

**AIDS RESOURCE CENTER OF WISCONSIN, INC.  
AND AFFILIATES**

Milwaukee, Wisconsin

CONSOLIDATED FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended August 31, 2019 and 2018

# AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

## TABLE OF CONTENTS As of and for the Years Ended August 31, 2019 and 2018

---

<b>Independent Auditors' Report</b>	1 - 2
<b>Financial Statements</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Consolidated Statements of Functional Expenses	6 - 7
Notes to Consolidated Financial Statements	8 - 22
<b>Other Independent Auditors' Reports</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	23 - 24
Report on Compliance for Each Major Federal and Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State     Single Audit Guidelines</i>	25 - 26
<b>Supplemental Information</b>	
Schedule of Expenditures of Federal and State Awards	27 - 30
Notes to Schedule of Expenditures of Federal and State Awards	31
Schedule of Findings and Questioned Costs	32 - 33
Summary Schedule of Prior Audit Findings	34
Schedule of Functional Revenue and Expenses - Milwaukee County	35
Schedule of Functional Revenue and Expenses - State of Wisconsin	36
Schedule of Functional Revenue and Expenses - City of Milwaukee	37
Schedule of Revenue and Expenses by Funding Source and by Contract - Dane County	38 - 42
Settlement of DHS Cost Reimbursement Awards	43 - 46

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
AIDS Resource Center of Wisconsin, Inc. and Affiliates  
Milwaukee, Wisconsin

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

We have audited the accompanying consolidated financial statements of AIDS Resource Center of Wisconsin, Inc. and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of August 31, 2019 and 2018, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of August 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.

## **Emphasis of Matter**

As discussed in Note 2 to the consolidated financial statements, the Organization adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, schedule of functional revenue and expenses - Milwaukee County, schedule of functional revenue and expenses - State of Wisconsin, schedule of functional revenue and expenses - City of Milwaukee, schedule of revenue and expenses by funding source and by contract - Dane County, and Settlement of DHS Cost Reimbursement Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 December 10, 2019 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
December 10, 2019

# AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As of August 31, 2019 and 2018

<b>ASSETS</b>		
	2019	2018
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 18,574,701	\$ 14,080,231
Contributions receivable, net	2,032,791	796,737
Accounts and grants receivable, net	9,879,130	7,241,810
Inventory	2,605,601	2,099,923
Prepaid expenses	520,540	342,011
Total Current Assets	33,612,763	24,560,712
<b>PROPERTY AND EQUIPMENT, NET</b>	5,510,078	4,367,915
<b>OTHER ASSETS</b>		
Contributions receivable, net current portion	248,571	27,660
HUD restricted escrow and other assets	51,994	38,154
Investments	9,436,994	7,225,911
Total Other Assets	9,737,559	7,291,725
<b>TOTAL ASSETS</b>	\$ 48,860,400	\$ 36,220,352
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,214,662	\$ 1,764,152
Accrued expenses	1,495,449	1,102,128
Other current liabilities	8,631	987
Capital advance	680,090	-
Total Current Liabilities	4,398,832	2,867,267
<b>LONG-TERM LIABILITIES</b>		
Deferred compensation obligation	80,914	76,458
Capital advance	-	680,090
Total Long-Term Liabilities	80,914	756,548
Total Liabilities	4,479,746	3,623,815
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	23,370,714	17,101,512
Board designated	13,200,032	10,312,500
Property and equipment less related debt	4,829,988	3,687,825
Total Net Assets Without Donor Restrictions	41,400,734	31,101,837
With donor restrictions	2,979,920	1,494,700
Total Net Assets	44,380,654	32,596,537
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 48,860,400	\$ 36,220,352

See accompanying notes to consolidated financial statements.

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### CONSOLIDATED STATEMENTS OF ACTIVITIES For the Years Ended August 31, 2019 and 2018

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>REVENUE</b>						
Government grants	\$ 17,397,989	\$ -	\$ 17,397,989	\$ 13,055,841	\$ -	\$ 13,055,841
Grants and public support	1,104,289	2,266,952	3,371,241	1,137,550	744,237	1,881,787
Special events						
Special events revenue	1,169,733	-	1,169,733	970,008	-	970,008
Special events expense	(683,415)	-	(683,415)	(581,555)	-	(581,555)
Contractual partnerships	436,217	-	436,217	338,157	-	338,157
Reimbursement for services and pharmacy	101,773,981	-	101,773,981	84,401,414	-	84,401,414
Other income	63,881	28,255	92,136	150,721	70,569	221,290
Net assets released from restriction	809,987	(809,987)	-	251,064	(251,064)	-
Total Revenue	<u>122,072,662</u>	<u>1,485,220</u>	<u>123,557,882</u>	<u>99,723,200</u>	<u>563,742</u>	<u>100,286,942</u>
<b>EXPENSES</b>						
Clinical and program services						
Medical center	10,938,612	-	10,938,612	9,184,067	-	9,184,067
Pharmacy	75,760,152	-	75,760,152	64,106,185	-	64,106,185
Social services and other	11,911,661	-	11,911,661	7,880,918	-	7,880,918
Prevention services	5,075,878	-	5,075,878	4,454,588	-	4,454,588
Management and general	7,771,571	-	7,771,571	5,643,778	-	5,643,778
Fundraising	971,918	-	971,918	795,971	-	795,971
Total Expenses	<u>112,429,792</u>	<u>-</u>	<u>112,429,792</u>	<u>92,065,507</u>	<u>-</u>	<u>92,065,507</u>
Change in Net Assets Related to Operations	9,642,870	1,485,220	11,128,090	7,657,693	563,742	8,221,435
Other change in net assets						
Inherent contribution from acquisition of St. Louis Effort for AIDS, Inc.	656,027	-	656,027	-	-	-
<b>CHANGE IN NET ASSETS</b>	10,298,897	1,485,220	11,784,117	7,657,693	563,742	8,221,435
NET ASSETS - Beginning of Year	<u>31,101,837</u>	<u>1,494,700</u>	<u>32,596,537</u>	<u>23,444,144</u>	<u>930,958</u>	<u>24,375,102</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 41,400,734</u>	<u>\$ 2,979,920</u>	<u>\$ 44,380,654</u>	<u>\$ 31,101,837</u>	<u>\$ 1,494,700</u>	<u>\$ 32,596,537</u>

See accompanying notes to consolidated financial statements.

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### CONSOLIDATED STATEMENTS OF CASH FLOWS For the Years Ended August 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 11,784,117	\$ 8,221,435
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,183,587	898,917
Gain on disposal of property and equipment	-	(300)
Deferred compensation	4,456	34,189
Inherent contribution from acquisition of St. Louis Effort for AIDS, Inc.	(656,027)	-
Net unrealized gain on investments	(99,225)	(23,753)
Changes in operating assets and liabilities		
Contributions receivable	(1,456,965)	67,673
Accounts and grants receivable	(2,235,001)	319,939
Inventory	(505,678)	(505,651)
Prepaid expenses	(164,909)	37,060
Change in deposits and HUD restricted escrow	(13,840)	21,721
Accounts payable	521,427	80,973
Accrued expenses	388,293	(175,194)
Other current liabilities	7,644	(167)
Net Cash Flows from Operating Activities	8,757,879	8,976,842
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(2,396,667)	(766,131)
Proceeds from disposal of property and equipment	-	300
Purchase of investments	(2,111,858)	(6,307,702)
Cash acquired from acquisition of St. Louis Effort for AIDS, Inc.	245,116	-
Net Cash Flows from Investing Activities	(4,263,409)	(7,073,533)
<b>Net Change in Cash and Cash Equivalents</b>	4,494,470	1,903,309
CASH AND CASH EQUIVALENTS - Beginning of Year	14,080,231	12,176,922
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 18,574,701	\$ 14,080,231
 Noncash investing and financing activities		
Purchase of property and equipment financed with accounts payable	\$ -	\$ 70,917
Acquisition of St. Louis Effort for AIDS, Inc. assets and liabilities	\$ 410,911	\$ -

See accompanying notes to consolidated financial statements.

