|
| Prevention and Wellness | | Part C | LAL | Broadway | ARP | Total | Administrative | 2021 |
| Prevention | Wellness | Covid 19 | Covid 19 | Cares | LAL | | Expense | |
| - | - | - | - | - | - | - | 2,435 | 2,435 |
| - | 1,396 | - | - | - | - | 1,396 | 4,097 | 5,493 |
| - | - | - | - | - | - | 4,521 | - | 4,521 |
| 295 | - | 1,734 | 78 | - | - | 14,885 | 2,024 | 16,909 |
| - | - | - | 3,429 | - | 5,860 | 107,923 | - | 107,923 |
| - | - | - | - | - | - | 18,393 | 4,589 | 22,982 |
| - | - | - | - | - | - | 17,000 | 44,643 | 61,643 |
| - | - | 30 | 25 | - | - | 3,259 | 8,752 | 12,011 |
| 176 | 523 | 8,070 | 3,449 | - | 26,020 | 79,297 | 49,125 | 128,422 |
| - | - | - | - | - | - | - | 24,757 | 24,757 |
| 194 | - | - | - | - | - | 16,787 | 2,988 | 19,775 |
| 1,476 | - | 925 | - | - | - | 35,633 | 7,079 | 42,712 |
| 349 | - | - | - | - | - | 19,842 | 1,898 | 21,740 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 254,775 | - | 254,775 |
| - | - | - | - | - | - | 14,843 | - | 14,843 |
| - | 891 | - | - | - | - | 3,303 | - | 3,303 |
| - | - | - | - | - | - | 15,161 | - | 15,161 |
| - | - | - | - | 2,271 | - | 62,811 | - | 62,811 |
| - | - | - | - | - | - | 3,202,584 | - | 3,202,584 |
| - | - | - | - | - | - | 44,117 | - | 44,117 |
| - | - | - | - | 1,513 | - | 5,420 | - | 5,420 |
| - | - | - | - | - | - | 71,184 | - | 71,184 |
| - | - | 4,962 | 411 | - | - | 164,034 | - | 164,034 |
| 5,725 | - | - | - | - | - | 5,725 | - | 5,725 |
| 37 | 35 | - | - | - | - | 7,493 | - | 7,493 |
| - | - | 1,668 | - | - | - | 1,768 | 675 | 2,443 |
| 604 | - | - | - | - | 5,659 | 56,956 | 5,430 | 62,386 |
| 2,902 | - | - | 4,371 | - | 3,368 | 109,262 | 17,494 | 126,756 |
| - | - | - | - | - | - | 3,621 | 1,565 | 5,186 |
| 4,338 | - | - | - | - | 7,200 | 115,748 | - | 115,748 |
| 22,356 | - | - | 25,056 | - | 84,913 | 1,415,894 | 369,879 | 1,785,773 |
| 855 | - | - | 626 | - | 1,296 | 42,352 | 13,496 | 55,848 |
| 1,699 | - | - | 2,131 | - | 6,965 | 107,003 | 27,332 | 134,335 |
| - | - | - | - | - | - | - | 6,531 | 6,531 |
| 338 | - | - | - | - | - | 1,062 | 12,453 | 13,515 |
| - | - | - | 516 | - | - | 2,835 | - | 2,835 |
| 41,344 | 2,845 | 17,389 | 40,092 | 3,784 | 141,281 | 6,026,887 | 607,242 | 6,634,129 |
| - | - | - | 6,100 | - | 3,712 | 9,812 | 16,806 | 26,618 |
| 41,344 | 2,845 | 17,389 | 46,192 | 3,784 | 144,993 | 6,036,699 | 624,048 | 6,660,747 |

