

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

Lafayette, Louisiana

Financial Report

Years Ended December 31, 2019 and 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6
Statement of Functional Expenses - 2019	7
Statement of Functional Expenses - 2018	8
Statements of Cash Flows	9
NOTES TO FINANCIAL STATEMENTS	10-19
SUPPLEMENTAL INFORMATION	
INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
Schedule of Expenditures of Federal Awards	22-23
Notes to the Schedule of Expenditures of Federal Awards	24
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements <i>Performed in Accordance with Government Auditing Standards</i>	25-26
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	27-28
Schedule of Findings and Questioned Costs	29-30
Summary Schedule of Prior Audit Findings	31

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

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

INDEPENDENT AUDITORS' REPORT

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

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

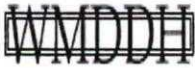
CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

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

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

DEREK GODEAUX, CPA, MSA

SHAUN GRANTHAM, MBA, CPA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

MARY PATRICIA KEELEY, CPA

CORITA K. KUON, CPA, CVA

JOSEPH LACOMBE, CPA

ALEXANDRA LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

The Board of Directors
Acadiana Concern for AIDS Relief, Education
and Support, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CARES as of December 31, 2019 and 2018, 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 an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplemental information and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2020, on our consideration of CARES's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CARES's internal control over financial reporting and compliance.

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

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

Lafayette, Louisiana
August 8, 2020

FINANCIAL STATEMENTS

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash	\$ 527,073	\$ 708,616
Investments	-	50,000
Contracts and Grants Receivable	3,464,997	2,169,377
Other Receivables	119,180	73,671
Prepaid Expenses	114,222	50,038
Employee Advances	4,075	1,710
Total Current Assets	<u>4,229,547</u>	<u>3,053,412</u>
PROPERTY AND EQUIPMENT (NET)	<u>7,693,119</u>	<u>8,003,330</u>
OTHER ASSETS		
Deposits	31,525	31,525
Software, Net of Accumulated Amortization	3,057	22,082
Total Other Assets	<u>34,582</u>	<u>53,607</u>
TOTAL ASSETS	<u>\$ 11,957,248</u>	<u>\$ 11,110,349</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 296,214	\$ 277,955
Accrued Payroll and Related Liabilities	435,699	361,383
Accrued Compensated Absences	253,787	217,217
Tenant Deposits	31,829	29,412
Note Payable	1,892,000	1,170,420
Total Current Liabilities	<u>2,909,529</u>	<u>2,056,387</u>
NET ASSETS		
Net Assets With Donor Restrictions	366,913	366,913
Net Assets Without Donor Restrictions	8,680,806	8,687,049
Total Net Assets	<u>9,047,719</u>	<u>9,053,962</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,957,248</u>	<u>\$ 11,110,349</u>

The accompanying notes are an integral part of these statements.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**STATEMENTS OF ACTIVITIES
DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
PUBLIC SUPPORT		
Donations	\$ 33,741	\$ 17,998
Total Public Support	<u>33,741</u>	<u>17,998</u>
 REVENUES		
Rental Income	539,896	645,096
Governmental Grants and Contracts	11,397,603	11,021,087
Private Insurance	665,049	578,751
Clinic Revenue	173,637	172,042
Meals Revenue	199,432	170,517
Miscellaneous	81,501	15,252
Mileage Revenue	2,115	11,943
Interest	<u>78,837</u>	<u>30,230</u>
Total Revenues	<u>13,138,070</u>	<u>12,644,918</u>
 TOTAL PUBLIC SUPPORT AND REVENUES	<u>13,171,811</u>	<u>12,662,916</u>
 EXPENSES		
Program Services:		
AIDS Education and Relief	11,773,416	11,631,437
Supporting Services:		
Management and General	<u>1,432,997</u>	<u>1,466,979</u>
Total Expenses	<u>13,206,413</u>	<u>13,098,416</u>
 DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(34,602)</u>	<u>(435,500)</u>
 DECREASE IN NET ASSETS	(34,602)	(435,500)
 NET ASSETS AT BEGINNING OF YEAR, RESTATED	<u>9,082,321</u>	<u>9,489,462</u>
 NET ASSETS AT END OF YEAR	<u>\$ 9,047,719</u>	<u>\$ 9,053,962</u>