**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended August 31, 2019

	<u>Medical Center</u>	<u>Pharmacy</u>	<u>Social Services and Other</u>	<u>Prevention Services</u>	<u>Total Clinical and Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 5,189,455	\$ 2,569,139	\$ 5,386,423	\$ 2,041,158	\$ 15,186,175	\$ 3,267,023	\$ 537,479	\$ 18,990,677
Payroll taxes	374,681	186,770	412,203	153,833	1,127,487	161,599	37,837	1,326,923
Employee benefits	<u>886,966</u>	<u>460,758</u>	<u>1,209,623</u>	<u>478,647</u>	<u>3,035,994</u>	<u>635,673</u>	<u>60,890</u>	<u>3,732,557</u>
Total personnel expenses	6,451,102	3,216,667	7,008,249	2,673,638	19,349,656	4,064,295	636,206	24,050,157
Pharmacy cost of sales	-	71,454,008	-	-	71,454,008	-	-	71,454,008
Contracted program services	1,112,020	-	816,171	191,760	2,119,951	16,500	-	2,136,451
Client and patient assistance	103,746	-	1,909,041	4,351	2,017,138	-	3,000	2,020,138
Program materials	238,210	9,515	45,791	1,373,145	1,666,661	5,666	-	1,672,327
Patient medications and laboratory	1,197,539	-	-	-	1,197,539	-	-	1,197,539
Employee travel and education	137,494	42,759	182,941	131,746	494,940	161,717	17,029	673,686
Office and insurance	152,359	438,951	215,568	96,813	903,691	587,781	51,846	1,543,318
Professional services	364,212	11,700	80,785	22,124	478,821	1,623,574	88,404	2,190,799
Repairs and maintenance	129,167	33,318	209,066	72,960	444,511	90,489	13,948	548,948
Occupancy	453,790	96,505	798,689	258,408	1,607,392	150,672	48,827	1,806,891
Depreciation	382,569	73,513	439,027	169,242	1,064,351	89,490	29,746	1,183,587
Information technology	165,984	96,534	169,456	58,215	490,189	228,297	48,290	766,776
Other expenses	<u>50,420</u>	<u>286,682</u>	<u>36,877</u>	<u>23,476</u>	<u>397,455</u>	<u>753,090</u>	<u>34,622</u>	<u>1,185,167</u>
Total Expenses	<u>\$ 10,938,612</u>	<u>\$ 75,760,152</u>	<u>\$ 11,911,661</u>	<u>\$ 5,075,878</u>	<u>\$ 103,686,303</u>	<u>\$ 7,771,571</u>	<u>\$ 971,918</u>	<u>\$ 112,429,792</u>

See accompanying notes to consolidated financial statements.



**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended August 31, 2018

	<u>Medical Center</u>	<u>Pharmacy</u>	<u>Social Services and Other</u>	<u>Prevention Services</u>	<u>Total Clinical and Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 4,386,927	\$ 1,834,513	\$ 3,754,940	\$ 1,468,218	\$ 11,444,598	\$ 2,694,565	\$ 466,809	\$ 14,605,972
Payroll taxes	310,503	130,803	275,969	110,801	828,076	155,965	31,889	1,015,930
Employee benefits	<u>766,863</u>	<u>316,018</u>	<u>855,039</u>	<u>328,707</u>	<u>2,266,627</u>	<u>492,089</u>	<u>46,704</u>	<u>2,805,420</u>
Total personnel expenses	5,464,293	2,281,334	4,885,948	1,907,726	14,539,301	3,342,619	545,402	18,427,322
Pharmacy cost of sales	-	60,923,141	-	-	60,923,141	-	-	60,923,141
Contracted program services	1,006,372	-	69,029	337,644	1,413,045	-	-	1,413,045
Client and patient assistance	82,757	-	1,293,090	4,320	1,380,167	-	-	1,380,167
Program materials	122,155	2,821	38,831	1,571,443	1,735,250	2,726	-	1,737,976
Patient medications and laboratory	1,021,839	-	-	-	1,021,839	-	-	1,021,839
Employee travel and education	144,676	29,721	108,722	90,497	373,616	88,663	12,661	474,940
Office and insurance	112,954	335,146	152,227	71,648	671,975	409,215	44,158	1,125,348
Professional services	307,699	32,933	41,893	1,850	384,375	863,442	38,237	1,286,054
Repairs and maintenance	177,775	48,936	226,076	89,865	542,652	69,747	19,986	632,385
Occupancy	324,487	104,180	520,402	176,559	1,125,628	124,067	15,932	1,265,627
Depreciation	292,395	51,836	337,125	133,895	815,251	57,031	26,635	898,917
Information technology	87,928	85,556	185,783	65,117	424,384	208,892	46,372	679,648
Other expenses	<u>38,737</u>	<u>210,581</u>	<u>21,792</u>	<u>4,024</u>	<u>275,134</u>	<u>477,376</u>	<u>46,588</u>	<u>799,098</u>
Total Expenses	<u>\$ 9,184,067</u>	<u>\$ 64,106,185</u>	<u>\$ 7,880,918</u>	<u>\$ 4,454,588</u>	<u>\$ 85,625,758</u>	<u>\$ 5,643,778</u>	<u>\$ 795,971</u>	<u>\$ 92,065,507</u>

See accompanying notes to consolidated financial statements.

# AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

---

### **NOTE 1 - Organization, Nature of Activities and Basis of Consolidation**

---

The AIDS Resource Center of Wisconsin, Inc. and Affiliates (the "Organization") is a provider of HIV health care, social services and prevention services in the States of Wisconsin, Colorado and Missouri. The ARCW Medical Center has been designated by the Centers for Medicare and Medicaid as the nation's only HIV Medical Home with integrated medical, dental, mental health, pharmacy and social services for all people with HIV disease. The Organization operates in Denver, Colorado, St. Louis, Missouri and throughout Wisconsin with locations in Appleton, Beloit, Eau Claire, Green Bay, La Crosse, Kenosha, Madison, Milwaukee, Schofield/Wausau and Superior.

The consolidated financial statements include the accounts of AIDS Resource Center of Wisconsin, Inc. ("ARCW") and the following entities: Milwaukee AIDS Housing Corporation, Inc. ("MAHC"), ARCW Pharmacy, LLC ("ARCW Pharmacy"), CARES Pharmacy, LLC ("CARES Pharmacy"), AMC Pharmacy, LLC ("EFA Pharmacy"), and ARCW Endowment Fund, Inc (the "Endowment"). MAHC is registered under Section 811 of the National Affordable Housing Act of 1990. The three pharmacies were created exclusively for HIV patients as limited liability companies and are solely owned by ARCW. ARCW is the sole corporate member of MAHC and the Endowment. All significant intercompany transactions and accounts are eliminated.

---

### **NOTE 2 - Summary of Significant Accounting Policies**

---

#### *Basis of Accounting*

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

#### *Basis of Presentation*

The Organization is required to report information regarding its net assets and its activities on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization are classified and reported in the following two classes:

**Without Donor Restriction** - Net assets that are not subject to donor-imposed stipulations.

**With Donor Restriction** - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization or passage of time. Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

#### *Board Designated Net Assets*

The Organization's Board of Directors has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. See Note 16 for more information regarding the amount and purpose of board designated net assets of the Organization.

# AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

---

### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

---

#### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Risks and Uncertainties*

The Organization invests in various investment securities, which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in these consolidated financial statements.

#### *Tax-Exempt Status*

ARCW, MAHC, and the Endowment are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, ARCW, MAHC, and the Endowment qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations under section 509(a)(2). ARCW, MAHC, and the Endowment are also exempt from Wisconsin income taxes.

#### *Cash and Cash Equivalents*

For purposes of the consolidated financial statements, cash and cash equivalents including short-term investments include all highly liquid debt instruments with original maturities of three months or less.

#### *Concentration of Credit Risk*

The Organization maintains cash accounts, various certificates of deposit and money market accounts at a financial institution. Deposits with the financial institutions are insured by the Federal Deposit Insurance Corporation in the amount of \$250,000 per official custodian. The Organization's cash deposits, certificates of deposit and money market balances may exceed these federally insured limits at times during the year. The Organization has not experienced any losses on these accounts and management believes the Organization is not exposed to any significant credit risk.

#### *Contributions Receivable*

Contributions made to the Organization are recorded in the year the unconditional promise is made. Any contributions that are expected to be collected after one year are discounted and are reflected in the consolidated financial statements at their net present value. The allowance for uncollectible contributions is based on previous experiences, adjusted for current conditions.

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

---

#### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

---

##### *Accounts and Grants Receivable*

Accounts and grants receivable consist of reimbursement for medical, dental, mental health and medical home services as well as case management services. The Organization has agreements with third-party payors that provide for reimbursement at amounts which vary from its established rates. Revenue for services to patients covered under the Medicare and Medicaid programs is reimbursed based on rates established by the federal and state governments, respectively. In addition, accounts and grants receivable include reimbursement for pharmacy services and pharmaceuticals. Accounts and grants receivable are recorded net of contractual allowances, patient subsidies, and estimated uncollectible amounts. Management of the Organization reviews the collectibility of accounts and grants receivable on an ongoing basis based on previous experience and the current status of the receivables. Accounts and grants receivable are written off against the allowance when deemed uncollectible.

##### *Inventory*

Inventory is comprised of pharmaceuticals held at the ARCW Pharmacy, CARES Pharmacy, and EFA Pharmacy. Inventory is valued at the lower of cost, determined using the average cost method, or market.

##### *Property and Equipment*

Property and equipment is recorded at cost if purchased and at fair value at date of the gift if donated. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the remaining lease term or the estimated useful life of the asset. All acquisitions of equipment in excess of \$5,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred.

##### *Impairment of Long-Lived Assets*

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of the asset. To date, there have been no such losses.

##### *Investments*

The Organization has engaged professional investment advisors to manage its portfolio. The Organization's investments are stated at fair value based upon quoted market prices, when available, or estimates of fair value. The Board of Directors has provided the firm with guidelines consistent with a socially responsible prudent investment policy and the conservative nature of the Organization. Gains and losses that result from market fluctuations are recorded in the period in which the fluctuation occurs.

Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation).