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

| | Program Services | | | | Medical Clinic & 340B |
|---|-------------------------|---------------------|---------------|--------------|-----------------------------|
| | Part C Ryan White | Medical Services | TBRA | STRMU | |
| Bank charges | - | - | - | - | 2,121 |
| Advertising | - | - | - | - | 14,083 |
| Continuing education | - | - | - | - | 1,557 |
| Cleaning | - | 2,615 | - | - | 7,884 |
| Dues and subscriptions | - | 66 | - | - | 23,831 |
| Miscellaneous | - | 397 | - | - | 6,925 |
| Office expense | - | 3,700 | - | - | 55,728 |
| Professional fees | - | - | - | - | 25,959 |
| Postage | - | 7,176 | - | - | 2,485 |
| Telephone | - | 3,536 | - | - | 11,134 |
| Utilities | - | 2,117 | - | - | 5,013 |
| Direct assistance: | | | | | |
| Food | - | 143,951 | - | - | - |
| Health support | 55,328 | - | - | - | 4,900 |
| HIV Clinic | 18,529 | - | - | - | - |
| Housing | - | (600) | 84,091 | 3,680 | - |
| Medicine | - | - | - | - | 2,124,520 |
| Transportation | - | 51,391 | - | - | 3,091 |
| Utilities | - | - | 1,570 | 2,881 | - |
| Medical expense | - | 2,291 | - | - | 83,375 |
| Educational materials | - | - | - | - | - |
| Equipment rental | - | 2,154 | - | - | 5,091 |
| Equipment repairs | - | - | - | - | 2,043 |
| Insurance | - | 1,212 | - | - | 32,100 |
| Health insurance | 23,215 | 16,638 | - | - | 16,500 |
| Workman's compensation | 207 | 168 | - | - | 2,362 |
| Rent | - | 14,639 | - | - | 34,017 |
| Contract labor | 35,656 | - | - | - | 103,861 |
| Salaries and wages | 322,222 | 128,010 | - | - | 350,761 |
| Retirement | 10,137 | 4,358 | - | - | 14,630 |
| Payroll taxes | 25,371 | 10,139 | - | - | 37,400 |
| Travel | - | 44 | - | - | 594 |
| Vehicle expense | - | - | - | - | - |
| Total expenses before depreciation | 490,665 | 394,002 | 85,661 | 6,561 | 2,971,965 |
| Depreciation | - | - | - | - | - |
| Total expenses, year ended December 31, 2020 | <u>490,665</u> | <u>394,002</u> | <u>85,661</u> | <u>6,561</u> | <u>2,971,965</u> |

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

| <u>Program Services</u> | | | | | <u>Supporting Services</u> | <u>Totals</u> | |
|--------------------------------|-----------------|---------------------|-----------------------|------------------|----------------------------|-------------------------------|------------------|
| <u>Prevention and Wellness</u> | | <u>Part C COVID</u> | <u>Broadway Cares</u> | <u>LAL COVID</u> | <u>Total</u> | <u>Administrative Expense</u> | <u>2020</u> |
| <u>Prevention</u> | <u>Wellness</u> | | | | | | |
| - | - | - | - | - | 2,121 | 28 | 2,149 |
| - | 1,533 | - | - | - | 15,616 | 713 | 16,329 |
| - | - | - | - | - | 1,557 | 455 | 2,012 |
| 812 | 238 | - | - | 119 | 11,668 | 2,057 | 13,725 |
| 22 | 22 | - | - | - | 23,941 | 203 | 24,144 |
| 40 | 647 | - | - | 61 | 8,070 | 2,286 | 10,356 |
| 1,100 | 1,061 | 44,050 | - | 15,487 | 121,126 | 11,414 | 132,540 |
| - | - | - | - | - | 25,959 | 2,100 | 28,059 |
| 183 | 45 | - | - | - | 9,889 | 762 | 10,651 |
| 1,168 | 419 | 6,181 | - | - | 22,438 | 11,593 | 34,031 |
| 658 | 287 | - | - | - | 8,075 | 7,092 | 15,167 |
| - | - | - | - | - | 143,951 | - | 143,951 |
| - | 2,229 | - | - | - | 62,457 | 56 | 62,513 |
| - | - | - | - | - | 18,529 | - | 18,529 |
| - | - | - | 1,357 | - | 88,528 | - | 88,528 |
| - | 62,217 | - | - | - | 2,186,737 | - | 2,186,737 |
| - | - | - | - | - | 54,482 | - | 54,482 |
| - | - | - | - | - | 4,451 | - | 4,451 |
| 88 | 6,341 | 6,756 | - | - | 98,851 | - | 98,851 |
| 1,857 | - | - | - | - | 1,857 | - | 1,857 |
| 684 | 223 | - | - | - | 8,152 | 1,721 | 9,873 |
| - | - | - | - | - | 2,043 | 866 | 2,909 |
| 303 | 3,575 | - | - | - | 37,190 | 6,114 | 43,304 |
| - | 3,045 | - | - | 806 | 60,204 | 22,103 | 82,307 |
| 16 | 65 | - | - | - | 2,818 | 2,464 | 5,282 |
| 4,338 | 2,168 | - | - | - | 55,162 | 37,932 | 93,094 |
| - | - | - | - | - | 139,517 | 7,709 | 147,226 |
| 9,549 | 45,777 | - | - | 18,951 | 875,270 | 355,222 | 1,230,492 |
| - | 2,213 | - | - | 807 | 32,145 | 2,579 | 34,724 |
| 823 | 3,809 | - | - | 1,749 | 79,291 | 16,556 | 95,847 |
| 248 | 320 | - | - | - | 1,206 | 3,794 | 5,000 |
| - | - | - | - | 8,326 | 8,326 | - | 8,326 |
| <u>21,889</u> | <u>136,234</u> | <u>56,987</u> | <u>1,357</u> | <u>46,306</u> | <u>4,211,627</u> | <u>495,819</u> | <u>4,707,446</u> |
| - | - | - | - | 3,050 | 3,050 | 8,403 | 11,453 |
| <u>21,889</u> | <u>136,234</u> | <u>56,987</u> | <u>1,357</u> | <u>49,356</u> | <u>4,214,677</u> | <u>504,222</u> | <u>4,718,899</u> |

