

**SOUTHWEST LOUISIANA AIDS COUNCIL**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**Year Ended December 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Southwest Louisiana AIDS Council  
Lake Charles, Louisiana

I have audited the accompanying statements of Southwest Louisiana AIDS Council (a nonprofit Agency), 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 as listed in the table of contents.

### **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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Louisiana AIDS Council as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

I have previously audited the Southwest Louisiana AIDS Council's 2018 financial statements, and I expressed an unmodified opinion on those audited financial statements in my report dated June 24, 2019.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated December 28, 2020, on my consideration of Southwest Louisiana AIDS Council's internal control over financial reporting and on my 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 my 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 Southwest Louisiana AIDS Council's internal control over financial reporting and compliance.

## **Other Information**

My 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, and the Schedule of Compensation, Benefits and Other Payments, 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Steven M. DeRouen & Associates*

Lake Charles, Louisiana  
December 28, 2020

**Southwest Louisiana AIDS Council**  
**STATEMENT OF FINANCIAL POSITION**

**December 31, 2019**  
**with comparative totals for 2018**

**ASSETS**

	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 962,576	\$ 956,833
Cash restricted for capital projects	14,348	12,638
Grants receivable	219,376	344,017
Program Receivable	228,817	260,018
Other current assets	15,327	18,600
Deferred tax asset - federal	1,355	1,355
Total current assets	1,441,799	1,593,461
 <b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	121,252	120,836
Leasehold improvements	190,726	179,240
	311,978	300,076
Less accumulated depreciation	(204,224)	(176,171)
Net property and equipment	107,754	123,905
 <b>OTHER ASSETS</b>		
Other receivable	13,666	15,410
 <b>Total Assets</b>	\$ 1,563,219	\$ 1,732,776

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

**Southwest Louisiana AIDS Council**  
**STATEMENT OF FINANCIAL POSITION**

**December 31, 2019**  
**with comparative totals for 2018**

**LIABILITIES**

	<b>2019</b>	<b>2018</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 411,754	\$ 492,769
Payroll taxes payable	2,129	6,166
Compensated absences payable	34,811	34,811
Other accrued liabilities	5,491	9,333
Line of credit	120,000	-
Deferred support	-	3,750
Total current liabilities	574,185	546,829
 Total liabilities	 574,185	 546,829
 <b>NET ASSETS</b>		
Without donor restrictions	974,686	1,173,309
With donor restrictions	14,348	12,638
Total net assets	989,034	1,185,947
 <b>Total Liabilities and Net Assets</b>	 \$ 1,563,219	 \$ 1,732,776

**Southwest Louisiana AIDS Council**

**STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2019  
with comparative totals for 2018**

	<b>2019</b>			<b>2018</b>
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Government Grants	\$ 2,142,162	\$ -	\$ 2,142,162	\$ 1,823,000
340 B Program Income	2,221,132	-	2,221,132	2,241,936
Contributions	43,893	-	43,893	59,687
Non-Government Grants	7,415	-	7,415	150,627
Interest Income	3,961	-	3,961	4,822
Miscellaneous Income	18,847	-	18,847	7,378
Bingo revenues	598,605	14,348	612,953	432,251
Fund-raising/special events	-	-	-	(13)
Total revenues and gains	<u>5,036,015</u>	<u>14,348</u>	<u>5,050,363</u>	<u>4,719,688</u>
Net assets released from restrictions	12,638	(12,638)	-	-
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<u>5,048,653</u>	<u>1,710</u>	<u>5,050,363</u>	<u>4,719,688</u>
<b>EXPENSES AND LOSSES</b>				
Program service-community services	4,840,452	-	4,840,452	4,290,050
Management and general	45,224	-	45,224	49,766
Fund-raising/special events	1,078	-	1,078	9,106
Bingo	360,522	-	360,522	350,327
<b>TOTAL EXPENSES AND LOSSES</b>	<u>5,247,276</u>	<u>-</u>	<u>5,247,276</u>	<u>4,699,249</u>
<b>CHANGE IN NET ASSETS</b>	(198,623)	1,710	(196,913)	20,439
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,173,309</u>	<u>12,638</u>	<u>1,185,947</u>	<u>1,165,508</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 974,686</u>	<u>\$ 14,348</u>	<u>\$ 989,034</u>	<u>\$ 1,185,947</u>

**Southwest Louisiana AIDS Council**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended December 31, 2019  
with comparative totals for 2018**

