

**GREATER OUACHITA COALITION**  
**PROVIDING AIDS RESOURCES AND EDUCATION**  
**Annual Financial Report**  
**WEST MONROE, LOUISIANA**  
**DECEMBER 31, 2018 AND 2017**

**GREATER OUACHITA COALITION**

**PROVIDING AIDS RESOURCES AND EDUCATION**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2018 AND 2017**

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**AUDITED FINANCIAL STATEMENTS**

# HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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June 6, 2019

Board of Directors  
Greater Ouachita Coalition  
Providing AIDS Resources and Education

## **Independent Auditor's Report**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Greater Ouachita Coalition Providing AIDS Resources and Education (GO CARE), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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## ***Opinion***

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, 2018 and 2017, 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.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying supplementary information consisting of the schedule of compensation, reimbursements, benefits and other payments to agency head on page 17 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, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2019, 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, 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.

Monroe, Louisiana

*Heard, McElroy & Vestal, LLC*

GREATER OUACHITA COALITION  
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

<u>A S S E T S</u>	<u>2018</u>	<u>2017</u>
<b><u>Current assets:</u></b>		
Cash and cash equivalents	91,369	266,042
Investments	261,792	437,311
Grants receivable	149,427	47,428
340B receivable	121,111	134,801
Medical services accounts receivable, net	13,595	20,481
Inventories	31,282	-
Due from related party	3,055	539
Total current assets	<u>671,631</u>	<u>906,602</u>
Total assets	<u>671,631</u>	<u>906,602</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>Current liabilities:</u></b>		
Accounts payable	96,373	125,384
Accrued expenses	<u>17,979</u>	<u>18,027</u>
Total current liabilities	114,352	143,411
 <b><u>Net assets:</u></b>		
Without donor restrictions	<u>557,279</u>	<u>763,191</u>
Total liabilities and net assets	<u>671,631</u>	<u>906,602</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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b><u>Support and revenue:</u></b>		
Federal grant funding	889,854	816,749
Nongovernmental grants	22,500	10,000
Contributions	22,152	10,768
Rental income	-	2,800
340B revenue	1,338,610	1,164,980
Medical service income, net	165,610	159,664
Special event revenue	-	8,186
Investment return (loss)	(15,519)	37,311
Income (loss) from charitable bingo	(6,899)	-
Other	<u>6,405</u>	<u>5,405</u>
Total support and revenue	2,422,713	2,215,863
 <b><u>Expenses:</u></b>		
Program services	1,983,462	1,704,307
Supporting services	<u>645,163</u>	<u>595,114</u>
Total expenses	<u>2,628,625</u>	<u>2,299,421</u>
 <b><u>Change in net assets without donor restrictions</u></b>	(205,912)	(83,558)
 <b><u>Net assets-without donor restrictions at beginning of year</u></b>	<u>763,191</u>	<u>846,749</u>
 <b><u>Net assets- without donor restrictions at end of year</u></b>	<u><u>557,279</u></u>	<u><u>763,191</u></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, 2018

	Program Services				Medical Clinic & 340B
	Part C Ryan White	Part B Ryan White		Medical Services	
		TBRA	STRUMA		
Bank charges	-	-	-	-	-
Advertising	-	-	-	-	-
Continuing education	-	-	-	-	-
Cleaning	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Office expense	-	-	-	-	-
Professional fees	-	-	-	-	-
Postage	-	-	-	-	-
Telephone	-	-	-	-	-
Utilities	-	-	-	-	-
Direct assistance:					
Health support	47,420	311	-	-	525
HIV Clinic	55,890	-	-	-	-
Housing	-	-	29,607	3,345	-
Medicine	-	-	-	-	778,360
Transportation	-	37,467	-	-	-
Utilities	-	-	-	2,815	-
Other	-	21,349	-	-	-
Medical expense	-	444	-	-	44,621
Educational materials	-	-	-	-	-
Equipment rental	-	-	-	-	-
Equipment repairs	-	-	-	-	-
Insurance	-	-	-	-	-
Health insurance	13,254	27,118	-	-	-
Workman's compensation	-	-	-	-	-
Rent	-	-	-	-	-
Contract labor	52,633	75	-	-	96,402
Salaries and wages	325,615	79,856	-	-	-
Retirement	6,845	2,317	-	-	-
Payroll taxes	24,891	5,882	-	-	-
Travel	-	555	-	-	-
Special event	-	22	-	-	-
	<u>526,548</u>	<u>175,396</u>	<u>29,607</u>	<u>6,160</u>	<u>919,908</u>
Total expenses, year ended December 31, 2018	<u>526,548</u>	<u>175,396</u>	<u>29,607</u>	<u>6,160</u>	<u>919,908</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>North Delta</u>	<u>Broadway</u>	<u>Total</u>	<u>Local</u>	<u>2018</u>
<u>OPH</u>	<u>GMWC</u>	<u>H.S.A</u>	<u>Cares</u>			
-	-	-	-	-	1,065	1,065
-	7,935	-	-	7,935	4,744	12,679
-	400	-	-	400	1,190	1,590
-	-	-	-	-	6,533	6,533
-	168	354	-	522	37,625	38,147
-	112	1,155	-	1,267	26,330	27,597
-	1,200	-	-	1,200	56,176	57,376
-	-	-	-	-	2,247	2,247
-	-	147	-	147	16,519	16,666
-	-	-	-	-	13,735	13,735
-	-	-	-	48,256	-	48,256
-	-	-	-	55,890	-	55,890
-	-	-	974	33,926	-	33,926
-	96,463	-	-	874,823	9,600	884,423
-	-	-	-	37,467	5,009	42,476
-	-	-	2,685	5,500	-	5,500
1,883	22,097	-	125	45,454	-	45,454
-	-	-	-	45,065	755	45,820
8,878	-	472	-	9,350	-	9,350
-	-	-	-	-	7,114	7,114
-	-	-	-	-	1,187	1,187
-	-	-	-	-	25,731	25,731
-	7,345	345	-	48,062	15,871	63,933
-	-	-	-	-	5,678	5,678
-	-	-	-	-	79,164	79,164
-	23,905	-	-	173,015	200	173,215
1,341	106,795	17,418	-	531,025	276,654	807,679
-	2,631	240	-	12,033	7,036	19,069
129	8,395	1,574	-	40,871	22,509	63,380
142	4,586	3,607	-	8,890	19,722	28,612
-	2,342	-	-	2,364	2,769	5,133
<u>12,373</u>	<u>284,374</u>	<u>25,312</u>	<u>3,784</u>	<u>1,983,462</u>	<u>645,163</u>	<u>2,628,625</u>

GREATER OUACHITA COALITION  
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>				<u>Medical Clinic &amp; 340B</u>
	<u>Part C Ryan White</u>	<u>Part B Ryan White</u>			
		<u>Medical Services</u>	<u>TBRA</u>		
Bank charges	-	-	-	-	-
Advertising	-	-	-	-	-
Continuing education	-	-	-	-	-
Cleaning	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Office expense	-	-	-	-	-
Professional fees	-	-	-	-	-
Postage	-	-	-	-	-
Telephone	-	-	-	-	-
Utilities	-	-	-	-	-
Direct assistance:					
Health support	72,836	-	-	-	1,281
HIV Clinic	45,418	-	-	-	-
Housing	-	-	34,205	6,888	-
Medicine	-	-	-	-	674,690
Transportation	-	38,707	-	-	5,793
Utilities	-	-	135	1,379	-
Other	-	50	-	-	-
Medical expense	70	-	-	-	47,131
Educational materials	-	-	-	-	-
Equipment rental	-	-	-	-	-
Equipment repairs	-	-	-	-	-
Insurance	-	-	-	-	-
Health insurance	12,931	23,522	-	-	-
Workman's compensation	-	-	-	-	-
Rent	-	-	-	-	-
Contract labor	46,817	-	-	-	96,964
Salaries and wages	321,179	65,792	-	-	-
Retirement	6,362	1,962	-	-	-
Payroll taxes	24,467	4,907	-	-	-
Travel	-	1,033	-	-	-
Training	-	-	-	-	-
Special event	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses, year ended December 31, 2017	<u>530,010</u>	<u>135,973</u>	<u>34,340</u>	<u>8,267</u>	<u>825,859</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>Broadway</u>			
<u>OPH</u>	<u>GMWC</u>	<u>Cares</u>	<u>Total</u>	<u>Local</u>	<u>2017</u>
-	-	-	-	218	218
-	99	-	99	3,764	3,863
-	-	-	-	750	750
-	-	-	-	6,925	6,925
-	873	-	873	18,607	19,480
-	89	-	89	28,982	29,071
-	3,300	-	3,300	36,389	39,689
-	-	-	-	2,793	2,793
-	-	-	-	18,156	18,156
-	-	-	-	11,336	11,336
-	-	-	74,117	-	74,117
-	-	-	45,348	-	45,348
-	-	672	41,765	-	41,765
-	19,100	-	693,790	-	693,790
-	-	-	44,500	-	44,500
-	-	232	1,746	189	1,935
5,658	22,123	200	28,031	65	28,096
-	17	-	47,218	-	47,218
12,602	-	-	12,602	-	12,602
-	-	-	-	7,229	7,229
-	-	-	-	2,136	2,136
-	-	-	-	23,576	23,576
-	6,797	-	43,250	16,019	59,269
-	-	-	-	6,828	6,828
-	-	-	-	59,868	59,868
-	14,261	-	158,042	1,100	159,142
-	68,987	-	455,958	287,625	743,583
-	2,085	-	10,409	6,735	17,144
-	4,988	-	34,362	25,248	59,610
2,261	2,285	-	5,579	14,297	19,876
-	-	-	-	2,373	2,373
-	3,229	-	3,229	13,906	17,135
<u>20,521</u>	<u>148,233</u>	<u>1,104</u>	<u>1,704,307</u>	<u>595,114</u>	<u>2,299,421</u>