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|-------------------------|-----------------------|
| <u>Cash flows from operating activities:</u> | | |
| Change in net assets | 1,385,365 | 360,153 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| (Gain) on investments | (11,167) | (12,149) |
| Depreciation expense | 26,618 | 11,453 |
| <i>(Increase) decrease in:</i> | | |
| Grants receivable | (331,815) | 94,265 |
| 340B program receivable | 64,931 | (400,747) |
| Medical services accounts receivable, net | 67,933 | (120,417) |
| Inventories | (101) | (6,713) |
| <i>Increase (decrease) in:</i> | | |
| Accounts payable | (209,653) | 234,421 |
| Accrued expenses | <u>22,767</u> | <u>2,551</u> |
| Net cash provided by operating activities | 1,014,878 | 162,817 |
| <u>Cash flows from investing activities:</u> | | |
| Proceeds from sale of investments | 22,943 | 47,621 |
| Purchase of investments | (28,291) | (50,610) |
| Purchase of property and equipment | <u>(257,123)</u> | <u>(80,917)</u> |
| Net cash (used) by investing activities | <u>(262,471)</u> | <u>(83,906)</u> |
| <u>Cash flows from financing activities:</u> | | |
| Proceeds of EIDL loan | <u>-</u> | <u>150,000</u> |
| Net cash provided by financing activities | <u>-</u> | <u>150,000</u> |
| <u>Net increase in cash and cash equivalents</u> | 752,407 | 228,911 |
| <u>Cash and cash equivalents, beginning of year</u> | <u>463,987</u> | <u>235,076</u> |
| <u>Cash and cash equivalents, end of year</u> | <u><u>1,216,394</u></u> | <u><u>463,987</u></u> |

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

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

1. Description of Organization

The mission of the Greater Ouachita Coalition Providing AIDS Resources and Education, Inc. (GO CARE) is to provide affirming, comprehensive, accessible, and high-quality healthcare and supportive services for people in an inclusive setting, with a particular emphasis on people who are low-income and medically underserved, people who are LGBTQ, and people living with HIV.

2. Summary of Significant Accounting Policies

The accounting policies of GO CARE conform to generally accepted accounting principles as applicable to not-for-profit organizations. The more significant accounting policies of GO CARE are described below:

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 those estimates.

Basis of Presentation

The financial statements of GO CARE have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require GO CARE to report information regarding its financial position and activities according to the following net asset classifications:

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. GO CARE currently has only net assets without donor restrictions.

Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions, primarily personnel costs, are allocated on the basis of estimates of time and effort or other reasonable bases consistently applied.

2. Summary of Significant Accounting Policies (Continued)

Programs

GO CARE's principal programs and primary funding sources are:

Ryan White Part C Early Intervention Services (HIV Medical Care) Grant Program

The purpose of this program is to support outpatient HIV early intervention services and ambulatory care for uninsured/underinsured individuals through Early Intervention Services (EIS). This program allows grant recipients to enhance response to the HIV epidemic in their area through the provision of comprehensive primary HIV medical care and support services. Funding for this program is through the HIV/AIDS Bureau of the Health Resources and Services Administration of the U.S. Department of Health and Human Services.

Ryan White Part B HIV Care Grant Program

Supportive Services

The purpose of this program is to develop or enhance access to a comprehensive continuum of high-quality HIV care and treatment for low-income people living with HIV, with the goals of reducing HIV incidence, increasing access to care and optimizing health outcomes, and reducing HIV-related health disparities. Funding for this program is through the Louisiana Office of Public Health STD/HIV Program.