	Program Services	Management and General	Fund Raising	Bingo	Total Program and Supporting Service Expense	
					2019	2018
Advertising and public relations	\$ 2,723	\$ 2,440	\$ -	\$ 7,750	\$ 12,913	\$ 11,005
Bank fees	769	431	-	738	1,938	2,612
Client Assistance	655,391	1,074	528	-	656,993	545,109
Cost of 340 B Program	1,805,895	-	-	-	1,805,895	1,569,437
Gaming Fees	-	-	-	67,528	67,528	72,969
Income tax expenses - current	-	-	-	19,986	19,986	17,792
Insurance	34,329	-	-	-	34,329	27,134
Interest expense	2,697	736	-	652	4,085	-
Miscellaneous	472	366	-	175	1,013	2,442
Office supplies	31,512	1,092	-	60	32,664	47,038
Medical services	291,193	-	-	-	291,193	299,906
Payroll taxes	100,567	444	-	6,578	107,589	103,762
Postage	1,884	102	-	-	1,986	1,803
Printing and publications	706	398	-	-	1,104	3,360
Professional fees	34,359	5,000	-	12,900	52,259	55,690
Program Food and Beverage	5,898	12,587	-	-	18,485	15,015
Program Supplies	0	-	-	-	-	875
Rent and occupancy	216,606	6,822	-	93,000	316,428	326,910
Equipment and computer maintenance	95,119	-	-	-	95,119	58,875
Salaries and benefits	1,442,239	4,155	-	82,279	1,528,673	1,354,710
Sponsored Events	12,018	1,616	550	-	14,184	20,840
Supplies	12,231	321	-	68,876	81,428	58,625
Taxes and licenses	197	-	-	-	197	-
Telephone and internet	16,213	-	-	-	16,213	12,918
Travel and transportation	49,382	7,640	-	-	57,022	67,633
Total before depreciation and other expense	4,812,400	45,224	1,078	360,522	5,219,224	4,676,460
Depreciation	28,052	-	-	-	28,052	22,789
<b>TOTAL EXPENSES</b>	<b>\$ 4,840,452</b>	<b>\$ 45,224</b>	<b>\$ 1,078</b>	<b>\$ 360,522</b>	<b>\$ 5,247,276</b>	<b>\$ 4,699,249</b>

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

**Southwest Louisiana AIDS Council**

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2019  
with comparative totals for 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (196,913)	\$ 20,439
Adjustments to reconcile change in net assets to net cash provided by (used) by operating activities		
Depreciation	28,052	22,789
(Increase) decrease in operating assets		
Grants receivable	124,641	(41,068)
Other current assets	3,273	(2,158)
Other receivable	1,744	1,673
Program receivable	31,201	(136,467)
Increase (decrease) in operating liabilities		
Accounts payable	(81,015)	146,890
Deferred support	(3,750)	-
Payroll tax payable	(4,037)	(9,927)
Accrued wages	-	9,092
Accrued liabilities	(3,842)	6,616
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(100,646)</b>	<b>17,879</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, equipment and improvements	(11,901)	(59,444)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(11,901)</b>	<b>(59,444)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Line of credit advances	120,000	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>120,000</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,453</b>	<b>(41,565)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>969,471</b>	<b>1,011,036</b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b>\$ 976,924</b>	<b>\$ 969,471</b>
Supplemental Disclosure for Cash Flow Information:		
Cash paid during year for interest	\$ 4,085	\$ -
Income tax paid during year	\$ 16,366	\$ 14,663

**Southwest Louisiana AIDS Council**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Southwest Louisiana AIDS Council have been prepared on the accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its audit guide for voluntary health and welfare organizations.

1. Agency and Purpose

Southwest Louisiana AIDS Council (SLAC) is a 501 (c) (3) Louisiana not-for-profit Agency founded in 1987 whose mission is: To provide education and prevention services to the public about HIV/AIDS prevention and to provide housing assistance, social and medical services to people living with HIV/AIDS in the region. SLAC provides services to the residents of five parishes of Allen, Beauregard, Calcasieu, Cameron and Jeff Davis.

SLAC is the Ryan White Part B and Housing Opportunities for People Living with AIDS (HOPWA) grantee, through the Louisiana Department of Health and Hospitals. SLAC also is the grantee for the Ryan White HIV/AIDS Program Part C, Early Intervention Services and Ryan White Part D Program, Coordinated HIV Services and Access to Research for Women, Infants and Children and Youth, (WICY), and has partnered with the Comprehensive Care Clinic (CCC) since 2000.