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended August 31, 2019 and 2018

---

### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

---

#### *Fiscal Agent*

The Organization acts as a fiscal agent for the Latino Health Council. The Organization coordinates the financial activities on behalf of the Latino Health Council through receipt and disbursement of funds. Cash receipts in excess of disbursements are reflected in accounts payable in the consolidated statements of financial position.

#### *Revenue Recognition*

Funds due from government grants are recognized as revenue in the accounting period in which the revenue is earned. Unconditional contributions, including promises receivable, are recognized in the period received and are considered available for the Organization's general programs unless specifically restricted by the donor. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

The Organization reports gifts of cash and other assets as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or are designated for future periods. Contributions received with restrictions that are met in the same reporting period are reported as contributions without donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Certain clinical and program services are billed to third-party payors, including insurance companies, managed care plans, and governmental payors. Reimbursements for services are recognized when the services are delivered. Revenue is recorded net of estimated differences between charges and amounts expected to be collected from third-party payors.

#### *Advertising Costs*

The Organization uses advertising to promote its programs and special events and for recruiting employees. The costs of communicating advertisements are expensed as the items or services are received. Advertising costs recognized by the Organization were \$510,920 and \$188,365 for the years ended August 31, 2019 and 2018, respectively.

#### *Expense Allocation*

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Expenses are directly charged throughout the year to the appropriate program or supporting service. Certain costs, such as personnel expenses have been allocated based on time and effort of employees. Expenses such as occupancy, depreciation, and information technology are allocated based on full-time equivalents within departments.

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended August 31, 2019 and 2018

---

### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

---

#### *Measure of Operations*

The consolidated statements of activities include change in net assets related to operations that represents the results of operations. Other activities which are excluded from change in net assets related to operations include activities incidental to the operations of the Organization including the inherent contribution from the acquisition of St. Louis Effort for AIDS, Inc.

#### *Change in Accounting Principle*

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted ASU No. 2016-14 in 2019 and has applied the changes retrospectively to all periods presented, except for the disclosures around liquidity and availability of resources. These disclosures have been presented for 2019 only as allowed by ASU No. 2016-14. The new standard changes the following aspects of the consolidated financial statements:

- > The unrestricted net asset class has been renamed net assets without donor restrictions
- > The temporarily restricted and permanently restricted net asset classes have been renamed net assets with donor restrictions
- > The consolidated financial statements include disclosures about liquidity and availability of resources (Note 3)
- > Expenses within the consolidated statements of activities and consolidated statements of functional expenses were reclassified to apply the clarified guidance

#### *New Accounting Pronouncements*

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. Additional updates defer the effective date of ASU No. 2014-09, clarify the implementation guidance on principal versus agent considerations, clarify the identification of performance obligations and the licensing implementation guidance. ASU No. 2014-09 (as amended) is effective for annual periods beginning after December 15, 2018 (2020). The changes may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. Management is currently assessing the effect that ASU No. 2014-09 (as amended) will have on its consolidated financial statements.

In June 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in ASU No. 2018-08 should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU No. 2018-08 is effective for contributions received during annual periods beginning after December 15, 2018 (2020) and contributions made during annual periods beginning after December 15, 2019 (2021). Management is currently assessing the effect that ASU No. 2018-08 will have on its consolidated financial statements.

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

---

#### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

---

In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This standard will require cash flow statements to explain the change during a reporting period of the totals for cash, cash equivalents, restricted cash, and restricted cash equivalents. Amounts reported as restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The update also includes a requirement that the footnotes to the financial statements explain the nature of the restrictions. The Organization will be required to apply the standard for annual periods beginning after December 15, 2018 (2020). Management is currently assessing the effect that ASU No. 2016-18 will have on its consolidated financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02") that amends the treatment for leases. The new accounting model for leases capitalizes all leases greater than twelve months, both capital and operating, as assets and liabilities on the statement of financial position. In November 2019, FASB issued ASU No. 2019-10, *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, which delays the effective date of ASU No. 2016-02 one year for certain entities. The Organization will be required to apply the standard for fiscal years and reporting periods beginning after December 15, 2020 (2022). Early adoption is permitted. Management is currently evaluating the impact of ASU No. 2016-02 on the Organization's consolidated financial statements.

#### *Subsequent Events*

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through December 10, 2019, the date on which the consolidated financial statements were available to be issued.

---

#### **NOTE 3 - Availability of Financial Assets**

---

The following represents the Organization's financial assets at August 31, 2019:

Cash and cash equivalents	\$ 18,574,701
Contributions receivable, net	2,032,791
Accounts and grants receivable, net	9,879,130
Less: Cash and cash equivalents held for others	(37,158)
Less: Net assets with donor restrictions	(2,979,920)
Less: Board designated net assets	<u>(13,200,032)</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 14,269,512</u>
---	----------------------

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. If needed, the Board designated funds of \$13,200,000 could be released for general expenditures after receiving Board approval. In addition, as referenced in Note 12, the Organization has a line of credit of \$4,800,000 that could be drawn upon to support expenditures, if needed.

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

---

#### **NOTE 4 - Merger of St. Louis Effort for AIDS, LLC**

---

On September 1, 2018, ARCW merged operations with St. Louis Effort for AIDS, Inc. (an unrelated non-profit organization) to expand operations of the Organization into a new market. Under terms of the transaction, no consideration was transferred to either organization and St. Louis Efforts for AIDS, Inc. was dissolved and included in the operations of ARCW. Pursuant to generally accepted accounting principles, the Organization accounted for the transactions as an acquisition recognizing the underlying assets and liabilities acquired at fair value, resulting in an inherent contribution of \$656,027 recognized in the consolidated statements of activities.

The valuation of net assets acquired at September 1, 2018 for St. Louis Effort for AIDS, Inc. was as follows:

Cash	\$	245,116
Accounts and grants receivable		402,319
Prepaid expenses		13,620
Accrued expenses		<u>(5,028)</u>
Contributions recognized on acquisition of St. Louis Effort for AIDS, Inc.	\$	<u>656,027</u>

---

#### **NOTE 5 - Fair Value Measurements**

---

The Organization follows authoritative accounting guidance which provides a framework for measuring, reporting and disclosing fair value under generally accepted accounting principles. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

As defined in these standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible the Organization attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 – Unobservable inputs that are not corroborated by market data.

*Money market fund and certificates of deposit:* Valued at the closing price as reported by the funds and institutions issuing the certificates of deposit. These funds and certificates of deposit are not traded on a regular basis and therefore are classified as level 2 investments.



## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

#### **NOTE 5 - Fair Value Measurements** (continued)

*Bond and equity mutual funds:* Valued at the daily closing price as reported by the funds. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are actively traded and are recorded at fair value based on quoted prices and are classified as level 1 investments.

*Real estate:* Investment represents a timeshare in certain property and is valued at the estimated fair market value and classified as level 3 investment.

The preceding valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables provide by level, within the fair value hierarchy, the Organization's investment assets as of August 31:

	2019			
	Level 1	Level 2	Level 3	Total
Investments				
Money market fund	\$ -	\$ 1,228,110	\$ -	\$ 1,228,110
Certificates of deposit	-	7,053,969	-	7,053,969
Bond mutual funds	267,825	-	-	267,825
Equity mutual funds	879,090	-	-	879,090
Real estate	-	-	8,000	8,000
Total Investments	\$ 1,146,915	\$ 8,282,079	\$ 8,000	\$ 9,436,994
	2018			
	Level 1	Level 2	Level 3	Total
Investments				
Money market fund	\$ -	\$ 52,936	\$ -	\$ 52,936
Certificates of deposit	-	6,164,811	-	6,164,811
Bond mutual funds	155,385	-	-	155,385
Equity mutual funds	844,779	-	-	844,779
Real estate	-	-	8,000	8,000
Total Investments	\$ 1,000,164	\$ 6,217,747	\$ 8,000	\$ 7,225,911

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

---

#### NOTE 6 - Investments

---

Investments at August 31 are as follows:

	<u>2019</u>	<u>2018</u>
Endowment investments	\$ 703,869	\$ 675,614
Investments held for non-qualified deferred compensation	296,718	182,527
Other investments	<u>8,436,407</u>	<u>6,367,770</u>
Total	<u>\$ 9,436,994</u>	<u>\$ 7,225,911</u>

---

#### NOTE 7 - Contributions Receivable

---

Contributions receivable at August 31 are as follows:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 2,065,818	\$ 829,764
One to five years	<u>253,796</u>	<u>30,000</u>
	2,319,614	859,764
Less: Allowance for uncollectible contributions	(33,027)	(33,027)
Less: Discount to present value	<u>(5,225)</u>	<u>(2,340)</u>
Total contributions receivable, net	2,281,362	824,397
Contributions receivable, current portion	<u>2,032,791</u>	<u>796,737</u>
Contributions receivable, long-term portion	<u>\$ 248,571</u>	<u>\$ 27,660</u>

Contributions receivable to be collected in excess of one year are discounted using a rate of 2% and 1.3% as of August 31, 2019 and 2018, respectively.