Ryan White Part B HIV Care Grant Program

Housing Opportunities for Persons with AIDS

The purpose of this program is to provide housing opportunities for low-income persons living with HIV in order to prevent homelessness. Funding for this program is through the Louisiana Office of Public Health STD/HIV Program.

HIV Prevention and Wellness Center Grant Programs

The purposes of these programs are to provide HIV testing, counseling, and prevention materials within Region 8 (for the Prevention program) and to provide expanded STI screening to gay and bisexual men and transgender people and community building within those populations (for the Wellness Center program). Funding for these programs is through the Louisiana Office of Public Health STD/HIV Program.

340B Drug Discount Program

GO CARE is engaged in an agreement with Reliant Healthcare to stock prescription medications purchased at a discounted rate for the purpose of distribution to eligible patients of the health center. GO CARE purchases the medications from wholesaler Morris and Dickson, and Reliant Healthcare holds and distributes them upon receipt of a valid medical provider's prescription. The agreement allows GO CARE to receive reimbursement for the cost of the medication sold as well as 72.50% of the gross profit from the sale of the medications, less a flat fee of \$10.00 per prescription.

Federally Qualified Health Center Look-Alike (FQHC LAL)

GO CARE has been designated as a Federally Qualified Health Center Look-Alike (FQHC LAL) by the Bureau of Primary Health Care (BPHC) of the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (DHHS) since November 01, 2019. The initial FQHC LAL designation period is from November 01, 2019 through April 30, 2023. The health center currently operates as GO CARE Community Health Center (GCCHC). GCCHC strives to provide affirming and inclusive care that is affordable and comprehensive for children and adults in Northeast Louisiana. Comprehensive healthcare services are provided to people spanning in age

2. Summary of Significant Accounting Policies (Continued)

from pediatrics to geriatrics. Additionally, GCCHC has implemented a Sliding Fee Discount Program for individuals whose income is below 200% of the Federal Poverty Guidelines and who are uninsured or underinsured.

During 2021, GCCHC received funding under the Look-Alike program for expanding capacity for Coronavirus testing (LAL-ECT), as well as the FY 2021 American Rescue Plan – Funding for Look-Alikes (ARP-LAL).

Cash and Cash Equivalents

GO CARE considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Medical Services

Patient accounts receivable are reported at net realizable value. GO CARE grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements, primarily with Medicare, Medicaid, and various commercial insurance companies. For receivables associated with services provided to patients who have third-party coverage, GO CARE estimates net realizable value based on the estimated contractual reimbursement percentage, which in turn is based on current contract provisions and historical paid claims by payor. GO CARE does not charge interest on past due accounts.

340B Program

The 340B Program receivable is the amount due from Reliant Healthcare for GO CARE's share of medications dispensed. The receivable is collected in the following month.

Investments

Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gain and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. Net investment return is reported net of external investment expense.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in that principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active

2. Summary of Significant Accounting Policies (Continued)

markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). GO CARE groups investments at fair value in up to three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Grants Receivable

Grants receivable represent amounts that have been expensed for grant purposes and are to be reimbursed in full by the grantor and have been promised over the next twelve months.

Inventories

Food card and stock medication inventories are stated at cost.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally ranging from three to twenty years. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments. Fixed assets are composed of vehicles, equipment, and robots. Land was purchased in 2021 as the site of a new clinic building with construction planned for 2022.

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|-----------------|-----------------|
| Land | 220,000 | - |
| Vehicles | 67,623 | 30,500 |
| Leasehold improvements | <u>50,417</u> | <u>50,417</u> |
| Total fixed assets | 338,040 | 80,917 |
| Less-accumulated depreciation | <u>(38,071)</u> | <u>(11,453)</u> |
| Fixed assets, net | <u>299,969</u> | <u>69,464</u> |

Revenue and Revenue Recognition

Net patient service revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, after contractual adjustments. Patient accounts receivable include charges for amounts due from Medicare, Medicaid, commercial insurers and self-pay patients. Contractual adjustments represent the differences between amounts billed as patient service revenue and amounts contracted with third party payors and are accrued on an estimated basis in the period in which the related services are rendered and adjusted in future periods as final settlements are determined.