The accompanying notes are an integral part of these statements.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2019**

	PROGRAM SERVICES	SUPPORTING SERVICES	
	AIDS EDUCATION AND RELIEF	MANAGEMENT AND GENERAL	TOTAL
Compensation and Related Expenses			
Salaries	\$ 5,773,775	\$ 463,875	\$ 6,237,650
Compensated Absences	-	36,570	36,570
Employee Benefits			
Medical	739,531	46,527	786,058
Pension Plan	152,840	20,561	173,401
Payroll Taxes	439,864	36,423	476,287
	7,106,010	603,956	7,709,966
Advertising	11,213	24,893	36,106
Amortization	-	19,025	19,025
Bad Debt	568	-	568
Bank Charges	-	2,654	2,654
Contract Personnel	62,416	66,220	128,636
Contractual	1,166,324	95	1,166,419
Depreciation	-	325,930	325,930
Direct Assistance	2,499,757	7,801	2,507,558
Dues and Subscriptions	21,662	8,310	29,972
Equipment Leasing	9,345	3,690	13,035
Education and Outreach	1,046	670	1,716
Insurance	54,204	36,540	90,744
Interest Expense	-	90,022	90,022
Landscaping	-	7,140	7,140
Legal and Accounting	56,765	44,801	101,566
Loss on Disposal of Assets	1,081	-	1,081
Miscellaneous	4,791	11,975	16,766
Office Expense	63,813	15,878	79,691
Postage	2,464	6,354	8,818
Repairs and Maintenance	80,163	59,501	139,664
Small Equipment	55,048	2,850	57,898
Supplies and Materials	226,047	17,803	243,850
Taxes and Licenses	715	1,322	2,037
Travel and Seminars	161,013	24,791	185,804
Utilities and Telephone	188,971	50,776	239,747
	\$ 11,773,416	\$ 1,432,997	\$ 13,206,413
TOTAL	\$ 11,773,416	\$ 1,432,997	\$ 13,206,413

The accompanying notes are an integral part of these statements.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2018**

	PROGRAM SERVICES	SUPPORTING SERVICES	
	AIDS EDUCATION AND RELIEF	MANAGEMENT AND GENERAL	TOTAL
Compensation and Related Expenses			
Salaries	\$ 5,513,955	\$ 508,354	\$ 6,022,309
Compensated Absences	-	(19,671)	(19,671)
Employee Benefits			
Medical	699,145	62,973	762,118
Pension Plan	144,137	13,959	158,096
Payroll Taxes	420,984	41,214	462,198
	6,778,221	606,829	7,385,050
Advertising	29,926	16,556	46,482
Amortization	-	20,996	20,996
Bad Debt	11,334	37,253	48,587
Bank Charges	-	3,407	3,407
Contract Personnel	79,834	24,337	104,171
Contractual	1,687,875	-	1,687,875
Depreciation	-	325,559	325,559
Direct Assistance	2,183,528	8,860	2,192,388
Dues and Subscriptions	9,426	6,224	15,650
Equipment Leasing	6,164	2,864	9,028
Education and Outreach	5,642	1,118	6,760
Insurance	59,826	29,828	89,654
Interest Expense	-	93,048	93,048
Landscaping	-	10,222	10,222
Legal and Accounting	14,500	78,395	92,895
Miscellaneous	2,075	18,441	20,516
Office Expense	62,043	19,087	81,130
Postage	1,853	5,580	7,433
Repairs and Maintenance	71,255	47,472	118,727
Small Equipment	10,976	2,182	13,158
Supplies and Materials	230,185	17,780	247,965
Taxes and Licenses	600	514	1,114
Travel and Seminars	172,548	34,850	207,398
Utilities and Telephone	213,626	55,577	269,203
	\$ 11,631,437	\$ 1,466,979	\$ 13,098,416
TOTAL			