---

#### NOTE 8 - Accounts and Grants Receivable

---

Accounts and grants receivable consists of the following as of August 31:

	<u>2019</u>	<u>2018</u>
Government grants receivable	\$ 3,622,609	\$ 2,425,455
Patient receivables	125,182	132,895
Insurance receivables	6,078,565	4,660,668
340b and other receivables	<u>554,910</u>	<u>521,112</u>
Total	10,381,266	7,740,130
Less: Allowance and related adjustments	<u>(502,136)</u>	<u>(498,320)</u>
Net Accounts and Grants Receivable	<u>\$ 9,879,130</u>	<u>\$ 7,241,810</u>

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

#### **NOTE 9 - Restrictions on Cash**

MAHC maintains a separate, restricted cash account as required by U.S. Department of Housing and Urban Development ("HUD"). Monthly deposits are made as required by HUD for the reserve for replacement and is maintained in an interest bearing account separate from the operating account of MAHC. Disbursements are restricted to replacement of structural elements or equipment and may be made only upon approval by HUD. Upon satisfaction of the mortgage note related to the capital advance (see Note 13), the balance in this fund reverts to the benefit of MAHC. At August 31, 2019 and 2018 the reserve for replacement of MAHC included within restricted cash on the consolidated statements of financial position was \$36,993 and \$33,859, respectively.

#### **NOTE 10 - Property and Equipment**

Property and equipment consists of the following at August 31:

	2019	2018
Land	\$ 200	\$ 200
Garden View Apartments	717,536	730,071
Leasehold improvements	7,382,711	5,743,999
Furniture and fixtures	958,672	1,129,964
Office equipment and technology	955,658	1,510,336
Motor vehicles	170,233	82,351
Health care equipment	669,393	637,029
Leased office equipment	105,136	105,136
Construction in progress	-	288,814
Total	10,959,539	10,227,900
Less: Accumulated depreciation	(5,449,461)	(5,859,985)
Net Property and Equipment	\$ 5,510,078	\$ 4,367,915

#### **NOTE 11 - Operating Leases**

The Organization has several non-cancelable operating leases for the rental of buildings in Beloit, Eau Claire, Green Bay, Kenosha, La Crosse, Wausau, Madison, and Milwaukee, Wisconsin, Denver, Colorado and St. Louis, Missouri with expirations at various dates through 2028.

Future minimum lease payments under operating leases are as follows:

<u>Year Ended August 31,</u>	
2020	\$ 1,453,205
2021	1,369,797
2022	1,315,000
2023	1,275,553
2024	920,538
Thereafter	3,230,517
	\$ 9,564,610

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

---

#### **NOTE 11 - Operating Leases** (continued)

---

Total rent and related occupancy expenses was \$1,488,381 and \$1,007,921 for the years ended August 31, 2019 and 2018, respectively. During 2019, the Organization terminated an operating lease early due to no longer using the space being rented and recognized a loss on the contract of \$443,764 within other income on the consolidated statements of activities.

---

#### **NOTE 12 - Line of Credit**

---

The Organization has a \$4,800,000 line of credit with a bank. The line of credit has an interest rate of one month LIBOR plus 1.30% (3.53% as of August 31, 2019) and matures on March 28, 2021. The line of credit is secured by the assets of the Organization. The line of credit had no outstanding balances at August 31, 2019 and 2018.

---

#### **NOTE 13 - Capital Advance**

---

HUD advanced MAHC funds that were used in the construction of MAHC's Garden View Apartments to house people with HIV and AIDS. HUD will not require repayment of these funds provided MAHC continues to provide housing for low income persons with disabilities, as defined in Section 811 of the National Affordable Housing Act of 1990 and applicable HUD regulations. Failure to meet this restriction, which expires July, 2037, would result in the full balance, including interest from inception, to become payable to HUD. As of August 31, 2019 and 2018, the total HUD capital advances were \$680,090. The entire amount is recorded in capital advance on the accompanying consolidated statements of financial position. At August 31, 2019 the capital advance is classified as a current liability due to management's plan to settle the advance with HUD during fiscal 2020.

---

#### **NOTE 14 - Letter of Credit For Unemployment Compensation**

---

The Organization is self-funded for state unemployment compensation purposes. In accordance with state laws and regulations, a \$146,184 letter of credit in favor of the Wisconsin unemployment reserve fund is maintained which is collateralized by substantially all assets of the Organization.

---

#### **NOTE 15 - Deferred Compensation Plan**

---

The Organization and members of management have entered into deferred compensation agreements whereby the Organization is obligated to make quarterly contributions, as defined in the agreement, on behalf of the executives. The cumulative contribution payments are maintained in a separate investment account in the Organization's name. Each annual contribution amount will individually vest over a five year period or until the executives' attainment of age 65 as well as other contractual provisions. As of August 31, 2019 and 2018, investments of \$296,718 and \$182,527 are reflected as investments and an accrued liability for the earned deferred compensation obligation of \$80,914 and \$76,458 are included in the accompanying consolidated statements of financial position. Deferred compensation expense was \$4,456 and \$34,189 for the years ended August 31, 2019 and 2018, respectively.

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

#### **NOTE 16 - Net Assets**

The Organization's Board of Directors created a board designated fund to establish a reserve and ensure continued success and long-term financial stability for the Organization. The reserves are available for future critical needs of the Organization and use of these reserves require Board of Directors approval. The amount of Board designated net assets is as follows at August 31:

	2019	2018
Board designated reserve	\$13,200,032	\$10,312,500

Net assets with donor restrictions as of August 31 consist of the following:

	2019	2018
United Way	\$ 356,938	\$ 230,976
Other contributions receivable	1,924,424	593,421
Unappropriated endowment earnings	182,409	154,154
Investments held in perpetuity	516,149	516,149
Total net assets with donor restrictions	\$ 2,979,920	\$ 1,494,700

#### **NOTE 17 - Endowment**

The Organization follows the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and Enhanced Disclosures for All Endowment Funds. A key component of the guidance and UPMIFA is a requirement to classify the portion of a donor-restricted endowment fund as net assets with donor restrictions until appropriated for expenditure. Another key component of the guidance is a requirement for expanded disclosures about all endowments.

The Board of Directors of the Endowment has adopted a policy that there shall be no active fundraising for the Endowment until the ARCW strategic plan financial reserve goal is achieved.

The Organization's endowment net asset composition by type of fund is as follows for the years ended August 31:

	2019		
	Accumulated Earnings	Original Gift	Total
Donor restricted	\$ 182,409	\$ 516,149	\$ 698,558
	2018		
	Accumulated Earnings	Original Gift	Total
Donor restricted	\$ 154,154	\$ 516,149	\$ 670,303

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2019 and 2018

#### **NOTE 17 - Endowment** (continued)

Changes in endowment investment and net asset composition for the years ended August 31 are provided as follows:

	2019		
	Accumulated Earnings	Original Gift	Total
Endowment net assets, beginning of year	\$ 154,154	\$ 516,149	\$ 670,303
Investment income	28,255	-	28,255
Endowment net assets, end of year	\$ 182,409	\$ 516,149	\$ 698,558
	2018		
	Accumulated Earnings	Original Gift	Total
Endowment net assets, beginning of year	\$ 86,856	\$ 516,149	\$ 603,005
Investment income	70,569	-	70,569
Amounts appropriated for expenditure	(3,271)	-	(3,271)
Endowment net assets, end of year	\$ 154,154	\$ 516,149	\$ 670,303

#### **NOTE 18 - ARCW Uncompensated Care and Treatment**

Revenue from reimbursement for health services is net of contractual allowances and patient subsidies. ARCW provided the following uncompensated care and treatment to its medical, dental and mental health patients for the years ended August 31:

	2019	2018
Contractual allowances	\$ 2,829,535	\$ 2,221,748
Patient subsidy	729,410	795,024
Patient medications	563,015	464,286
Patient laboratory testing	210,468	184,869
Patient assistance	397,706	236,972
Total	\$ 4,730,134	\$ 3,902,899

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended August 31, 2019 and 2018

---

### NOTE 19 - Medical Center and Social Services Expenses

---

The Organization provides integrated health and social services in its HIV medical home model of care to achieve the best clinical outcomes for its patients and clients. The Organization's consolidated statements of activities identify expenses for the Medical Center and Social Services. These expenses include professional staff expense for physicians, nurse practitioners, nurses, dentists, dental hygienists, mental health therapists, attorneys, social workers and other staff serving HIV patients and clients.

Following is an itemization of the health and social services expenses for the years ended August 31:

Medical Center	<u>2019</u>	<u>2018</u>
Medical Clinic	\$ 7,027,018	\$ 5,805,958
Dental Clinic	1,847,468	1,628,133
Behavioral Health and Wellness Clinic	<u>2,064,126</u>	<u>1,749,976</u>
Total Medical Center expenses	<u>\$ 10,938,612</u>	<u>\$ 9,184,067</u>
Social Services and Other	<u>2019</u>	<u>2018</u>
Case management	\$ 10,326,660	\$ 6,745,953
Food services	937,933	652,000
Legal services	<u>647,068</u>	<u>482,965</u>
Total Social Services and Other expenses	<u>\$ 11,911,661</u>	<u>\$ 7,880,918</u>

---

### NOTE 20 - Related Parties

---

The Organization's Board of Directors and staff has made donations totaling \$71,036 and \$75,489 during the years ended August 31, 2019 and 2018, respectively.

---

### NOTE 21 - In-Kind Goods and Services

---

In-kind goods and services included in the accompanying consolidated financial statements have an estimated value of \$60,260 and \$499,814 for the years ended August 31, 2019 and 2018, respectively. The Organization received \$0 and \$390,320 of pharmaceuticals, \$60,260 and \$62,654 of medical services, and \$0 and \$46,840 of furniture, respectively.

---

### NOTE 22 - Retirement Plans

---

The Organization maintains a flexible investment in a safe harbor 401(k) plan. The Organization matched up to 5% of gross wages for all participating employees. Total employer contributions to the 401(k) plan were \$607,612 and \$450,474 for the years ended August 31, 2019 and 2018, respectively.

## **AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended August 31, 2019 and 2018

---

### **NOTE 23 - Contingencies**

---

In the normal course of business, the Organization is involved in litigation incidental to the conduct of the business. The Organization does not believe that the ultimate disposition of currently pending claims, individually or in the aggregate, would have a material adverse effect on their consolidated financial position, results of activities or cash flows.

---

### **NOTE 24 - Subsequent Events**

---

Subsequent to August 31, 2019, the Organization announced that it will be changing its name to Vivent Health in 2020. This change will have no impact on the operating structure of the Organization.



**OTHER INDEPENDENT AUDITORS' REPORTS**

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

INDEPENDENT AUDITORS' REPORT

Board of Directors  
AIDS Resource Center of Wisconsin, Inc. and Affiliates  
Milwaukee, Wisconsin

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 consolidated financial statements of AIDS Resource Center of Wisconsin, and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of August 31, 2019, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
December 10, 2019

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE  
*STATE SINGLE AUDIT GUIDELINES*

INDEPENDENT AUDITORS' REPORT

Board of Directors  
AIDS Resource Center of Wisconsin, Inc. and Affiliates  
Milwaukee, Wisconsin

**Report on Compliance for Each Major Federal and Major State Program**

We have audited AIDS Resource Center of Wisconsin, Inc.'s ("ARCW") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *State Single Audit Guidelines* (the "*Guidelines*") that could have a direct and material effect on each of ARCW's major federal and major state programs for the year ended August 31, 2019. ARCW's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

ARCW's basic consolidated financial statements include the operations of the subsidiaries of ARCW, as identified in the notes to the schedule of expenditures of federal and state awards, which are not included in ARCW's schedule of expenditures of federal and state awards during the year ended August 31, 2019. Our audit, described below, did not include the operations of those entities because they have separate audits under the Uniform Guidance or do not require an audit under Uniform Guidance.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of ARCW's major federal and major state 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; 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"); and the *Guidelines*. Those standards, the Uniform Guidance and the *Guidelines* 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 or a major state program occurred. An audit includes examining, on a test basis, evidence about ARCW'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 and major state program. However, our audit does not provide a legal determination of ARCW's compliance.

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

In our opinion, ARCW 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 and major state programs for the year ended August 31, 2019.

### **Report on Internal Control Over Compliance**

Management of ARCW 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 ARCW's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and major state 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 or major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, 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 ARCW'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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 or state 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 or state 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 and the *Guidelines*. Accordingly, this report is not suitable for any other purpose.

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
December 10, 2019

## **SUPPLEMENTAL INFORMATION**

**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended August 31, 2019

FEDERAL AWARDS Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program Expenditures	Subrecipient Awards
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Funding				
Housing Opportunities for Persons with AIDS				
April 1, 2017 - March 31, 2019	14.241	N/A	\$ 442,699	\$ -
September 1, 2017 - October 31, 2020	14.241	N/A	477,226	-
Wisconsin Department of Administration - Bureau of Housing				
Housing Opportunities for Persons with AIDS - 2018 Program Year	14.241	HOPWA 1801	12,279	3,936
Housing Opportunities for Persons with AIDS - 2019 Program Year	14.241	HOPWA 1901	553,315	38,567
City of Milwaukee				
Housing Opportunities for Persons with AIDS - 2018 Program Year	14.241	C15118A001	217,730	10,614
Housing Opportunities for Persons with AIDS - 2019 Program year	14.241	C15119A001	<u>440,283</u>	<u>14,644</u>
Total U.S. Department of Housing and Urban Development			<u>2,143,532</u>	<u>67,761</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Wisconsin Department of Health Services				
ACA - Personal Responsibility Education Program (PREP)	93.092	159354	<u>151,819</u>	-
Medical College of Wisconsin				
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	5H12HA248110500	<u>109,712</u>	-
Direct Funding				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	314,553	130,125
Diverse and Resilient, Inc.				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Not Available	6,500	-
Waukesha County, Wisconsin				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	SP022112	<u>600</u>	-
Total CFDA 93.243			<u>321,653</u>	<u>130,125</u>

See accompanying notes to schedule of expenditures of federal and state awards

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended August 31, 2019

FEDERAL AWARDS Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program Expenditures	Subrecipient Awards
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>				
City/County of Denver - Department of Environmental Health				
Grants to Provide Emergency and Financial Assistance Programs (Ryan White HIV/AIDS Part A)	93.914	ENVHL- 201734743-01	\$ 527,433	\$ -
City of St. Louis - Department of Health				
Grants to Provide Emergency and Financial Assistance Programs (Ryan White HIV/AIDS Part A)	93.914	2H89HA000332400	905,873	-
Minority AIDS Initiative (Ryan White HIV/AIDS Part A)	93.914	2H89HA000332400	<u>115,934</u>	-
Total CFDA 93.914			<u>1,549,240</u>	-
Wisconsin Department of Health Services				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	155919, 155950 and 155901	2,563,733	-
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	155935	36,203	-
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	155990	1,968,672	-
Missouri Department of Health and Senior Services				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	DH1713A0001	714,813	-
Colorado Health Network				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	CDPHE ADAP	104,087	-
Ryan White Part B Insurance Program	93.917	CHN ADAP	68,219	-
Washington University				
Ryan White Part B Insurance Program	93.917	WU-18-25-MOD-1	66,727	-
Medical College of Wisconsin				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	X07HA00027	<u>26,142</u>	-
Total CFDA 93.917			<u>5,548,596</u>	-
Direct Funding				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (Ryan White HIV/AIDS Program Part C)	93.918	N/A	<u>607,341</u>	-

See accompanying notes to schedule of expenditures of federal and state awards



**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended August 31, 2019

FEDERAL AWARDS Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program Expenditures	Subrecipient Awards
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>				
Colorado Department of Public Health and Environment				
HIV/STI Bio Medical	93.940	Not Available	\$ 132,918	\$ -
Wisconsin Department of Health Services				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	155900	75,923	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	533125	276,483	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	533126	451,059	-
Milwaukee County - Department of Health Services				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	585	96,816	-
Total CFDA 93.959			<u>900,281</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>9,321,560</u>	<u>130,125</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
United Way Worldwide				
Emergency Food and Shelter National Board Program - Brown County	97.024	910400-033	1,356	-
Emergency Food and Shelter National Board Program - Rock County	97.024	922600-018	1,736	-
Emergency Food and Shelter National Board Program - Kenosha County	97.024	916400-018	500	-
Total CFDA 97.024			<u>3,592</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 11,468,684</b>	<b>\$ 197,886</b>

**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended August 31, 2019

STATE AWARDS <u>Grantor/Pass-Through Grantor/Program Title</u>	<u>State ID Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>	<u>Subrecipient Awards</u>
<b>STATE DEPARTMENT OF HEALTH SERVICES</b>				
State of Wisconsin				
HIV Prevention-IDU	435.155900	155900	\$ 167,031	\$ -
Mike Johnson Life Care and Early Intervention Services	435.155902	155902	4,001,849	-
HIV Prevention ASO	435.155908	155908	<u>577,598</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b><u>\$ 4,746,478</u></b>	<b><u>\$ -</u></b>

## AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended August 31, 2019

---

#### *Basis of Presentation*

The accompanying schedule of expenditures of federal and state awards (the "schedule") includes the federal and state award activity of AIDS Resource Center of Wisconsin, Inc. ("ARCW") under programs of the federal and state government for the year ended August 31, 2019. The information in this schedule is presented in accordance with the 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") and the *State Single Audit Guidelines* (the "Guidelines"). Because the schedule presents only a selected portion of the operations of AIDS Resource Center of Wisconsin, Inc. and Affiliates, it is not intended to and does not present the financial position, changes in net assets or cash flows of AIDS Resource Center of Wisconsin, Inc. and Affiliates.

Management reviews the expenditures of federal and state awards for each entity that comprises AIDS Resource Center of Wisconsin, Inc. and Affiliates and determines if a separate audit is required under the Uniform Guidance. Expenditures for the following consolidated subsidiaries of ARCW are not included in the accompanying schedule of expenditures of federal and state awards to meet the requirements of the Uniform Guidance because they do not require an audit under the Uniform Guidance:

Milwaukee AIDS Housing Corporation, Inc.  
ARCW Endowment Fund, Inc.  
AMC Pharmacy, LLC

ARCW Pharmacy, LLC  
CARES Pharmacy, LLC

#### *Summary of Significant Accounting Policies*

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in the Uniform Guidance, or the Wisconsin allowable cost policies, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### *Acquisition*

On September 1, 2018, ARCW acquired St. Louis Effort for AIDS, Inc. ("SLEFA"). As a result of the acquisition, SLEFA dissolved and ARCW was the surviving entity. The year end of SLEFA was December 31 prior to the acquisition. Based on discussions with the grantors, no Uniform Guidance audit was required for the short period between January 1, 2018 and August 31, 2018.

#### *Indirect Cost Rate*

ARCW has elected not to use the 10-percent de minimis Indirect Cost Rate as allowed under the Uniform Guidance.

# AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended August 31, 2019

### Section I: Summary of Auditors' Results

#### Financial Statements

Type of report the auditor issued on whether the consolidated financial statements audited were in accordance with GAAP: unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no  
none

Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   reported

Noncompliance material to consolidated financial statements noted? \_\_\_\_\_ yes      X   no

#### Federal Awards

Internal control over major federal and major state programs:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no  
none

Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   reported

Type of auditors' report issued on compliance for major federal and state programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.914	Grants to Provide Emergency and Financial Assistance Programs (Ryan White HIV/AIDS Part A)
93.917	HIV Care Formula Grants (Ryan White HIV/AIDS Part B)

Identification of major state programs:

<u>CFDA Number</u>	<u>Name of State Program or Cluster</u>
93.917	HIV Care Formula Grants (Ryan White HIV/AIDS Part B)

Dollar threshold used to distinguish between Type A and Type B programs:

Federal awards	\$750,000
State of Wisconsin awards	\$250,000

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   yes    \_\_\_\_\_ no

**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended August 31, 2019

---

**Section II: Financial Statement Findings**

There were no findings.

**Section III: Federal and State Award Findings and Questioned Costs**

There were no findings or questioned costs.

**Section IV: Other Issues**

Does the auditors' report or the notes to the consolidated financial statements include disclosure with regard to substantial doubt about as to the auditee's ability to continue as a going concern? \_\_\_\_\_ yes      X   no

Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weaknesses, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Health Services	_____	yes	<u>  X  </u>	no
Department of Administration	_____	yes	<u>  X  </u>	no

Was a management letter or other document conveying audit comments issued as a result of this audit?   X   yes    \_\_\_\_\_ no



Name and signature of partner

Krista K. Pankop, CPA

Date of the report

December 10, 2019

**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

For the Year Ended August 31, 2019

---

The prior year single audit disclosed no findings, and therefore, no uncorrected or unresolved findings exist from prior single audits.

AIDS RESOURCE CENTER OF WISCONSIN, INC.  
SCHEDULE OF FUNCTIONAL REVENUE AND EXPENSES -  
MILWAUKEE COUNTY  
For the Year Ended August 31, 2019

	Milwaukee County Contract: 18-2-01 9/1/2018 - 12/31/2018	Milwaukee County Contract: 19-2-01 1/1/2019 - 08/31/2019
<b>REVENUE</b>		
Milwaukee County - Department of Health and Human Services - Behavioral Health Division	\$ 31,645	\$ 65,171
Total Revenue	31,645	65,171
<b>EXPENSES</b>		
Salaries and wages	20,706	42,840
Payroll taxes	1,516	3,161
Employee benefits	3,086	7,144
Program materials	2,283	3,799
Employee travel and education	-	216
Printing and copying	583	1,167
Postage and delivery	833	1,667
Telephone	500	1,000
Occupancy	1,000	2,000
Insurance	1,141	2,206
Total Expenses	31,648	65,200
Excess (deficiency) of revenue over expenses	\$ (3)	\$ (29)

AIDS RESOURCE CENTER OF WISCONSIN, INC.  
SCHEDULE OF FUNCTIONAL REVENUE AND EXPENSES - STATE OF WISCONSIN  
For the Year Ended August 31, 2019

	State of Wisconsin Department of Administration HOPWA 9/1/2018-9/30/2018	State of Wisconsin Department of Administration HOPWA 10/1/18-8/31/19
<b>REVENUE</b>		
State of Wisconsin		
Department of Commerce-HOPWA	\$ 12,279	\$ 553,315
<b>Total Revenue</b>	<b>12,279</b>	<b>553,315</b>
<b>EXPENSES</b>		
Personnel Expenses		
Salaries and wages	20,763	291,518
Payroll taxes	1,374	20,527
Employee benefits	5,363	68,363
Patient and client contracted services	3,936	38,567
Client rental assistance	4,228	125,264
Program materials	158	917
Printing and copying	100	-
Telephone	118	1,284
Employee travel and education	-	-
Insurance	142	1,558
Postage and delivery	133	1,467
Occupancy	333	3,850
<b>Total Expenses</b>	<b>36,648</b>	<b>553,315</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (24,369)</b>	<b>\$ -</b>



AIDS RESOURCE CENTER OF WISCONSIN, INC.  
SCHEDULE OF FUNCTIONAL REVENUE AND EXPENSES - CITY OF MILWAUKEE  
For the Year Ended August 31, 2019

	City of Milwaukee HOPWA <u>9/1/2018-12/31/2018</u>	City of Milwaukee HOPWA <u>1/1/2019-08/31/2019</u>
<b>REVENUE</b>		
City of Milwaukee		
Department of Administration	\$ 217,730	\$ 440,283
	217,730	440,283
<b>Total Revenue</b>	<b>217,730</b>	<b>440,283</b>
<b>EXPENSES</b>		
Personnel Expenses		
Salaries and wages	96,730	155,373
Payroll taxes	6,511	10,812
Employee benefits	20,961	41,498
Patient and client contracted services	10,614	14,644
Client rental assistance	100,817	183,606
Professional services	-	
Program materials	583	667
Employee travel and education	-	-
Dues and subscriptions	-	
Insurance	1,167	1,333
Postage and delivery	-	-
Occupancy	4,197	4,797
	241,580	412,730
<b>Total Expenses</b>	<b>241,580</b>	<b>412,730</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (23,850)</b>	<b>\$ 27,553</b>

AIDS RESOURCE CENTER OF WISCONSIN, INC.  
SCHEDULE OF FUNCTIONAL REVENUE AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT -  
DANE COUNTY  
For the Year Ended August 31, 2019

	Outreach			Jail Opiate			Needle Exchange			Total All Programs
	9/1/18-12/31/18	1/1/19-8/31/19	Total	9/1/18-12/31/18	1/1/19-8/31/19	Total	9/1/18-12/31/18	1/1/19-8/31/19	Total	
<b>REVENUE</b>										
Dane County	\$ 22,147	\$ 55,027	\$ 77,174	\$ 1,910	\$ 6,695	\$ 8,605	\$ 9,081	\$ 27,252	\$ 36,333	\$ 122,112
<b>Total Revenue</b>	<u>22,147</u>	<u>55,027</u>	<u>77,174</u>	<u>1,910</u>	<u>6,695</u>	<u>8,605</u>	<u>9,081</u>	<u>27,252</u>	<u>36,333</u>	<u>122,112</u>
<b>EXPENSES</b>										
Program expenses										
Personnel	17,007	38,412	55,419	1,613	5,853	7,466	5,193	15,965	21,158	84,043
Operating	524	5,317	5,841	-	-	-	2,887	5,588	8,475	14,316
Space	1,465	2,936	4,401	-	-	-	356	712	1,068	5,469
<b>Total Program expenses</b>	<u>18,996</u>	<u>46,665</u>	<u>65,661</u>	<u>1,613</u>	<u>5,853</u>	<u>7,466</u>	<u>8,436</u>	<u>22,265</u>	<u>30,701</u>	<u>103,828</u>
Administrative expenses										
Personnel	1,189	4,501	5,690	-	-	-	312	1,273	1,585	7,275
Operating	458	853	1,311	-	-	-	-	3,047	3,047	4,358
Space	1,504	3,008	4,512	297	842	1,139	333	667	1,000	6,651
<b>Total Administrative expenses</b>	<u>3,151</u>	<u>8,362</u>	<u>11,513</u>	<u>297</u>	<u>842</u>	<u>1,139</u>	<u>645</u>	<u>4,987</u>	<u>5,632</u>	<u>18,284</u>
<b>Total Expenses</b>	<u>22,147</u>	<u>55,027</u>	<u>77,174</u>	<u>1,910</u>	<u>6,695</u>	<u>8,605</u>	<u>9,081</u>	<u>27,252</u>	<u>36,333</u>	<u>122,112</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AIDS RESOURCE CENTER OF WISCONSIN, INC.  
SCHEDULE OF FUNCTIONAL REVENUE AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT -  
DANE COUNTY  
For the Year Ended August 31, 2019