2. Summary of Significant Accounting Policies (Continued)

GO CARE grants credit without collateral to its patients, most of whom are local residents insured under third-party payor agreements. Accounts receivable are reported at their net realizable value from third-party payors, patients, residents, and others for services rendered. Allowances (explicit price concessions) are provided for third-party payors based on estimated reimbursement rates. Allowances (implicit price concessions) are also provided for uncollectible accounts based on an estimate of ultimate collectability. Write-off of uncollectible accounts is determined on a case-by-case basis after a review of the circumstances surrounding individual patient accounts.

Contributions

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Government Grants and Contracts

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Under ASU 2018-08, these arrangements constitute contributions since the grantor does not receive commensurate value for the consideration received by GO CARE; rather the purpose of an arrangement is for the benefit of the general public. Therefore, GO CARE's management concluded that the agreements are conditional due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Under ASU 2018-08, a refundable advance is recorded when GO CARE receives assets in advance of the satisfaction of the conditions within these arrangements. At December 31, 2021, and 2020 the organization had not received any cost-reimbursable grants for which the qualifying expenditures have not yet been incurred.

Economic Dependency

GO CARE receives over 28% of its support through federal government grant funding and another 64% from its 340B Drug Program. The continued yearly renewal of these grants and continuation of the 340B drug program are vital to the continuation of the entity.

Compensated Absences

Employees of GO CARE are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. GO CARE does not accumulate vacation or sick time. The estimate of the amount of compensation for future absences is immaterial and, accordingly, no liability has been recorded in the accompanying financial statements. GO CARE's policy is to recognize the costs of compensated absences when paid to employees.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs totaled \$5,493 and \$16,329 for the years ended December 31, 2021 and 2020, respectively.

New Accounting Guidance Not Yet Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases" (Topic 842). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date:

2. Summary of Significant Accounting Policies (Continued)

- lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and
- A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

Additional qualitative and quantitative disclosures will be required so that users can understand more about the nature of an entity's leasing activities. Also, the new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing.

The effective date of ASU 2016-02 was delayed due to the COVID-19 pandemic and will now be effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. GO CARE is currently evaluating the potential impact of adopting this guidance on its financial statements.

3. Liquidity and Availability

GO CARE regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, GO CARE considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date as of December 31, comprise the following:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 1,216,394 | \$ 463,987 |
| Investments | 162,378 | 145,864 |
| Grants receivable | 441,274 | 109,459 |
| 340B program receivable | 470,629 | 535,560 |
| Medical services accounts receivable, net | <u>60,172</u> | <u>128,105</u> |
| | <u>\$ 2,350,847</u> | <u>\$ 1,382,975</u> |

As part of its liquidity management plan, GO CARE invests cash in excess of current requirements in mutual funds and in a separate checking account used as a reserve account to provide funds to cover expenditures when grant payments are delayed. The majority of GO CARE's expenditures are based on government grant funding so that the amount of expenditures is directly related to grant funding available.

4. Investments

At December 31, 2021, investments are thirteen publicly traded mutual funds, which consist of nine stock-based funds and four bond-based funds; and a money market fund. These investments are carried at fair value based on quoted prices in active markets on a trade-date basis and summarized as follows:

| | <u>As of December 31, 2021</u> | | | <u>As of December 31, 2020</u> | | |
|--------------|--------------------------------|-------------------|---|--------------------------------|-------------------|---|
| | <u>Cost</u> | <u>Fair Value</u> | <u>Unrealized Appreciation (Depreciation)</u> | <u>Cost</u> | <u>Fair Value</u> | <u>Unrealized Appreciation (Depreciation)</u> |
| Mutual funds | <u>127,392</u> | <u>162,378</u> | <u>34,986</u> | <u>122,484</u> | <u>145,864</u> | <u>23,380</u> |

The primary investment objectives are liquidity and preservation of principal, while also earning a competitive market rate of return. The investment return and its classification can be found in the statements of activities.

5. Fair Value Measurements

The fair values of assets measured on a recurring basis are as follows:

| | <u>Fair Value</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> |
|--------------------------|-------------------|---|
| December 31, 2021 | | |
| Marketable securities | <u>162,378</u> | <u>162,378</u> |
| December 31, 2020 | | |
| Marketable securities | <u>145,864</u> | <u>145,864</u> |

6. Inventories

Inventories at December 31, consisted of the following:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|---------------|---------------|
| Stock medications inventory | <u>15,510</u> | <u>31,134</u> |
| Food card inventory | <u>28,700</u> | <u>12,975</u> |
| Total | <u>44,210</u> | <u>44,109</u> |

7. Economic Injury Disaster Loan

GO CARE received an Economic Injury Disaster Loan (EIDL) in the amount of \$150,000 on May 15, 2020, due to the effects of the COVID-19 pandemic. The loan is payable in 360 monthly installments of \$641 including interest at 2.75%, originally beginning in April 2022. The SBA has extended the due date of the first payment to November 15, 2022, thirty months from the note date. The note is collateralized by all tangible and intangible personal property of the organization.