SLAC-CCC services include: counseling, testing and referral services (CTRS); linkage and navigation services; laboratory, primary medical and HIV care; psychiatry, mental health and substance use/addiction services; medical case management including high risk medical case management and non-medical case management with insurance enrollment; treatment adherence counseling and pharmacy services; nutrition assessments, nutrition therapy, and food pantries; oral health, refractive vision care, medical transportation, as well as peer support groups and small group therapy sessions. In addition, SLAC provides in-house training about HIV/AIDS to individuals and families, to faith-based and civic Agencies, in primary and secondary educational institutions as well as providing education programs and curriculum at health fairs, community forums, and through other events and activities.

The CCC Medical Director and SLAC Executive Director partner together to provide a comprehensive continuum of quality care for people living with HIV/AIDS in Southwest Louisiana by maximizing effective utilization of resources and by reducing duplication of services. Both entities have extensive knowledge and experience in the provision of HIV services and in federal, state and private grant management.

2. Basis of Presentation

Financial statement presentation follows the recommendations of the FASB ASU 2016-14, Financial Statements of Not-for-Profit Entities. Under FASB ASU 2016-14, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions include amounts that are not subject to usage restrictions on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. Net assets with

**Southwest Louisiana AIDS Council**  
**Notes to Financial Statements**  
**December 31, 2019**

donor restrictions include assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Agency. Certain restrictions may need to be maintained in perpetuity.

3. Cash and Cash Equivalent

For purposes of the Statements of Cash Flows, the Agency considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amount of assets and liabilities, 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.

5. Property and Equipment

The Agency follows the practice of capitalizing all furniture and fixtures acquired in excess of \$500. Donated fixed assets are recorded as support at their estimated fair value at the date of donation; all other fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation amounted to \$28,052 for the year ended December 31, 2019 and \$22,789 for December 31, 2018, based on an estimated useful life of five years for furniture, fixtures and equipment and fifteen years for leasehold improvements.

6. Concentration of Revenue and Support

A majority of the revenue for the Agency's programs is provided by, government grants (42%), the Agency's participation in the 340B program (44%), and bingo revenues (12%) and by various donors through contributions and fundraisers. If the Agency no longer held the bingo sessions, or no longer participated in the 340B Program, or there were significant reductions in amounts received in funding or by donors, the operations of the Agency could be adversely impacted.

7. Restricted and Unrestricted Revenue Support

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restriction.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

**Southwest Louisiana AIDS Council**  
**Notes to Financial Statements**  
**December 31, 2019**

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

8. Advertising Costs

Advertising costs are charged to operations when incurred. For the year ended December 31, 2019, the Agency incurred \$12,913 and \$11,005 for December 31, 2018 in publicity and promotion costs.

9. Contributed Goods and Services

A substantial number of volunteers have donated significant amounts of their time to the Agency and its various programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

10. Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

**NOTE B - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Agency in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term unconditional promises to give, and accruals: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Short-term investments: The fair value of investments is based on quoted market prices for those similar investments.

**NOTE C - FUNCTIONAL ALLOCATION OF EXPENSES**

Expenses were allocated in the accompanying financial statements to program and support services functional expense groups. The methods of allocation were based on the Agency's estimates of the relative proportion of various staff members' time and effort between program and support services as well as the Agency's estimates of the amount of each expense utilized for program or support service functions.

**Southwest Louisiana AIDS Council  
Notes to Financial Statements  
December 31, 2019**

**NOTE D - RETIREMENT PLAN**

The Agency adopted and participates in a Simplified Employee Pension Plan (SEP) that covers all full-time employees fulfilling the eligibility requirements set by the plan underwriter. The Agency’s contribution rate to the plan is 4% of eligible gross wages. Total contributions to the plan for the year ended December 31, 2019 were \$38,016 and \$36,356 for December 31, 2018.

**NOTE E - INCOME TAXES**

Southwest Louisiana AIDS Council was incorporated under the laws of the state of Louisiana. The Agency is operated exclusively for charitable services and has qualified for the exemption from Federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. In addition, the Agency has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code. The Agency is subject to income tax on unrelated business income which includes the net pull tab profit received from the bingo operations. Income tax amounted to \$19,986 for the year ended December 31, 2019 and \$17,792 for December 31, 2018. Southwest Louisiana AIDS Council is required to file the applicable Form 990, *Return of Agency Exempt from Income Tax*, and Form 990-T, *Exempt Agency Business Income Tax Return*. The Agency believes that has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Returns are subject to examination by the IRS, generally for three years after they are filed.

**NOTE F – WITH DONOR RESTRICTIONS GRANTS/ ENDOWMENT FUND**

With donor restrictions net assets consist of the Slade-Stewart endowment fund. Donations, so designated, are to be segregated in a bank account and be utilized for capital projects of the agency.

Balance January 1, 2019	\$ 12,638
Contributions received	1,710
Expended for capital improvements	<u>-0-</u>
Balance December 31, 2019	<u>\$ 14,348</u>

**NOTE G - COMPENSATED ABSENCES**

Annual and sick leave is earned by each full-time and each part-time associate, temporary employees are not entitled to annual paid leave or sick leave. Annual leave for the preceding year must be used within three months following the completion of the year of its accrual. Failure to use the annual leave by this date results in the employee’s forfeiture of the unused amount of annual leave. Any unused sick leave is forfeited by the employee at their time of resignation or retirement.

**Southwest Louisiana AIDS Council**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE H – 340 B PROGRAM**

The Agency participates in the 340B Prescription Drug Program. Income and expenses for the program were as follows for the year ended December 31, 2019:

	2019
Program income	\$ 2,221,132
Cost of medications sold	<u>1,371,920</u>
Gross profit	849,212
Management fees and other	<u>433,854</u>
Net margin	\$ 415,358

**NOTE I - LEASES**

The Agency leases its office facility under a five-year lease agreement with Ribbons of Hope, Inc.. The lease began on April 1, 2015 and is for a term of five years. The lease has ten five year options to extend the lease. The lease is a non-cancelable operating lease agreement. The base rent is equal to the mortgage note payable by the lessor on the leased premises or ten thousand dollars, whichever is greater. The following is a schedule of future minimum rental payments under this lease agreement:

Year ending December 31:

2020	\$ 125,992
2021	\$ 41,997

**NOTE J – RELATED PARTY TRANSACTIONS**

The lease described in Note I above was executed with Ribbons of Hope, Inc. The Executive Director of the Agency is a non-voting attendee at Ribbons of Hope, Inc. board meetings. The Treasurer of the Agency's Board of Directors also serves as the President of Ribbons of Hope Inc. The Agency owed \$203,400 to Ribbons of Hope, Inc. as of December 31, 2019 and \$203,400 as of December 31, 2018, for rent.

**Southwest Louisiana AIDS Council  
Notes to Financial Statements  
December 31, 2019**

**NOTE K – CASH AND CASH EQUIVALENTS**

The Agency maintains the following cash accounts:

		December 31, 2019
Petty Cash Accounts	\$	1,955
Operating Account		284,191
Operating Gaming		36,001
Cash on Hand Gaming		6,500
Savings Board Reserved		609,640
Endowment Fund		24,289
	\$	962,576

**NOTE L - CONCENTRATION OF RISK**

Southwest Louisiana AIDS Council maintains cash balances at several financial institutions located in Southwest Louisiana. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC), based on balances and interest rate terms. Amounts held in financial institutions occasionally are in excess of Federal Deposit Insurance Corporation limits. The Agency deposits its cash with high quality financial institutions, and management believes the Agency is not exposed to significant credit risk on those amounts.

**NOTE M – LINE OF CREDIT**

The Agency has a revolving line of credit with Iberia Bank for \$150,000 at a variable rate of interest. The maturity date on the line of credit is August 2021. As of December 31, 2019, the Agency owed \$120,000 on the line of credit.

**NOTE N – GRANTS RECEIVABLE**

Grants receivable consisted of amounts due from state and federal agencies passed through the State of Louisiana, Department of Health and Hospitals. The balance at December 31, 2019 was \$219,376 and \$344,017 at December 31, 2018.

**NOTE O - SUBSEQUENT EVENT**

The Agency evaluated its December 31, 2019 financial statements for subsequent events through the date of the audit report, the date the financial statements were available to be issued. The Agency is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**Southwest Louisiana AIDS Council**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE P – QUANTITATIVE AND QUALITATIVE LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Agency’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the board of directors approves that action.

	<b>2019</b>
Current assets	1,441,799
Subtract: cash restricted for capital projects	( 14,348)
Subtract: deferred asset	( 1,355)
Subtract: board-designated operating reserves	<u>(609,640)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 816,456</u>

**Southwest Louisiana AIDS Council**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2019**

<u>Program Title</u>	<u>CFDA Number</u>	<u>Year</u>	<u>Program Revenues</u>	<u>Program Expenditures</u>
U. S. Department of Health and Human Services				
Direct Programs:				
Outpatient Early Intervention Services with Respect to HIV Disease (Ryan White HIV/AIDS Part C)	93.918	1/1/19 - 12/31/19	\$ 653,969	\$ 653,969
Coordinated Services and Access for Women, Infants, Children and Youth (Ryan White HIV/AIDS Part D)	93.153	1/1/19 - 12/31/19	500,376	500,376
Passed-through the State of Louisiana :				
Department of Health and Hospitals Office of Public Health HIV Care Formula Grants (Ryan White HIV/AIDS Part B)	93.917	1/1/19 - 12/31/19	364,495	364,495
Passed-through Rutgers University :				
Department of Health and Hospitals HRSA :HIV/AIDS Bureau	93.928	1/1/19 - 12/31/19	149,066	149,066
Passed-through Boston University :				
Department of Health and Hospitals National Training and Technical Assistance	93.914	1/1/19 - 12/31/19	54,702	54,702
Department of Health and Hospitals Office of Public Health Housing Opportunities for Persons with AIDS	14.241	1/1/19 - 12/31/19	<u>419,554</u>	<u>419,554</u>
Total federal assistance			<u>\$ 2,142,162</u>	<u>\$ 2,142,162</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Southwest Louisiana AIDS Council and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 of U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Certain costs have been allocated to the federal program in accordance with OMB Circular A-122, *Cost Principles of Non-Profit Organizations*. The amounts presented in this schedule do not differ from the amounts presented in, or used in the preparation of the financial statements.

Southwest Louisiana Aids Council has elected not to use the 10 percent de minimis cost rate as allowed under Uniform Guidance.

**Southwest Louisiana AIDS Council**

**Schedule of Compensation, Benefits and Other Payments to Executive Director**

**Paid from Public Funds**

**December 31, 2019**

**Agency Head Name: Terry Estes, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	68,034
Benefits-health insurance	9,128
Benefits-retirement	2,721
Benefits-Life, ADD, LTD	122
Car allowance	0
Vehicle provided by government	0
Per diem for out of town meals	787
Reimbursements – Auto Mileage Reimb	0
Travel	0
Registration fees	682
Conference travel	4,859
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	73

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## **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***

Board of Directors  
Southwest Louisiana AIDS Council  
Lake Charles, LA

I 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 Southwest Louisiana AIDS Council (a nonprofit Agency), 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 my report thereon dated December 28, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Southwest Louisiana AIDS Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwest Louisiana AIDS Council's internal control. Accordingly, I do not express an opinion on the effectiveness of Southwest Louisiana AIDS Council'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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Southwest Louisiana AIDS Council's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Steven M. DeRouen & Associates*

Lake Charles, Louisiana  
December 28, 2020

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

Board of Directors  
Southwest Louisiana AIDS Council  
Lake Charles, LA

### **Report on Compliance for Each Major Federal Program**

I have audited Southwest Louisiana AIDS Council'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 Southwest Louisiana AIDS Council's major federal programs for the year ended December 31, 2019. Southwest Louisiana AIDS Council'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***

My responsibility is to express an opinion on compliance for each of Southwest Louisiana AIDS Council's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Southwest Louisiana AIDS Council's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Southwest Louisiana AIDS Council's compliance.

### ***Opinion on Each Major Federal Program***

In my opinion, Southwest Louisiana AIDS Council 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 Southwest Louisiana AIDS Council 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 Southwest Louisiana AIDS Council'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, I do not express an opinion on the effectiveness of Southwest Louisiana AIDS Council'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.

My 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 my 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.

Steven M. DeRouen & Associates

Lake Charles, Louisiana  
December 28, 2020

**Southwest Louisiana AIDS Council**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2019**

**Section I – Summary of Auditor’s Results**

1. The auditors’ report expresses an unmodified opinion on the financial statements of the Southwest Louisiana AIDS Council.
2. There were no significant deficiencies in internal control required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
3. There were no material weaknesses in internal control required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
4. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.
5. There were no significant deficiencies in internal control over major federal award programs required to be disclosed by the Uniform Guidance.
6. The auditors’ report on compliance for the major federal award programs for the Southwest Louisiana AIDS Council expresses an unmodified opinion on all major federal programs.
7. The audit disclosed no findings required to be reported in accordance with the Uniform Guidance.
8. The programs tested as a major program included:
  - Coordinated Services and Access to Research for Women, Infants, Children and Youth - CFDA 93.153
  - Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease - CFDA 93.918
9. The threshold for distinguishing Type A and B programs was \$750,000.
10. The Southwest Louisiana AIDS Council was determined to be a low risk auditee as defined by Uniform Guidance.

**Section II – Findings related to financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:**

There were no current year findings.

**Section II – Findings and questioned costs for federal awards which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance):**

There were no current year findings.

**Southwest Louisiana AIDS Council  
SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2018**

**NONE REPORTED**