The accompanying notes are an integral part of these statements.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**STATEMENTS OF CASH FLOWS
DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in Net Assets	\$ (34,602)	\$ (435,500)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	325,930	325,559
Amortization	19,025	20,996
Bad Debt	568	47,927
Loss on Disposal of Assets	1,081	-
Donation of Vehicle	(16,800)	-
Changes in Current Assets and Liabilities:		
Contracts Receivable	(1,295,620)	(628,376)
Other Receivables	(45,509)	16,200
Prepaid Expenses	(64,184)	(12,725)
Employee Advances	(2,365)	1,175
Accounts Payable	46,050	183,826
Accrued Compensated Absences	36,570	(19,671)
Accrued Payroll and Related Liabilities	74,316	28,231
Tenant Deposits	2,417	(20,588)
Net Cash (Used In) Operating Activities	(953,123)	(492,946)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(171,633)
Sale of Investements	50,000	-
Net Cash Provided By (Used In) Investing Activities	50,000	(171,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds on Line of Credit	721,580	344,255
Net Cash Provided By Financing Activities	721,580	344,255
NET DECREASE IN CASH AND EQUIVALENTS	(181,543)	(320,324)
CASH, BEGINNING OF YEAR	708,616	1,028,940
CASH, END OF YEAR	\$ 527,073	\$ 708,616
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 90,022	\$ 93,048

The accompanying notes are an integral part of these statements.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Acadiana Concern for AIDS Relief, Education, and Support, Inc. (CARES) is a client-centered organization dedicated to empowering vulnerable communities affected by inequities in health care, HIV/AIDS, homelessness, and substance use issues to change their lives by embracing a holistic approach to a healthy and self-determined life.

Basis of Presentation

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

Basis of Accounting

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

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization'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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2019 and 2018, the Organization has \$366,913 and \$366,913, respectively in net assets with temporary donor restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

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

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

Allowance for Doubtful Accounts - (continued)

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

Use of Estimates

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

Federal Financial Awards

Revenues for direct and indirect federal contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis and based on the units of service for those contracts which are on a fee for service basis. In the Statement of Activities, these revenues are referred to as 'governmental grants and contracts'. Related contract receivables are referred to as 'contracts and grants receivable' in the Statement of Financial Position.

Donated Services

CARES receives substantial volunteer services in areas such as transportation, clerical, medical, food bank, and fundraising. No amounts have been reflected on the statements for donated services because no objective basis is available to measure the value of such services.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$2,500 for property and equipment at historical cost. Donated property and equipment are valued at fair market value at the time of donation. If donors stipulate how the assets must be used, the contributions are recorded as with donor restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restricted support.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$325,930 and \$325,559 for the years ended December 31, 2019 and 2018, respectively.

Functional Allocation of Expenses

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

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

Compensated Absences

Employees accrue personal leave time from the first day of employment with the amount being determined based on length of service. An employee is allowed to earn a maximum of leave based on length of employment, but they may not accrue more than this maximum balance. At the time of termination of employment, employees are entitled to receive payment for earned personal leave not yet taken. Accordingly, an accrual has been made for accumulated personal leave as of December 31, 2019 and 2018.

Income Taxes

CARES qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, CARES has been determined by the Internal Revenue Service to be a public charity within the meaning of Section 509(a)(1) and 170(b)(1)(A)(vi) of the code.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the periods prior to 2016.

Revenue Recognition

Grants and 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 substantially met.

The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. No amounts were received in advance under the Organization's grants in 2019.

Grants and contributions are recorded depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

Revenue Recognition – (continued)

Patient Service Fees and Pharmacy Revenue

Patient service fees and pharmacy revenue represent the estimated net realizable amounts from patients, third party payers, and others for services rendered or prescriptions dispensed. Revenues are recorded during the period the health care services are provided or prescriptions dispensed, based upon the estimated amounts due from payers. Estimates of contractual allowances are based upon the specified payment terms.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The estimated reimbursement amounts are made on a payer-specific basis and are recorded based on the best information available regarding management's interpretation of the applicable laws, regulations, and contract terms. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Due to the complexities involved in the classification and documentation of health care services authorized and provided, the estimation of revenues earned and the related reimbursement are often subject to interpretations that could result in payments that are different from the Organization's estimates.

The Organization provides discounts from gross charges to uninsured patients who do not qualify for Medicaid. These discounts are like those provided to many local managed care plans. After the discounts are applied, if the Organization is still unable to collect a significant portion of uninsured patients' accounts, it records significant provisions for doubtful accounts (based upon historical collection experience) related to uninsured patients in the period the services are provided.

The Organization receives payments for patient services from the federal government under the Medicare program, state governments under their respective Medicaid or similar programs, managed care plans, private insurers, and directly from patients.

The laws and regulations governing the Organization's operations, along with the terms of participation in various government programs, regulate how the Organization does business, the services offered and its interactions with patients and the public. These laws and regulations, and their interpretations, are subject to frequent change. Changes in existing laws or regulations, or their interpretations, or the enactment of new laws or regulations could materially and adversely affect the Organization's operations and financial condition.

The Organization is subject to various routine and non-routine governmental reviews, audits and investigations. Violation of the laws governing the Organization's operations, or changes in the interpretation of those laws, could result in the imposition of fines, civil or criminal penalties, and/or termination of the Organization's rights to participate in federal and state-sponsored programs and suspension or revocation of the Organization's licenses. The Organization believes that it is in material compliance with all applicable laws and regulations.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

Revenue Recognition – (continued)

340B Program Revenue

The Organization participates in the 340B Drug Pricing Program (340B Program) administered by the Office of Pharmacy Affairs of the Health Resources and Services Administration (HRSA). The Organization contracts with local retail pharmacies under the program, which results in additional revenues and discounts on outpatient prescriptions for the Organization's patients. Revenue and expenditures related to this program are recorded once the prescription drugs are transferred from the retail pharmacy to the patient. Laws and regulations surrounding the 340B drug program are complex and are subject to interpretation and change.

Fair Value Considerations

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

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

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

(B) CERTIFICATE OF DEPOSIT

A certificate of deposit in the amount of \$50,000 bears interest at .20 percent per annum and matured on January 26, 2019 and was not renewed.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

(C) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	2019	2018
Land	\$ 45,000	\$ 45,000
Land Improvements	24,270	24,270
Buildings	7,782,671	7,782,671
Building Renovations	2,136,444	2,126,751
Autos and Trucks	72,387	55,587
Construction in Progress	-	9,694
Equipment	427,114	473,855
Total	10,487,886	10,517,828
Less: Accumulated Depreciation	(2,794,767)	(2,514,498)
Net Property and Equipment	\$ 7,693,119	\$ 8,003,330

(D) ADVERTISING

The Organization uses advertising to promote its programs among the individuals it serves. The cost of this advertising is expensed as incurred. Advertising costs totaled \$36,106 and \$46,482 for the years ended December 31, 2019 and 2018, respectively.

(E) NOTE PAYABLE

The Organization has a \$2,000,000 line of credit, secured by a mortgage on the organization's real property located in Lafayette, Louisiana. The line bears interest at a rate of prime plus 1.5 percent, currently 6.25 percent, with a maturity date of January 19, 2021. As of December 31, 2019 and 2018, the balance on the line was \$1,892,000 and \$1,170,420, respectively.

(F) NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2019 and 2018, net assets with donor restrictions are available for the following purpose:

	2019	2018
Building Improvements	\$ 366,913	\$ 366,913

This donor restriction is a seven-year time-restriction for the improvement of the portion of the building to be used as the wellness center.

(G) OPERATING LEASE - LESSOR

On August 1, 2018, the Company entered into a lease as the lessor. The term of the initial lease is for three years expiring on July 31, 2021.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

(G) OPERATING LEASE – LESSOR – (continued)

The total cost of the building being leased at December 31, 2019 was \$4,500,000 with accumulated depreciation of \$562,500.

Minimum future rental to be received on this operating lease is as follows:

2020	\$ 174,000
2021	<u>101,500</u>
Total Minimum Future Rentals	<u>\$ 275,500</u>

(H) OPERATING LEASE – LESSEE

During September 2013, the Organization entered into a one-year lease for office space in Shreveport, Louisiana. The monthly payments are \$500. The lease expired on September 30, 2014. The Organization currently leases the space on a month-to-month basis.

During June 2015, the Organization entered into a one-year lease for office space in Lafayette, Louisiana. The monthly payments are \$500. The lease expired on June 30, 2016. The Organization currently leases the space on a month-to-month basis.

During July 2019, the Organization entered into a three-year lease for office space in Alexandria, Louisiana. The monthly payments are \$392.

During July 2019, the Organization entered into a one-year lease for office space in Slidell, Louisiana. The monthly payments are \$200. The lease has a one-year renewal option with a three (3) percent increase in rent annually. The lease was not renewed.

During November 2019, the Organization entered into a three-year lease for two suites in New Orleans, Louisiana. The monthly payments are \$3,861. The lease has a renewal option for one (2) two-year term at \$3,985 per month.

The future minimum lease payments are as follows:

2020	\$ 62,169
2021	60,969
2022	<u>51,714</u>
Total Minimum Future Lease Payments	<u>\$ 174,852</u>

Rent expense totaled \$19,412 and \$12,000 for the years ended December 31, 2019 and 2018, respectively.

(I) RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

(J) CONCENTRATION OF CREDIT RISK

The majority of CARES' revenues and accounts receivable are from contracts with the Louisiana Department of Health and Hospitals (DHH). The contracts are administered by DHH under programs which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on CARES could be severe.

(K) EMPLOYEE BENEFIT PLAN

CARES has a defined contribution salary deferral plan covering substantially all employees. Under the plan, CARES matches 100% of eligible employees' salary deferrals (match not to exceed 6% of employee salary). Pension expense incurred during 2019 and 2018 was \$173,401 and \$158,096, respectively.

(L) NEW ACCOUNTING PRONOUNCEMENTS

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers*, or Accounting Standards Codification Topic 606 ("ASC 606"), which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition* ("ASC 605").

This literature is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The accounting guidance also requires additional disclosure regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts including significant judgments and changes in judgments, as well as assets recognized from costs incurred to obtain or fulfill a contract. On January 1, 2019, the Organization adopted ASC 606.

(M) FINANCIAL INSTRUMENTS

Financial instruments that potentially subject CARES to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with one high quality financial institution. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of December 31, 2019, CARES had \$586,883 of cash in excess of FDIC limits. It is the opinion of management that the solvency of the referenced financial instruments is not of particular concern at this time.

The fair values of CARES' financial instruments are as follows:

Cash and short-term investments – The carrying amount approximates fair value because of the short maturities of those investments.

Bank loans payable – Fair value approximates carrying value since stated rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

(N) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

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

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

A detail of compensation, benefits, and other payments paid to the Executive Director, Claude Martin, for the year ended December 31, 2019:

<u>Purpose</u>	
Salary	\$ 105,102
Benefits – Insurance	\$ 7,905
Benefits – Retirement	\$ 6,153
Conference Travel	\$ 2,970

(P) LIQUIDITY AND AVAILABILITY

The Organization has \$4,115,325 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$527,073 and receivables of \$3,588,252. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

(Q) PRIOR PERIOD ADJUSTMENT

During 2019, the Organization voided outstanding checks that pertained to prior years. The effect of those transactions resulted in an increase in net assets without donor restrictions of \$28,359.

The following summarizes the prior period adjustment referred to above:

Balance at December 31, 2018, as Previously Reported	\$ 9,053,962
Prior Period Adjustments for:	
Voided Outstanding Checks	<u>28,359</u>
Balance at December 31, 2018, as Restated	<u>\$ 9,082,321</u>

(R) SUBSEQUENT EVENTS

Subsequent events were evaluated through August 8, 2020, which is the date the financial statements were available to be issued.

- In January 2020, an amendment was made to the lease referenced in Note H (New Orleans, Louisiana). The amendment increases rent by \$150 per month for the duration of the lease to compensate lessor for improvements requested on suites. Subsequent to these new terms, a second amendment was executed which increased rent by \$235 per month to \$4,246 for additional improvements requested by lessee. The rent during the option period increased to \$4,370. The future minimum lease payments in Note H reflects the new rate.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

(R) SUBSEQUENT EVENTS – (continued)

- In February 2020, an amendment was made to the lease referenced in Note H (Alexandria, Louisiana). The amendment increases rent to \$835 a month for additional office space. The future minimum lease payments in Note H reflects the new rate.
- In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. While the Organization does not yet know the full effect of the impact to the global economy as a whole, the effects could have an impact on the Organization's business, results of operations, liquidity, and financial condition.
- *On April 13, 2020, The Organization ("the borrower") was granted a loan ("the loan") from Iberia Bank in the aggregate amount of \$1,580,200, pursuant to the Paycheck Protection Program (the "PPP"). The Loan, which was in the form of a Note dated April 13, 2020 issued by the Borrower, matures on April 13, 2022 and bears interest at a rate of 1.0% per annum, payable monthly commencing on November 13, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties.*

The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes such as payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first six months.

The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it cannot be assured that actions that could cause the Organization to be ineligible for forgiveness of the loan in whole or in part will not occur.

SUPPLEMENTAL INFORMATION

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

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019**

Program Title	CFDA	Grant Number	Expenditures	Subrecipients
U.S. Department of Housing and Urban Development				
Supportive Housing Program:				
Project Home Again II	14.235	LA0015L6H001811	\$ 299,285	-
Project Home Again IV	14.235	LA0181L6H001706	456,170	-
Coordinated Entry	14.235	LA0271L6H001701	<u>25,102</u>	-
			780,557	-
Housing Opportunities for Persons with AIDS:				
Hope House and SATS	14.241	2000322070	<u>77,630</u>	-
Total for U.S. Department of Housing and Urban Development			<u>858,187</u>	-
U.S. Department of Health and Human Services				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth:				
Ryan White - Title IV	93.153	H12HA26263	<u>211,317</u>	-
Passed through the Louisiana Department of Health and Hospitals:				
HIV Care Formula Grants:				
HOPWA	93.917	2000245714	164,432	-
Ryan White Program	93.917	2000245714	<u>872,963</u>	-
			1,037,395	-
Passed through the Louisiana Department of Health and Hospitals:				
HIV Prevention Grants:				
Medical Models	93.940 *	2000389954	118,873	-
Prevention Program - FFS	93.940 *	2000413812	70,446	-
Prevention Program - Wellness Center	93.940 *	2000353558	31,055	-
HIV Prevention	93.940 *	2000343896	<u>7,297,984</u>	-
			7,518,358	-

(continued)

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued
DECEMBER 31, 2019**

<u>Program Title</u>	<u>CFDA</u>	<u>Grant Number</u>	<u>Expenditures</u>	<u>Subrecipients</u>
U.S. Department of Health and Human Services				
Passed through the Louisiana Department of Health and Hospitals:				
Substance Abuse Prevention and Treatment Block Grant:				
Acadiana Area Human Services District - Primary	93.959	2203782797	\$ 43,105	\$ -
Acadiana Area Human Services District - HIV Clinics	93.959	N/A	<u>18,590</u>	<u>-</u>
			<u>61,695</u>	<u>-</u>
Total for U.S. Department of Health and Human Services			<u>8,828,765</u>	<u>-</u>
Total Expenditures			<u>\$ 9,686,952</u>	<u>\$ -</u>

* - denotes a major program

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
DECEMBER 31, 2019**

(A) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Acadiana Concern for AIDS Relief, Education and Support, Inc. under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) 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 reimbursements.
- (2) Pass-through entity identifying numbers are presented where available.

(C) INDIRECT COST RATE

The Organization has elected to use the 10% de minimis indirect cost rate for the year ended December 31, 2019, unless otherwise negotiated.

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

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

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

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

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA
ROBERT T. DUCHARME, II, CPA
BRITTANY ENGLISHBEE, CPA, MBA
JUDITH FAULK, CPA, APA
DEREK GODEAUX, CPA, MSA
SHAUN GRANTHAM, MBA, CPA
BRITTANY GUIDRY, CPA
MAGEN M. HORNSBY, CPA
MARY PATRICIA KEELEY, CPA
CORITA K. KUON, CPA, CVA
JOSEPH LACOMBE, CPA
ALEXANDRA LEONARDS, CPA, MBA
WENDY ORTEGO, CPA, CVA
STEPHANIE A. RAWLINSON, CPA
ROBIN G. STOCKTON, CPA
TINA B. VIATOR, CPA
STEPHANIE L. WEST, CPA, MBA

The Board of Directors
Acadiana Concern for AIDS Relief, Education
and Support, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CARES'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 CARES's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

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

Lafayette, Louisiana
August 8, 2020

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

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

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

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

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA
ROBERT T. DUCHARME, II, CPA
BRITTANY ENGLISBEE, CPA, MBA
JUDITH FAULK, CPA, APA
DEREK GODEAUX, CPA, MSA
SHAUN GRANTHAM, MBA, CPA
BRITTANY GUIDRY, CPA
MAGEN M. HORNSBY, CPA
MARY PATRICIA KEELEY, CPA
CORITA K. KUON, CPA, CVA
JOSEPH LACOMBE, CPA
ALEXANDRA LEONARDS, CPA, MBA
WENDY ORTEGO, CPA, CVA
STEPHANIE A. RAWLINSON, CPA
ROBIN G. STOCKTON, CPA
TINA B. VIATOR, CPA
STEPHANIE L. WEST, CPA, MBA

The Board of Directors
Acadiana Concern for AIDS Relief, Education
and Support, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES)'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 CARES's major federal programs for the year ended December 31, 2019. CARES's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CARES'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 CARES'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 CARES's compliance.

Opinion on Each Major Federal Program

In our opinion, CARES 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, 2019.

Report on Internal Control over Compliance

Management of CARES 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 CARES'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 CARES's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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

Lafayette, Louisiana
August 8, 2020

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

We have audited the financial statements of Acadiana Concern for Aids Relief, Education, and Support, Inc. as of and for the year ended December 31, 2019, and have issued our report thereon dated August 8, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2019 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

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

Compliance

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

b. *Federal Awards*

Major Programs Identification

CARES at December 31, 2019, had one major program:

- Department of Health and Human Services – Passed through the Louisiana Department of Health and Hospitals - HIV Prevention Grants - CFDA No. 93.940

Low-Risk Auditee

CARES is considered a low-risk auditee for the year ended December 31, 2019.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended December 31, 2019.

Auditors' Report - Major Programs

An unmodified opinion has been issued on CARES's compliance for its major program as of and for the year ended December 31, 2019.

Significant Deficiencies – Major Program

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

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (continued)
YEAR ENDED DECEMBER 31, 2019**

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

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

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2019**

There were no prior year findings.

**ACADIANA CONCERN FOR AIDS RELIEF,
EDUCATION AND SUPPORT, INC.**

Lafayette, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2019

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

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA
ROBERT T. DUCHARME, II, CPA
BRITTANY ENGLISBEE, CPA, MBA
JUDITH FAULK, CPA, APA
DEREK GODEAUX, CPA, MSA
SHAUN GRANTHAM, MBA, CPA
BRITTANY GUIDRY, CPA
MAGEN M. HORNSBY, CPA
MARY PATRICIA KEELEY, CPA
CORITA K. KUON, CPA, CVA
JOSEPH LACOMBE, CPA
ALEXANDRA LEONARDS, CPA, MBA
WENDY ORTEGO, CPA, CVA
STEPHANIE A. RAWLINSON, CPA
ROBIN G. STOCKTON, CPA
TINA B. VIATOR, CPA
STEPHANIE L. WEST, CPA, MBA

To the Board of Directors and Management
Acadiana Concern for AIDS Relief, Education
and Support, Inc.
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Acadiana Concern for AIDS Relief, Education and Support, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Acadiana Concern for AIDS Relief, Education and Support, Inc.'s compliance with certain laws, regulations and best practices during the year ended December 31, 2019. Management of Acadiana Concern for AIDS Relief, Education and Support, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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.