Aggregate maturities of this loan as of December 31, 2021 are as follows:

| | |
|------------|----------------|
| 2022 | 595 |
| 2023 | 3,628 |
| 2024 | 3,730 |
| 2025 | 3,834 |
| 2026 | 3,941 |
| Thereafter | <u>134,272</u> |
| | <u>150,000</u> |

8. **Net Patient Service Revenue**

During fiscal year 2020, GO CARE adopted FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, using the modified retrospective method (ASC 606). The overall impact of adoption was not material to the accompanying financial statements, with the primary changes related to presentation of certain information, as described below, and expanded disclosures related to revenue recognition principles, disaggregation of revenues and other matters.

As part of the adoption of ASC 606, GO CARE elected certain available practical expedients under the standard. First, GO CARE elected the practical expedient that allows nonrecognition of the promised amount of consideration from patients and third-party payers for the effects of a significant financing component due to GO CARE's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payer pays for that service will be one year or less. Any financing component is not deemed to be significant to the respective contracts. Additionally, GO CARE has applied the practical expedient whereby all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that GO CARE otherwise would have recognized is one year or less in duration.

Management has determined that GO CARE has an unconditional right to payment only subject to the passage of time for services provided to date based on just the need to either finalize billing for such services (i.e., charge lag) at the balance sheet date. GO CARE provides outpatient services only so there is minimal lag time between the date services are provided and the billing date. Thus, management has determined that GO CARE does not have any amounts that should be reflected separately as contract assets.

As a result of the adoption of ASC 606, estimated uncollectible amounts from patients that were previously presented as the provision for uncollectible accounts in the statements of activities are now considered implicit price concessions (as defined in ASC 606) and, therefore, included in net patient service revenue. Such implicit price concessions reflected in net patient service revenue in the accompanying financial statements for the year ended December 31, 2021 and 2020 were \$90,159 and \$72,933. Implicit price concessions are presented as a direct reduction of patient accounts receivable.

9. **Financial Instruments**

Concentrations of Credit Risk

Financial instruments that potentially expose GO CARE to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. GO CARE has not experienced any losses on its cash equivalents. GO CARE's investments do not represent significant concentrations of market risk in as much as GO CARE's investment portfolio is adequately diversified among issuers, industries, and geographic regions.

9. **Financial Instruments** (Continued)

Collateralization Policy

GO CARE does not require collateral to support financial instruments subject to credit risk unless otherwise disclosed.

10. **Income Taxes**

GO CARE is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code but must file an annual return with the Internal Revenue Service that contains information on its financial operations. GO CARE is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, GO CARE must assess whether it has any tax positions associated with unrelated business income subject to income tax. GO CARE does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in GO CARE's accounting records.

GO CARE is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2018 and beyond remain subject to examination by the Internal Revenue Service.

11. **Lease Expense**

GO CARE is obligated under a lease agreement for the building in which it operates. Beginning June 1, 2018, a new lease agreement was signed following the completion of improvements to additional space for expanded clinic operations, which is subject to automatic renewal and the monthly payment is \$7,746. The monthly lease payment of \$7,746 is effective for the initial term of June 1, 2018 – May 31, 2023.

Effective January 15, 2021 GO CARE signed a two-year lease for the property adjacent to the office location to be used as staff parking. The monthly lease payment is \$1,100.00 for the lease term.

Effective May 6, 2021 GO CARE signed an eighteen month lease for additional office space. The new office space will be used for administrative offices. The monthly lease payment is \$1,200.00 for the lease term.

The rental expense relative to these leases was \$115,748 and \$93,094 for the years ended December 31, 2021 and 2020, respectively.

GO CARE leases four copy machines under operating leases expiring in 2025 and one copy machine lease ending in 2026. The rental expense under these leases was \$7,493 and \$9,873 for the years ended December 31, 2021 and 2020, respectively, including charges for copies in excess of contract amounts.