GREATER OUACHITA COALITION  
PROVIDING AIDS RESOURCES AND EDUCATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b><u>Cash flows from operating activities:</u></b>		
Changes in net assets	(205,912)	(83,558)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
(Gain) loss on investments	28,794	(28,783)
<b><i>(Increase) decrease in:</i></b>		
Grants receivable	(101,999)	46,529
340B receivable	13,690	(20,400)
Medical services accounts receivable, net	6,886	796
Inventories	(31,282)	-
Due from related party	(2,516)	11,168
<b><i>Increase (decrease) in:</i></b>		
Accounts payable	(29,011)	48,009
Accrued expenses	<u>(48)</u>	<u>6,827</u>
Net cash provided (used) by operating activities	(321,398)	(19,412)
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from sale of investments	160,000	-
Purchase of investments	<u>(13,275)</u>	<u>(408,528)</u>
Net cash provided (used) by investing activities	<u>146,725</u>	<u>(408,528)</u>
<b><u>Cash and cash equivalents, beginning of year</u></b>	<u>266,042</u>	<u>693,982</u>
<b><u>Cash and cash equivalents, end of year</u></b>	<u><u>91,369</u></u>	<u><u>266,042</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, 2018 AND 2017

**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 the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation 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 the Foundation's management and the board of directors.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation 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 are allocated on the basis of estimates of time and effort or other reasonable bases.

## 2. Summary of Significant Accounting Policies (Continued)

### *Programs*

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

#### **Ryan White Part C HIV 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 are through the Louisiana Office of Public Health STD/HIV Program.

#### **340B Drug Discount Program**

GO CARE entered into a new agreement commencing June 1, 2015 with Reliant Healthcare to stock prescription medications purchased at a discounted rate for the purpose of distribution to GO CARE patients being treated through its HIV and STD clinics. 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 70% of the gross profit from the sale of the medications.

#### **Primary Healthcare**

The purpose of this program is to provide affirming, compassionate, and comprehensive healthcare services through a clinic staffed by competent and knowledgeable licensed personnel to persons on a sliding fee basis, dependent on the patient's income.

#### **Cash and Cash Equivalents**

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

## 2. Summary of Significant Accounting Policies (Continued)

### *Accounts Receivable*

#### **Medical Services**

GO CARE grants credit without collateral to its patients, most of whom are local residents insured under third-party payer agreements. Receivables are stated at the full value of charges net of allowances provided for the estimated uncollectible accounts and for third-party contractual adjustments. GO CARE does not charge interest on past due accounts. Contractual adjustments are recorded on an estimated basis in the period the related services are rendered. Net medical services income is adjusted as required in subsequent periods based on final third-party payments.

#### **340B Program**

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

#### ***Investments***

Investments are reported 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.

#### ***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 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: <ul style="list-style-type: none"><li>• Quoted prices for similar assets/liabilities in active markets;</li><li>• Quoted prices for identical or similar assets in non-active markets;</li><li>• Inputs other than quoted prices that are observable for the asset/liability; and,</li><li>• Inputs that are derived principally from or corroborated by other observable market data.</li></ul> |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data.  |

## 2. Summary of Significant Accounting Policies (Continued)

### ***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.

### ***Economic Dependency***

GO CARE receives over 37% of its support through federal government grant funding and another 53% 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 \$12,679 and \$3,863 for the years ended December 31, 2018 and 2017, respectively.

### ***New Accounting Guidance Not Yet Adopted***

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. On April 1, 2015, the FASB proposed to defer the effective date by one year until January 1, 2018, but would allow early adoption as of the original January 1, 2017, effective date. The standard permits the use of either the retrospective or cumulative effect transition method. GO CARE is evaluating the effect that ASU 2014-09 will have on its financial statements and related disclosures. GO CARE has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

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:

- 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.

2. **Summary of Significant Accounting Policies** (Continued)

ASU 2016-02 will be effective for fiscal years beginning after December 15, 2019 and interim periods within fiscal years beginning after December 15, 2020. 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.

***New Financial Statement Presentation***

In August 2016, the FASB issued ASU No. 2016-14, “*Presentation of Financial Statements of Not-for-Profit Entities*,” with the stated purpose of improving financial reporting by those entities. Among other provisions, this ASU reduces the number of classes of net assets from three to two, requires the presentation of expenses in both natural and functional classifications, and requires additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 15, 2017. GO CARE adopted this standard for the year ended December 31, 2018 and its implementation is reflected in the 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, comprise the following:

Cash and cash equivalents	\$ 91,369
Investments	261,792
Grants receivable	149,427
340B receivable	121,111
Medical services accounts receivable, net	<u>13,595</u>
	<u>\$ 637,294</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**

Investments are four publicly traded mutual funds, which consist of two stock market index funds and two bond market index funds. These investments are carried at fair value based on quoted prices in active markets on a trade-date basis and summarized as follows:

4. **Investments** (Continued)

	<u>As of December 31, 2018</u>			<u>As of December 31, 2017</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>262,018</u>	<u>261,792</u>	<u>(226)</u>	<u>408,528</u>	<u>437,311</u>	<u>28,783</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>
<b>December 31, 2018</b>		
Marketable securities	<u>261,792</u>	<u>261,792</u>
<b>December 31, 2017</b>		
Marketable securities	<u>437,311</u>	<u>437,311</u>

6. **Inventories**

Inventories at December 31, 2018 consisted of the following:

Stock medications inventory	27,057
Food card inventory	<u>4,225</u>
Total	<u>31,282</u>

7. **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 inasmuch as GO CARE's investment portfolio is adequately diversified among issuers, industries, and geographic regions.

***Collateralization Policy***

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

8. **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

8. **Income Taxes** (Continued)

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 2015 and beyond remain subject to examination by the Internal Revenue Service.

9. **Lease Expense**

GO CARE is obligated under a lease agreement for the building in which it operates, which is subject to automatic renewal and the monthly payment is \$4,989. The lease was amended effective May 2015 to add additional office space and to extend the lease term to May 2017, subsequently renewed until May, 2020. The rental expense was \$79,164 and \$59,868 for the years ended December 31, 2018 and 2017, respectively.

Beginning June 1, 2018, a new lease agreement was signed following the completion of improvements to additional space for expanded clinic operations. The new monthly lease of \$7,746 is effective for the initial term of June 1, 2018 – May 31, 2023.

GO CARE leases two copy machines under operating leases expiring in 2020. The rental expense under these leases was \$936 and \$936 for the years ended December 31, 2018 and 2017, respectively.

Future minimum rental commitments are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2019	93,888
2020	93,342
2021	92,952
2022	92,952
2023	38,730
Later years	-
	<u>411,864</u>

10. **Retirement Plan**

GO CARE has adopted a SIMPLE-IRA Plan for eligible employees. Currently 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 years ending December 31, 2018 and 2017 were \$19,069 and \$17,144, respectively.

11. **Related Party Transactions**

GO CARE shares a building and staff with Bayou Care Supportive Services, as well as having the same board of directors. GO CARE received \$0 and \$2,800 for Bayou Care Supportive Services' share of rent in 2018 and 2017. Bayou Care owed GO CARE \$3,055 and \$539 for net funds advanced at December 31, 2018 and 2017, respectively.

12. **Subsequent Events**

Subsequent events have been evaluated through June 6, 2019, which is the day the financial statements were available to be issued. No subsequent events requiring disclosure were noted.

**SUPPLEMENTARY INFORMATION**

GREATER OUACHITA COALITION  
PROVIDING AIDS RESOURCES AND EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Federal Grants/Pass Through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
<u>Department of Health and Human Services</u>		
Office of Public Health		
HIV Care Formula Grants	93.917	211,163
Office of Public Health		
HIV Prevention Activities – Health		
Department Based	93.940	12,373
Wellness Center Project	93.940	<u>284,374</u>
Total Pass Through Awards		507,910
<u>Department of Health and Human Services</u>		
Ryan White Part C Outpatient EIS Program	93.918	<u>526,548</u>
Total		<u><u>1,034,458</u></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, 2018

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, 2018. 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, 2018

Agency Head: Mark Windham

Salary and expense account	92,462
Benefits-insurance	1,167
Benefits-retirement	2,573
Travel	395
Conference travel	513

**OTHER REPORTS**

# HEARD, McELROY, & VESTAL

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June 6, 2019

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), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 6, 2019.

## **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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GO CARE's internal control. Accordingly, we do not express an opinion on 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 GO CARE'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 over financial reporting 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 significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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## **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GO CARE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GO CARE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Monroe Louisiana

*Heard, McElroy & Vestal, LLC*

# HEARD, McELROY, & VESTAL

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June 6, 2019

The 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 the 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, 2018. Greater Ouachita Coalition Providing AIDS Resources and Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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.

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## 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, 2018.

## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

## 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

*Heard, McElroy & Vestal, LLC*

GREATER OUACHITA COALITION  
PROVIDING AIDS RESOURCES AND EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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>
Ryan White Part C Outpatient EIS Program	93.918

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. GO CARE was determined not 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, 2018

**Findings – Financial Statement Audit**

None

**GREATER OUACHITA COALITION PROVIDING AIDS RESOURCES AND EDUCATION**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

# HEARD, McELROY, & VESTAL

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Resources and Education  
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Louisiana Legislative Auditor  
Baton Rouge, Louisiana

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of by Greater Ouachita Coalition Providing AIDS Resources and Education, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Greater Ouachita Coalition Providing AIDS Resources and Education (GoCare) 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, 2018 through December 31, 2018. The Entity'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*. 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 findings obtained are described in the attachment to this report.

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.

  
Monroe, Louisiana  
June 6, 2019

**SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Greater Ouachita Coalition Providing AIDS Research and Education  
Agreed-Upon Procedures and Findings  
Year Ended Dec 31, 2018

**Written Policies and Procedures**

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**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.
  - 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

**Findings**

The entity's contracting policy does not address standard terms and agreements, or legal review.

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

*Board (or Finance Committee, if applicable)*

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**Procedures**

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 that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

**Findings**

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

*Bank Reconciliations*

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**Procedures**

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**

The client has not researched items that have been outstanding for more than 12 months to determine need to be voided or reissued.

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

## Collections

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### Procedures

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 that are 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 verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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 that 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

### Findings

Management personnel are bonded, employees who collect copayments and open mail are not bonded.

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

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

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

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**Procedures**

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**

Accounting manager has the ability to add vendors to the system as well as the authority to process payments; however, CEO and Crossmark review bank statements.

The Accounting manager processes payments and mails the checks.

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

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

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Not tested, no findings in prior year.

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

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**Procedures**

11. 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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings**

Of the selections tested, one employee lost a receipt and the purpose was not documented.

One employee returned receipts that were not itemized and the purpose was not documented.

The travel reimbursements coincided with conferences the employees attended.

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

**Contracts**

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Not tested, no findings in prior year.

**Payroll and Personnel**

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Not tested, no findings in prior year.

**Other**

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**Procedures**

12. 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.

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

**Findings**

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

**Management's Response**

Management will look at procedures that are currently in place that do not meet the LLA's requirements to determine the changes necessary for compliance in future periods.