	Outreach			Jail Opiate			Needle Exchange			Total All Programs
	1/1/18-8/31/18	9/1/18-12/31/18	Total	1/1/18-8/31/18	9/1/18-12/31/18	Total	1/1/18-8/31/18	9/1/18-12/31/18	Total	
<b>REVENUE</b>										
Dane County	\$ 54,714	\$ 22,147	\$ 76,861	\$ 5,473	\$ 1,910	\$ 7,383	\$ 28,190	\$ 9,081	\$ 37,271	\$ 121,515
<b>Total Revenue</b>	<u>54,714</u>	<u>22,147</u>	<u>76,861</u>	<u>5,473</u>	<u>1,910</u>	<u>7,383</u>	<u>28,190</u>	<u>9,081</u>	<u>37,271</u>	<u>121,515</u>
<b>EXPENSES</b>										
Program expenses										
Personnel	40,191	17,007	57,198	4,690	1,613	6,303	18,224	5,193	23,417	86,918
Operating	3,476	524	4,000	-	-	-	4,432	2,887	7,319	11,319
Space	2,931	1,465	4,396	-	-	-	712	356	1,068	5,464
<b>Total Program expenses</b>	<u>46,598</u>	<u>18,996</u>	<u>65,594</u>	<u>4,690</u>	<u>1,613</u>	<u>6,303</u>	<u>23,368</u>	<u>8,436</u>	<u>31,804</u>	<u>103,701</u>
Administrative expenses										
Personnel	3,999	1,189	5,188	-	-	-	1,155	312	1,467	6,655
Operating	1,110	458	1,568	-	-	-	3,000	-	3,000	4,568
Space	3,007	1,504	4,511	783	297	1,080	667	333	1,000	6,591
<b>Total Administrative expenses</b>	<u>8,116</u>	<u>3,151</u>	<u>11,267</u>	<u>783</u>	<u>297</u>	<u>1,080</u>	<u>4,822</u>	<u>645</u>	<u>5,467</u>	<u>17,814</u>
<b>Total Expenses</b>	<u>54,714</u>	<u>22,147</u>	<u>76,861</u>	<u>5,473</u>	<u>1,910</u>	<u>7,383</u>	<u>28,190</u>	<u>9,081</u>	<u>37,271</u>	<u>121,515</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES**  
**SCHEDULE OF REVENUE AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT - DANE COUNTY**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

DANE COUNTY DEPARTMENT OF HUMAN SERVICES      PROVIDER AGENCY EXPENSE REPORT THROUGH: December-18

<b>Provider Name:</b>	AIDS Resource Ctr of WI, Inc.	<b>Contract #:</b>	83791	<b>*Provider Certified By:</b>	
<b>Program Name:</b>	Outreach	<b>Program Group #:</b>	6971		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A PERSONNEL</b>						
Salaries	46,169	3,822	40,154	43,976	46,169	
Taxes	3,275	262	2,761	3,023	3,275	
Benefits	12,942	1,104	14,283	15,387	12,942	
<b>Subtotal A</b>	<b>62,386</b>	<b>5,188</b>	<b>57,198</b>	<b>62,386</b>	<b>62,386</b>	<b>0.00%</b>
<b>B OPERATING</b>						
Insurance				0		
Professional Fees				0		
Audit				0		
Data Processing Fees				0		
Postage, Office, and Program Sup	2,000		3,308	3,308	2,000	
Equipment/Furnishings				0		
Depreciation				0		
Telephone				0		
Training/Conference				0		
Food/Household Supplies				0		
Auto Allowance	2,000		692	692	2,000	
Vehicle Costs	1,568	1,568		1,568	1,568	
Other1:				0		
Other2:				0		
<b>Subtotal B</b>	<b>5,568</b>	<b>1,568</b>	<b>4,000</b>	<b>5,568</b>	<b>5,568</b>	<b>0.00%</b>
<b>C SPACE</b>						
Rent	7,396	3,000	4,396	7,396	7,396	
Utilities				0		
Maintenance	1,511	1,511		1,511	1,511	
Mortgage Interest, Depreciation, Property Taxes				0		
<b>Subtotal C</b>	<b>8,907</b>	<b>4,511</b>	<b>4,396</b>	<b>8,907</b>	<b>8,907</b>	<b>0.00%</b>
<b>D SPECIAL COSTS</b>						
Assistance to Individuals				0		
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>E. OTHER</b>						
Other3:				0		
Other4:				0		
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<small>This section for Adult - DD only.</small>						
<b>F. OFF-SETTING REVENUE</b>						
<small>Show as negative numbers:</small>						
Government Benefits (SSI, SSDI, etc.)				0		
Private Pay (Trust Funds, etc.)				0		
Cost Share				0		
Other				0		
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>TOTAL A THROUGH F</b>	<b>76,861</b>	<b>11,267</b>	<b>65,594</b>	<b>76,861</b>	<b>76,861</b>	<b>0.00%</b>

\*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES  
 SCHEDULE OF REVENUE AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT - DANE COUNTY  
 FOR THE YEAR ENDED AUGUST 31, 2019

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December-18

<b>Provider Name:</b>	AIDS Resource Ctr of WI, Inc	<b>Contract #:</b>	83791	<b>*Provider Certified By:</b>	
<b>Program Name:</b>	Jail Opiate	<b>Program Group #:</b>	11022		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A PERSONNEL</b>						
Salaries	4,672		5,151	5,151	4,672	
Taxes	324		348	348	324	
Benefits	1,307		804	804	1,307	
<b>Subtotal A</b>	<b>6,303</b>	<b>0</b>	<b>6,303</b>	<b>6,303</b>	<b>6,303</b>	<b>0.00%</b>
<b>B OPERATING</b>						
Insurance				0		
Professional Fees				0		
Audit				0		
Data Processing Fees				0		
Postage, Office, and Program Supplies				0		
Equipment/Furnishings				0		
Depreciation				0		
Telephone				0		
Training/Conference				0		
Food/Household Supplies				0		
Auto Allowance				0		
Vehicle Costs				0		
Other1:				0		
Other2:				0		
<b>Subtotal B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>C SPACE</b>						
Rent	1,080	1,080		1,080	1,080	
Utilities				0		
Maintenance				0		
Mortgage Interest, Depreciation,				0		
Property Taxes				0		
<b>Subtotal C</b>	<b>1,080</b>	<b>1,080</b>	<b>0</b>	<b>1,080</b>	<b>1,080</b>	<b>0.00%</b>
<b>D SPECIAL COSTS</b>						
Assistance to Individuals				0		
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>E. OTHER</b>						
Other3:				0		
Other4:				0		
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>This section for Adult - DD only.</b>						
<b>F. OFF-SETTING REVENUE</b>						
<b>Show as negative numbers:</b>						
Government Benefits (SSI, SSDI, etc.)				0		
Private Pay (Trust Funds, etc.)				0		
Cost Share				0		
Other				0		
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>TOTAL A THROUGH F</b>	<b>7,383</b>	<b>1,080</b>	<b>6,303</b>	<b>7,383</b>	<b>7,383</b>	<b>0.00%</b>

\*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES  
 SCHEDULE OF REVENUE AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT - DANE COUNTY  
 FOR THE YEAR ENDED AUGUST 31, 2019

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH: December-18

<b>Provider Name:</b>	AIDS Resource Ctr of WI, Inc.	<b>Contract #:</b>	83791	<b>*Provider Certified By:</b>	
<b>Program Name:</b>	Needle Exchange	<b>Program Group #:</b>	11957		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A PERSONNEL</b>						
Salaries	18,463	1,088	17,281	18,369	18,463	
Taxes	1,328	76	1,152	1,228	1,328	
Benefits	5,093	303	4,984	5,287	5,093	
<b>Subtotal A</b>	<b>24,884</b>	<b>1,467</b>	<b>23,417</b>	<b>24,884</b>	<b>24,884</b>	<b>0.00%</b>
<b>B OPERATING</b>						
Insurance				0		
Professional Fees				0		
Audit				0		
Data Processing Fees				0		
Postage, Office, and Program Supp	7,069		7,303	7,303	7,069	
Equipment/Furnishings				0		
Depreciation				0		
Telephone				0		
Training/Conference				0		
Food/Household Supplies				0		
Auto Allowance	250		16	16	250	
Vehicle Costs	3,000	3,000		3,000	3,000	
Other1:				0		
Other2:				0		
<b>Subtotal B</b>	<b>10,319</b>	<b>3,000</b>	<b>7,319</b>	<b>10,319</b>	<b>10,319</b>	<b>0.00%</b>
<b>C SPACE</b>						
Rent	2,068	1,000	1,068	2,068	2,068	
Utilities				0		
Maintenance				0		
Mortgage Interest, Depreciation,				0		
Property Taxes				0		
<b>Subtotal C</b>	<b>2,068</b>	<b>1,000</b>	<b>1,068</b>	<b>2,068</b>	<b>2,068</b>	<b>0.00%</b>
<b>D SPECIAL COSTS</b>						
Assistance to Individuals				0		
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>E. OTHER</b>						
Other3:				0		
Other4:				0		
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>This section for Adult - DD only.</b>						
<b>F. OFF-SETTING REVENUE</b>						
<b>Show as negative numbers:</b>						
Government Benefits (SSI, SSDI, etc.)				0		
Private Pay (Trust Funds, etc.)				0		
Cost Share				0		
Other				0		
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>TOTAL A THROUGH F</b>	<b>37,271</b>	<b>5,467</b>	<b>31,804</b>	<b>37,271</b>	<b>37,271</b>	<b>0.00%</b>

\*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES  
 SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

DHS Identification Number	CARS 155919	CARS 155919	CARS 155950	CARS 155901	CARS 155935
Award amount	\$1,219,099	\$118,188	\$1,835,000	\$1,791,346	\$66,198
Award period	10/01/18-03/31/19	04/01/19-3/31/20	4/01/18-03/31/19	04/01/19-09/30/19	04/01/18-03/31/19
Period of Award within audit period	10/01/18-03/31/19	04/01/19-08/31/19	09/01/18-03/31/19	04/01/19-08/31/19	09/01/18-03/31/19
<b>Expenditures Reported to DHS for payment</b>	\$ 1,219,099	\$ 50,518	\$ 583,706	\$ 710,410	\$ 36,203
<b>Actual allowable cost of award</b>					
<b>Program Expenses</b>					
Grants and other assistance to individuals in the US	21,643		323,092	539,389	-
Salaries and wages	688,590	32,175	127,482	103,290	29,246
Employee benefits	218,082	9,385	32,038	40,494	12,100
Program materials	62,827	-	2,759	8,325	-
Program equipment	-	-	123	-	-
Employee travel, meetings and education	30,766	53	3,317	3,913	-
Patient/client parking	22,373	-	-	-	-
Employee licenses and dues	-	-	100	-	-
Professional services	20,100	-	-	-	-
<b>Total Program Expenses</b>	<b>1,064,381</b>	<b>41,613</b>	<b>488,911</b>	<b>695,411</b>	<b>41,346</b>
<b>Management and General expenses allocated to program</b>					
Salaries and wages- indirect cost limitations of grant contract	87,142	6,323	67,304	60,851	2,743
Employee benefits	35,593	2,582	27,491	24,854	1,121
Directory advertising	4,238	-	-	-	-
Printing and copying	894	-	-	-	-
Telephone	22,500	-	-	-	-
Vehicle insurance	-	-	-	-	-
Shipping and postage	-	-	-	-	-
Occupancy	-	-	-	-	-
Service contract-software support	53,050	-	-	-	-
<b>Total Management and General expense allocated to program</b>	<b>203,417</b>	<b>8,905</b>	<b>94,795</b>	<b>85,705</b>	<b>3,864</b>
<b>Less program revenue and other offsets to costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Allowable Costs</b>	<b>\$ 1,267,798</b>	<b>\$ 50,518</b>	<b>\$ 583,706</b>	<b>\$ 781,116</b>	<b>\$ 45,210</b>

AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES  
 SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

DHS Identification Number	CARS 155990	CARS 155990	CARS 155900	CARS 155900	CARS 533125
Award amount	\$2,043,960	\$1,824,774	\$236,807	\$236,807	\$426,680
Award period	10/01/17-09/30/18	10/01/18-09/30/19	07/01/18-06/30/19	07/01/19-06/30/20	01/01/18-12/31/18
Period of Award within audit period	09/01/18-09/30/18	10/01/18-08/31/19	09/01/18-06/30/19	07/01/19-08/31/19	09/01/18-12/31/18
<b>Expenditures Reported to DHS for payment</b>	\$ 238,891	\$ 1,729,781	\$ 204,085	\$ 38,869	\$ 114,377
<b>Actual allowable cost of award</b>					
<b>Program Expenses</b>					
Grants and other assistance to individuals in the US	5,855	192,932	-	-	-
Salaries and wages	131,572	818,650	168,582	26,236	19,059
Employee benefits	38,980	255,257	48,707	7,987	6,208
Program materials	8,552	78,362	3,740	660	71,874
Program equipment	-	-	-	-	-
Employee travel, meetings and education	4,403	51,101	915	345	493
Patient/client parking	4,379	48,539	-	-	-
Employee licenses and dues	-	-	-	-	-
Professional services	14,550	78,541	-	-	-
<b>Total Program Expenses</b>	<b>208,291</b>	<b>1,523,382</b>	<b>221,944</b>	<b>35,228</b>	<b>97,634</b>
<b>Management and General expenses allocated to program</b>					
Salaries and wages- indirect cost limitations of grant contract	17,428	109,697	13,026	2,547	10,690
Employee benefits	7,119	44,806	5,321	1,041	4,366
Directory advertising	-	366	-	-	-
Printing and copying	-	108	-	-	-
Telephone	10,980	52,312	-	53	-
Vehicle insurance	-	-	866	-	-
Shipping and postage	-	-	-	-	-
Occupancy	-	-	3,000	-	-
Service contract-software support	-	13,283	-	-	1,690
<b>Total Management and General expense allocated to program</b>	<b>35,527</b>	<b>220,572</b>	<b>22,213</b>	<b>3,641</b>	<b>16,746</b>
<b>Less program revenue and other offsets to costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Allowable Costs</b>	<b>\$ 243,818</b>	<b>\$ 1,743,954</b>	<b>\$ 244,157</b>	<b>\$ 38,869</b>	<b>\$ 114,380</b>



AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES  
 SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

DHS Identification Number	CARS 533125		CARS 533126		CARS 533126		CARS 155902		CARS 155902	
Award amount	\$251,680		\$500,000		\$500,000		\$4,000,000		\$4,000,000	
Award period	01/01/19-12/31/19		01/01/18-12/31/18		01/01/19-12/31/19		07/01/18-06/30/19		07/01/19-06/30/20	
Period of Award within audit period	01/01/19-08/31/19		09/01/18-12/31/18		01/01/19-08/31/19		09/01/18-06/30/19		07/01/19-08/31/19	
<b>Expenditures Reported to DHS for payment</b>	\$	162,106	\$	144,302	\$	306,757	\$	3,249,754	\$	752,095
<b>Actual allowable cost of award</b>										
<b>Program Expenses</b>										
Grants and other assistance to individuals in the US		-		-		-		4,928		4,000
Salaries and wages		64,472		109,642		183,089		1,792,106		375,599
Employee benefits		23,439		38,735		75,949		551,518		90,912
Program materials		50,117		-		2,256		326,757		108,623
Program equipment		-		-		-		-		-
Employee travel, meetings and education		8,732		9,344		13,983		45,074		9,916
Patient/client parking		-		-		-		276		-
Employee licenses and dues		-		-		-		-		-
Professional services		-		-		-		235,797		58,072
<b>Total Program Expenses</b>		<b>146,760</b>		<b>157,721</b>		<b>275,277</b>		<b>2,956,456</b>		<b>647,122</b>
<b>Management and General expenses allocated to program</b>										
Salaries and wages- indirect cost limitations of grant contract		10,832		10,756		21,499		236,671		47,334
Employee benefits		4,424		4,393		8,781		96,669		19,333
Directory advertising		-		-		-		-		-
Printing and copying		90		-		-		3,890		195
Telephone		-		600		1,200		-		-
Vehicle insurance		-		-		-		-		-
Shipping and postage		-		-		-		-		-
Occupancy		-		-		-		187,693		28,260
Service contract-software support		-		-		-		67,578		13,516
<b>Total Management and General expense allocated to program</b>		<b>15,346</b>		<b>15,749</b>		<b>31,480</b>		<b>592,501</b>		<b>108,638</b>
<b>Less program revenue and other offsets to costs</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>
<b>Total Allowable Costs</b>	\$	<b>162,106</b>	\$	<b>173,470</b>	\$	<b>306,757</b>	\$	<b>3,548,957</b>	\$	<b>755,760</b>

AIDS RESOURCE CENTER OF WISCONSIN, INC. AND AFFILIATES  
 SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

DHS Identification Number	CARS 155908	CARS 155908	CARS 159354	CARS 159354
Award amount	\$588,973	\$588,973	\$170,000	\$150,000
Award period	07/01/18-06/30/19	07/01/19-06/30/20	10/1/17-9/30/18	10/1/18-9/30/19
Period of Award within audit period	09/01/18-06/30/19	07/01/19-08/31/19	09/01/18-09/30/18	10/1/18-8/31/19
<b>Expenditures Reported to DHS for payment</b>	\$ 485,739	\$ 91,859	\$ 13,701	\$ 138,118
<b>Actual allowable cost of award</b>				
<b>Program Expenses</b>				
Grants and other assistance to individuals in the US	-	-		
Salaries and wages	303,275	61,691	7,600	78,085
Employee benefits	103,347	16,264	2,944	36,184
Program materials	56,021	3,338	653	5,465
Program equipment	-	-	-	-
Employee travel, meetings and education	2,535	580	898	3,036
Patient/client parking	-	-	-	-
Employee licenses and dues	-	-	-	-
Professional services	16,667	-	-	-
<b>Total Program Expenses</b>	<b>481,845</b>	<b>81,873</b>	<b>12,095</b>	<b>122,770</b>
<b>Management and General expenses allocated to program</b>				
Salaries and wages- indirect cost limitations of grant contract	31,540	6,333	920	9,862
Employee benefits	12,883	2,587	376	4,028
Directory advertising	-	-	-	-
Printing and copying	3,447	637	110	303
Telephone	-	427	200	1,520
Vehicle insurance	1,731	-	-	-
Shipping and postage	-	-	-	-
Occupancy	5,850	-	-	-
Service contract-software support	-	-	-	-
<b>Total Management and General expense allocated to program</b>	<b>55,451</b>	<b>9,984</b>	<b>1,606</b>	<b>15,713</b>
<b>Less program revenue and other offsets to costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Allowable Costs</b>	<b>\$ 537,296</b>	<b>\$ 91,857</b>	<b>\$ 13,701</b>	<b>\$ 138,483</b>