Future minimum rental commitments are as follows:

| <u>Years Ending December 31,</u> | <u>Amount</u> |
|----------------------------------|----------------|
| 2022 | 128,448 |
| 2023 | 59,826 |
| 2024 | 7,896 |
| 2025 | 7,896 |
| 2026 | 7,896 |
| Later years | 340 |
| | <u>212,302</u> |

12. Retirement Plan

Prior to 2021, GO CARE had a SIMPLE-IRA Plan for eligible employees. Eligible employees are those who are expected to receive at least \$5,000 in compensation in the current year. GO CARE matches employee contributions up to 3% of employee compensation. Employer contributions for the year ending December 31, 2020 were \$34,724.

In January, 2021 GO CARE adopted the Acuff and Associates, Inc. Prototype 401(k) Profit-Sharing Plan. The plan covers all employees age 21 or older with one year of service. The Company will contribute to the 401(k) plan an amount equal to 100% of the participant's elective deferral contribution up to 4% of compensation and may contribute additional amounts at the option of GO CARES's Board of Directors. Contributions related to the plan for the year ended December 31, 2021, were \$55,848.

13. Other Matters

Paycheck Protection Program Loan

In April 2020, the Organization received a \$184,000 loan under the Small Business Administration's Paycheck Protection Program (the "Program"). Loan proceeds were used to cover payroll expenses and certain other overhead expenses as defined by the Program. In accordance with FASB ASC 958-605, GO CARE has elected to treat this as a conditional contribution whose conditions have been substantially met and the loan proceeds are recognized as income in the Statement of Activities for the year ended December 31, 2020. GO CARE received notice from Chase Bank in July 2021 that the PPP loan had been forgiven by the SBA in full.

14. Subsequent Events

Management evaluates events and transactions that occur after the balance sheet date but before the financial statements are made available. Management evaluated such events and transactions through June 21, 2022, the date for which financial statements were made available for distribution, and other than what is referenced below, noted no significant subsequent events as of this date.

Effective May 27, 2022, GO CARE changed its corporate name to Pinnacle Family Health, Inc. (Pinnacle) to more accurately portray its current mission and the services provided. A second entity, Pinnacle Asset Holding, Inc. (Holding) was also created and is expected to be a 501(c)(2) corporation. Holding expects to begin construction on a new clinic facility in 2022 and is currently working with Homeland Bank to provide construction financing. Once completed, Pinnacle will then lease the facility from Holding.

SUPPLEMENTARY INFORMATION

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

| <u>Federal Grants/Pass Through Grantor/Program Title</u> | <u>Federal Assistance Listing Number</u> | <u>Expenditures</u> |
|---|--|---------------------|
| <u>Department of Health and Human Services</u> | | |
| Louisiana Office of Public Health | | |
| HIV Care Formula Grants | 93.917 | 859,817 |
| Louisiana Office of Public Health | | |
| HIV Prevention Activities – Health Department Based | 93.940 | 41,344 |
| Wellness Center Project | 93.940 | <u>2,845</u> |
| | | <u>44,189</u> |
| Total Pass Through Awards | | 904,006 |
| <u>Department of Health and Human Services</u> | | |
| Ryan White Part C Outpatient EIS Program | 93.918 | 544,169 |
| Ryan White Part C Outpatient EIS Program | | |
| - COVID 19 Response | 93.918 | <u>17,389</u> |
| | | 561,558 |
| Grants for New and Expanded Services under The Health Center Program | | |
| – COVID 19 Response | 93.527 | 40,092 |
| - American Rescue Plan Act | 93.527 | <u>178,403</u> |
| | | <u>218,495</u> |
| Total Direct Awards | | <u>780,053</u> |
| Total Federal Expenditures | | <u>1,684,059</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Greater Ouachita Coalition Providing AIDS Resources and Education under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) 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 Greater Ouachita Coalition Providing AIDS Resources and Education, it is not intended to and does not present the financial position, change in net assets, or cash flows of Greater Ouachita Coalition Providing AIDS Resources and Education.

2. Summary of Significant Accounting Policies

a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

b) Greater Ouachita Coalition Providing AIDS Resources and Education has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Greater Ouachita Coalition Providing AIDS Resources and Education did not expend any federal awards in the form of noncash assistance during the fiscal year. No federal awards were passed through to subrecipients.