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.

Written policies and procedures were obtained and address the functions noted above.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

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

No exceptions noted.

- d) **Receipts**, including receiving, recording, and preparing deposits.

No exceptions noted.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions noted.

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

Exception noted: The written policies and procedures were not adequate for the functions noted above.

- 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, and (5) monitoring card usage.

No exceptions noted.

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

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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. Note: Ethics requirements are not applicable to nonprofits.

This section is not applicable to not-for-profit entities.

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

This section is not applicable to not for profit entities.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions noted.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/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, or other equivalent document.

No exceptions noted.

- 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.

Not applicable.

- 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.

Not applicable.

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 each selected 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);

Obtained listing of client bank accounts from management and management's representation that the listing is complete. No exceptions noted.

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

Exception noted: No documentation noting review of bank reconciliation for several months for multiple bank accounts.

- 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.

No exceptions noted.

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).

Obtained listing of cash collection location and management's representation that the listing is complete.

- 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.

Exception noted: The cash collection drawer is shared by employees during break periods.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted.

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

a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

d) Observe 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).

Exception noted: It is not the Entity's policy to deposit funds the next business day or within a week, therefore, this did not occur.

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

No exceptions noted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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).

No exceptions noted.

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.

No exceptions noted.

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

No exceptions noted.

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

Exception noted: Written policies and procedures were obtained and address the functions noted above, however, the people responsible for processing payments have the ability to add vendors to the disbursement system only after a W-9 has been obtained.

- 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.

Exception noted: Checks are returned to individual 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.

No exceptions noted.

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

No exceptions noted.

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), 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.

Listing of active credit cards, and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

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

Monthly statements were obtained and address the functions noted above.

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

Exception noted: There were finance charges and/or late fees assessed on one of the five credit cards selected.

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 that 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).

Exception noted: The meal documentation did not specify the individuals participating in the meals.

Travel and Expense Reimbursement

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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

- 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).

This was not required to be tested in the fiscal year.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

Payroll and Personnel

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

This was not required to be tested in the fiscal year.

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

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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

This was not required to be tested in the fiscal year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

This was not required to be tested in the fiscal year.

Ethics (excluding nonprofits)

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

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

This is not applicable to not for profit entities.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

This is not applicable to not for profit entities.

Debt Service (excluding nonprofits)

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

This is not applicable to not for profit entities.

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.

This is not applicable to not for profit entities.

Other

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

Management has asserted that the entity did not have any misappropriations of public funds or assets.

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

Exception noted: Required notices were posted on the entity's premises, not on the website.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Acadiana Concern for AIDS Relief, Education and Support, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

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

Lafayette, Louisiana
August 8, 2020

Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC
P.O. Box 80569
Lafayette, LA 70598

The following is Management's response to the 2019 AUP report submitted.

WRITTEN POLICIES AND PROCEDURES

1. e) Management will work toward writing a formal written policy.

BANK RECONCILIATIONS

3. b) Management will work towards reviewing all bank reconciliations.

COLLECTIONS

5. a) The cash register/drawer is only shared during employee breaks. Cash receipts are logged and reconciled to mitigate the risk.
7. d) Management will work toward making all deposits timely.

DISBURSEMENTS

9. c) Management feels the control they have in place mitigates the risk.
9. d) Management feels the control they have in place mitigates the risk.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

12. b) Management will work toward implementing policies to avoid late fees and finance charges.
13. Management will work toward implementing policies that will require identification of individuals participating in meals on credit card receipts.

OTHER

24. Management will work toward updating the website to include the required notices.

If any additional information is needed, please contact me.



Claude Martin
Executive Director