

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION
Annual Financial Report
WEST MONROE, LOUISIANA
DECEMBER 31, 2019 AND 2018

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2019 AND 2018

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AUDITED FINANCIAL STATEMENTS

September 21, 2020

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) (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.

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.

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, 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 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 18 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 September 21, 2020, 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, 2019 AND 2018

<u>A S S E T S</u>	<u>2019</u>	<u>2018</u>
<u>Current assets:</u>		
Cash and cash equivalents	235,076	91,369
Investments	130,726	261,792
Grants receivable	203,724	149,427
340B receivable	134,813	121,111
Medical services accounts receivable, net	7,688	13,595
Inventories	37,396	31,282
Due from related party	-	3,055
Total current assets	<u>749,423</u>	<u>671,631</u>
Total assets	<u>749,423</u>	<u>671,631</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable	156,419	96,373
Accrued expenses	<u>20,337</u>	<u>17,979</u>
Total current liabilities	176,756	114,352
<u>Net assets:</u>		
Without donor restrictions	<u>572,667</u>	<u>557,279</u>
Total liabilities and net assets	<u>749,423</u>	<u>671,631</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Support and revenue:</u>		
Federal grant funding	1,232,463	889,854
Nongovernmental grants	25,000	22,500
Contributions	6,525	22,152
340B revenue	1,725,082	1,338,610
Medical service income, net	194,312	165,610
Investment income (loss)	31,991	(15,519)
Income (loss) from charitable bingo	-	(6,899)
Other	<u>27</u>	<u>6,405</u>
Total support and revenue	3,215,400	2,422,713
<u>Expenses:</u>		
Program services		
Part C Ryan White	487,238	526,548
Part B Ryan White	471,442	211,163
Medical Clinic and 340B	1,067,858	919,908
Prevention and wellness	319,341	296,747
North Delta HSA	55,895	25,312
Southern AID Coalition	25,591	-
Broadway Cares	<u>3,006</u>	<u>3,784</u>
Total program services	<u>2,430,371</u>	<u>1,983,462</u>
Supporting services		
Management & general	<u>769,641</u>	<u>645,163</u>
Total supporting services	<u>769,641</u>	<u>645,163</u>
Total expenses	<u>3,200,012</u>	<u>2,628,625</u>
<u>Change in net assets without donor restrictions</u>	15,388	(205,912)
<u>Net assets-without donor restrictions at beginning of year</u>	<u>557,279</u>	<u>763,191</u>
<u>Net assets- without donor restrictions at end of year</u>	<u><u>572,667</u></u>	<u><u>557,279</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, 2019

	Program Services				Medical Clinic & 340B
	Part C Ryan White	Part B Ryan White Medical Services	TBRA	STRUMA	
Bank charges	-	-	-	-	-
Advertising	-	-	-	-	-
Continuing education	-	-	-	-	-
Cleaning	-	178	-	-	-
Miscellaneous	-	513	-	-	-
Office expense	-	-	-	-	-
Professional fees	-	-	-	-	-
Postage	-	42	-	-	-
Telephone	-	427	-	-	-
Utilities	-	793	-	-	-
Direct assistance:					
Food	-	90,775	-	-	-
Health support	39,915	70	-	-	525
HIV Clinic	20,820	-	-	-	-
Housing	-	4,127	83,522	6,510	-
Medicine	-	-	-	-	939,729
Transportation	-	74,056	-	-	-
Utilities	-	1,317	5,013	1,341	-
Other	-	-	-	-	-
Medical expense	-	2,367	-	-	42,227
Educational materials	-	-	-	-	-
Equipment rental	-	106	-	-	-
Equipment repairs	-	-	-	-	-
Insurance	-	606	-	-	-
Health insurance	24,026	26,009	-	-	-
Workman's compensation	-	-	-	-	-
Rent	-	3,253	-	-	-
Contract labor	65,914	100	-	-	85,377
Salaries and wages	305,171	153,267	-	-	-
Retirement	7,876	4,533	-	-	-
Payroll taxes	23,516	11,690	-	-	-
Travel	-	827	-	-	-
Training	-	-	-	-	-
Total expenses, year ended					
December 31, 2019	<u>487,238</u>	<u>375,056</u>	<u>88,535</u>	<u>7,851</u>	<u>1,067,858</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>New Southern</u>	<u>Total</u>	<u>Local</u>	<u>2019</u>
<u>OPH</u>	<u>GMWC</u>	<u>H.S.A</u>	<u>Cares</u>	<u>AIDS Coalition</u>			
-	-	-	-	-	-	2,015	2,015
-	3,222	-	-	23,526	26,748	3,970	30,718
-	-	-	-	-	-	580	580
60	60	-	-	-	298	10,294	10,592
-	2,082	-	-	1,478	4,073	37,024	41,097
-	859	56	-	587	1,502	30,679	32,181
-	-	-	-	-	-	108,244	108,244
14	14	-	-	-	70	2,346	2,416
142	142	299	-	-	1,010	18,633	19,643
265	265	-	-	-	1,323	14,721	16,044
-	-	-	-	-	90,775	350	91,125
-	17,381	-	-	-	57,891	(525)	57,366
-	-	-	-	-	20,820	28,668	49,488
-	-	-	1,392	-	95,551	(1,245)	94,306
-	127,520	-	-	-	1,067,249	(3,264)	1,063,985
-	-	-	-	-	74,056	6,458	80,514
-	-	-	1,614	-	9,285	229	9,514
-	-	-	-	-	-	-	-
-	291	-	-	-	44,885	5,579	50,464
8,906	-	-	-	-	8,906	-	8,906
35	35	-	-	-	176	8,807	8,983
-	-	-	-	-	-	168	168
202	202	-	-	-	1,010	23,629	24,639
-	9,027	4,005	-	-	63,067	16,922	79,989
-	-	-	-	-	-	2,421	2,421
1,084	1,084	-	-	-	5,421	87,527	92,948
-	-	-	-	-	151,391	25,820	177,211
16,130	114,650	36,170	-	-	625,388	293,263	918,651
-	3,133	1,085	-	-	16,627	7,607	24,234
1,292	8,925	2,426	-	-	47,849	24,942	72,791
1,040	1,279	11,854	-	-	15,000	13,580	28,580
-	-	-	-	-	-	199	199
<u>29,170</u>	<u>290,171</u>	<u>55,895</u>	<u>3,006</u>	<u>25,591</u>	<u>2,430,371</u>	<u>769,641</u>	<u>3,200,012</u>

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:					
Food	-	18,712	-	-	-
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	-	2,637	-	-	-
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	-	-	-
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>OPH</u>	<u>GMWC</u>	<u>H.S.A</u>	<u>Cares</u>	<u>Total</u>	<u>Local</u>	<u>2018</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
-	-	-	-	18,712	-	18,712
-	-	-	-	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	26,742	-	26,742
-	-	-	-	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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Cash flows from operating activities:</u>		
Changes in net assets	15,388	(205,912)
Adjustments to reconcile changes in net assets to net cash (used) by operating activities:		
(Gain) loss on investments	(26,733)	28,794
<i>(Increase) decrease in:</i>		
Grants receivable	(54,297)	(101,999)
340B receivable	(13,702)	13,690
Medical services accounts receivable, net	5,907	6,886
Inventories	(6,114)	(31,282)
Due from related party	3,055	(2,516)
<i>Increase (decrease) in:</i>		
Accounts payable	60,046	(29,011)
Accrued expenses	2,358	(48)
Net cash (used) by operating activities	(14,092)	(321,398)
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	291,763	160,000
Purchase of investments	(133,964)	(13,275)
Net cash provided by investing activities	157,799	146,725
<u>Net increase (decrease) in cash and cash equivalents</u>	143,707	(174,673)
<u>Cash and cash equivalents, beginning of year</u>	91,369	266,042
<u>Cash and cash equivalents, end of year</u>	235,076	91,369

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, 2019 AND 2018

1. Description of Organization

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

2. Summary of Significant Accounting Policies

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

Use of Estimates

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

Basis of Presentation

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of GO CARE. These net assets may be used at the discretion of GO CARE’s management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GO CARE or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

Functional Expenses

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

2. Summary of Significant Accounting Policies (Continued)

Programs

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

Ryan White Part C 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.

Federally Qualified Health Center Look-Alike (FQHC LAL)

GO CARE was issued a Notice of Look-Alike Designation on October 24, 2019 in connection with its application with the Bureau of Primary Health Care (BPHC) of the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (DHHS) to become designated as a Federally Qualified Health Center Look-Alike (FQHC LAL). The initial FQHC LAL designation period is from November 01, 2019 through April 30, 2023. The health center will be operated as Go Care Community Health Center. (GCCHC). As such, GCCHC provides accessible, comprehensive, and high-quality healthcare, behavioral health, and support services for people in an affirming and inclusive setting, with an emphasis on people

2. Summary of Significant Accounting Policies (Continued)

who are low-income and medically underserved, people who are LGBTQ+, and people who are living with HIV. Comprehensive healthcare services are provided to people spanning in age from pediatrics to geriatrics. Additionally, GCCHC has implemented a Sliding Fee Discount Program for individuals whose income is below 200% of the Federal Poverty Guidelines and who are uninsured or underinsured.

Cash and Cash Equivalents

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

Accounts Receivable

Medical Services

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 of 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.

2. Summary of Significant Accounting Policies (Continued)

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Grants Receivable

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

Inventories

Food card and stock medication inventories are stated at cost.

Economic Dependency

GO CARE receives over 38% of its support through federal government grant funding and another 54% 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 \$30,718 and \$12,679 for the years ended December 31, 2019 and 2018, 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. The effective date was delayed by one year due to the COVID-19 pandemic and will now be effective for fiscal years beginning after December 31, 2019. 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

2. Summary of Significant Accounting Policies (Continued)

- A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

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

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

3. Liquidity and Availability

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

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

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 235,076	\$ 91,369
Investments	130,726	261,792
Grants receivable	203,724	149,427
340B receivable	134,813	121,111
Medical services accounts receivable, net	<u>7,688</u>	<u>13,595</u>
	<u>\$ 712,027</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

At December 31, 2019, investments are thirteen publicly traded mutual funds, which consist of nine stock-based funds and four bond-based fund; and a money market fund. These investments are carried at fair value based on quoted prices in active markets on a trade-date basis and summarized as follows:

4. **Investments** (Continued)

	<u>As of December 31, 2019</u>			<u>As of December 31, 2018</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>126,728</u>	<u>130,726</u>	<u>3,998</u>	<u>262,018</u>	<u>261,792</u>	<u>(226)</u>

The primary investment objectives are liquidity and preservation of principal, while also earning a competitive market rate of return.

The investment return and its classification can be found in the statements of activities.

5. **Fair Value Measurements**

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

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
December 31, 2019		
Marketable securities	<u>130,726</u>	<u>130,726</u>
December 31, 2018		
Marketable securities	<u>261,792</u>	<u>261,792</u>

6. **Inventories**

Inventories at December 31, consisted of the following:

	<u>2019</u>	<u>2018</u>
Stock medications inventory	<u>30,321</u>	<u>27,057</u>
Food card inventory	<u>7,075</u>	<u>4,225</u>
Total	<u>37,396</u>	<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 2016 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. Beginning June 1, 2018, a new lease agreement was signed following the completion of improvements to additional space for expanded clinic operations, which is subject to automatic renewal and the monthly payment is \$7,746. The monthly lease payment of \$7,746 is effective for the initial term of June 1, 2018 – May 31, 2023. The rental expense relative to this lease was \$92,948 and \$79,164 for the years ended December 31, 2019 and 2018, respectively.

GO CARE leases two copy machines under operating leases expiring in 2020 and 2024. The rental expense under these leases was \$4,312 and \$936 for the years ended December 31, 2019 and 2018, respectively, including charges for copies in excess of contract amounts.

Future minimum rental commitments are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2020	96,606
2021	96,216
2022	96,216
2023	41,994
2024	1,360
Later years	-
	<u>332,392</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, 2019 and 2018 were \$24,234 and \$19,069, respectively.

11. Subsequent Events

Management evaluates events and transactions that occur after the balance sheet date but before the financial statements are made available. Management evaluated such events and transactions through September 21, 2020, the date for which financial statements were made available for distribution, and other than what is referenced below, noted no significant subsequent events as of this date.

Coronavirus Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on

11. Subsequent Events (Continued)

travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. It is unknown how long these conditions will last and what the financial effect will be to the Company.

Paycheck Protection Program

In April 2020, the Company received a \$184,000 loan under the Small Business Administration's Paycheck Protection Program (the "Program"). Loan proceeds are to be used to cover payroll expenses and certain other overhead expenses as defined by the Program. To the extent the Company is able to use the proceeds for qualified expenses, loan proceeds may be forgiven. Payments on any unforgiven loan proceeds are due monthly beginning six months from loan origination and bear interest at 1.0%. The loan matures in April 2022.

Program Changes

GCCHC entered into a new agreement commencing January 01, 2020 with Reliant Healthcare to stock prescription medications purchased at a discounted rate for the purpose of distribution to GCCHC patients being treated through its FQHC Look-Alike, HIV, and STD clinics. GCCHC 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 GCCHC to receive reimbursement for the cost of the medication sold as well as 72.50% of the gross profit from the sale of the medications.

SUPPLEMENTARY INFORMATION

GREATER OUACHITA COALITION
PROVIDING AIDS RESOURCES AND EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Department of Health and Human Services</u>		
Office of Public Health		
HIV Care Formula Grants	93.917	471,442
Office of Public Health		
HIV Prevention Activities – Health Department Based	93.940	29,170
Wellness Center Project	93.940	290,171
North Delta Human Services		
Substance Abuse Prevention and Treatment Block Grant	93.959	<u>55,895</u>
Total Pass Through Awards		846,678
<u>Department of Health and Human Services</u>		
Ryan White Part C Outpatient EIS Program	93.918	<u>487,238</u>
Total		<u><u>1,333,916</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, 2019

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, 2019. 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, 2019

Agency Head: Mark Windham

Salary and expense account	\$95,223
Benefits-insurance	5,373
Benefits-retirement	2,857
Travel	331
Conference travel	3,188

OTHER REPORTS

September 21, 2020

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, 2019, 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 September 21, 2020.

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.

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.

Heard, McElroy & Vestal, LLC

Monroe Louisiana

September 21, 2020

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, 2019. 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.

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, 2019.

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, 2019

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 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, 2019

Findings – Financial Statement Audit

None