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS

AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2021

Agency Head: Mark Windham

| | |
|----------------------------|-----------|
| Salary and expense account | \$210,683 |
| Benefits-insurance | 6,338 |
| Benefits-retirement | 8,300 |

OTHER REPORTS



PREMIER PLAZA
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Board of Directors
Greater Ouachita Coalition
Providing AIDS Resources and Education

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

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 Greater Ouachita Coalition Providing AIDS Resources and Education (GO CARE) (a nonprofit organization) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise GO CARE's basic financial statements, and have issued our report thereon dated June 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered GO CARE's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GO CARE's internal control. Accordingly, we do not express an opinion of the effectiveness of GO CARE'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 GO CARE's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 21, 2022



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318.388.3108 (P) | 318.429.2124 (F)

Board of Directors
Greater Ouachita Coalition
Providing AIDS Resources and Education

Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited Greater Ouachita Coalition Providing AIDS Resources and Education'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 Greater Ouachita Coalition Providing AIDS Resources and Education's major federal programs for the year ended December 31, 2021. Greater Ouachita Coalition Providing AIDS Resources and Education's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Greater Ouachita Coalition Providing AIDS Resources and Education'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 *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 Greater Ouachita Coalition Providing AIDS Resources and Education'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 Greater Ouachita Coalition Providing AIDS Resources and Education's compliance.

Opinion on Each Major Federal Program

In our opinion, Greater Ouachita Coalition Providing AIDS Resources and Education 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 December 31, 2021.

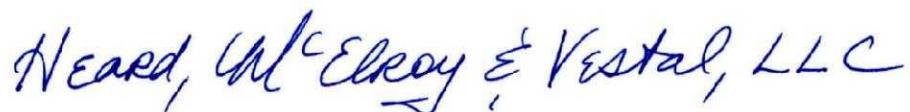
Report on Internal Control Over Compliance

Management of Greater Ouachita Coalition Providing AIDS Resources and Education 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 Greater Ouachita Coalition Providing AIDS Resources and Education'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 Greater Ouachita Coalition Providing AIDS Resources and Education'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.



Monroe, Louisiana
June 21, 2022

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021

A. Summary of Audit Results

1. The auditors' report expressed an unmodified opinion on the financial statements of the Greater Ouachita Coalition Providing AIDS Resources and Education (GO CARE).
2. No material weaknesses or significant deficiencies in internal control relating to the audit of the financial statements are reported.
3. No instances of noncompliance were disclosed during the audit.
4. No material weaknesses in internal control over compliance relating to the audit of a major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for GO CARE expresses an unmodified opinion.
6. There were no audit findings relative to major federal award programs for GO CARE.
7. The programs tested as major programs included:

| <u>Program</u> | <u>CFDA No.</u> |
|--|-----------------|
| HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B) | 93.917 |

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. GO CARE was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

Findings – Financial Statement Audit

None



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June 21, 2022

Board of Directors
Greater Ouachita Coalition Providing AIDS
Resources and Education
1801 North 7th Street
West Monroe LA, 71291

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2021

We have performed the procedures enumerated below, which were agreed to by Greater Ouachita Coalition Providing AIDS Resources and Education (GO CARE) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. GO CARE's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings

No exceptions were identified in the performance of the procedures listed above.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings

No exceptions were identified in the performance of the procedures listed above.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings

Entity has checks that have been outstanding for more than 12 months. HMV discussed the outstanding check policy with client. Efforts are made to contact payee, void, or reissue outstanding checks.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Management's Response: Payment is remitted to Louisiana unclaimed property in addition to attempting to contact payee, voiding and or reissuing checks.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings

The number of days from collection to deposit exceeded one day in the week tested. The entity makes weekly deposits.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Management's Response: Management will implement daily deposits.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings

CFO has the ability to add vendors and process payments. The CEO reviews bank statements and monitors the vendor listing for vendors that are not approved. HMMV does not see this as an exception. The entity has segregated duties to the fullest extent possible with a small staff. The risk is mitigated with reviews by the CEO and an active board.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings

We found three instances where the business purpose of the purchase was not listed and the meal participants were not listed.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Management's Response: No meals are submitted to any Grants for reimbursement. All meals receipts will include purpose and names of individuals receiving meals.

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

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

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings

No exceptions were identified in the performance of the procedures listed above.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings

No exceptions were identified in the performance of the procedures listed above.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings

No exceptions were identified in the performance of the procedures listed above.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings

Not applicable to not-for-profit entities.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings

Not applicable to not-for-profit entities.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings

No exceptions were identified in the performance of the procedures listed above.

Information Technology Disaster Recovery/Business Continuity

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

- testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings

No exceptions were identified in the performance of the procedures listed above.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Findings

Not applicable to not-for-profit entities.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs.

Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana