

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

Lafayette, Louisiana

Financial Report

Years Ended December 31, 2021 and 2020

## TABLE OF CONTENTS

|   | Page  |
|---|-------|
| <b>INDEPENDENT AUDITORS' REPORT</b>   | 1-3   |
| <b>FINANCIAL STATEMENTS</b>   |       |
| Statements of Financial Position  | 5     |
| Statements of Activities  | 6-7   |
| Statement of Functional Expenses - 2021   | 8     |
| Statement of Functional Expenses - 2020   | 9     |
| Statements of Cash Flows  | 10    |
| <b>NOTES TO FINANCIAL STATEMENTS</b>  | 11-19 |
| <b>SUPPLEMENTAL INFORMATION</b>   |       |
| <b>INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION</b>   |       |
| Schedule of Expenditures of Federal Awards  | 22-23 |
| Notes to the Schedule of Expenditures of Federal Awards   | 24    |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br><i>Performed in Accordance with Government Auditing Standards</i> | 25-26 |
| Independent Auditors' Report on Compliance for Each Major Program and on<br>Internal Control over Compliance Required by the Uniform Guidance   | 27-29 |
| Schedule of Findings and Questioned Costs   | 30-31 |
| Summary Schedule of Prior Audit Findings  | 32    |
| Management's Corrective Action Plan   | 33    |

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

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

## INDEPENDENT AUDITORS' REPORT

LANCE E. CRAPPELL, CPA, CGMA \*

MICAH R. VIDRINE, CPA \*

TRAVIS M. BRINSKO, CPA \*

CHRISTINE R. DUNN, CPA\*\*

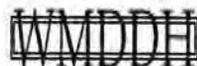
DAMIAN H. SPIESS, CPA, CFP \*\*

JOAN MARTIN, CPA, CVA, CFF\*\*

ANDRE' D. BROUSSARD, CPA\*\*

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

\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY



MAGEN M. HORNSBY, CPA

STEPHANIE A. RAWLINSON, CPA

STEPHANIE L. WEST, CPA, MBA

JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

DUSTIN HEBERT, CPA, MBA

CHRISTOPHER LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

SUMATI T. PADHY, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CARES as of 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CARES and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibility of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CARES' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CARES' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CARES' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2022, on our consideration of CARES' 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 CARES' internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CARES' internal control over financial reporting and compliance.

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

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

Lafayette, Louisiana  
August 1, 2022

## **FINANCIAL STATEMENTS**

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

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

**ASSETS**

|                                     | <u>2021</u>          | <u>2020</u>          |
|-------------------------------------|----------------------|----------------------|
| <b>CURRENT ASSETS</b>               |                      |                      |
| Cash                                | \$ 765,764           | \$ 1,420,014         |
| Contracts and Grants Receivable     | 3,275,660            | 2,652,820            |
| Other Receivables                   | 366,636              | 339,997              |
| Prepaid Expenses                    | -                    | 76,111               |
| Employee Advances                   | 3,270                | 1,927                |
| Total Current Assets                | <u>4,411,330</u>     | <u>4,490,869</u>     |
| <b>PROPERTY AND EQUIPMENT (NET)</b> | <u>8,564,522</u>     | <u>7,547,550</u>     |
| <b>OTHER ASSETS</b>                 |                      |                      |
| Deposits                            | <u>31,525</u>        | <u>31,525</u>        |
| <b>TOTAL ASSETS</b>                 | <u>\$ 13,007,377</u> | <u>\$ 12,069,944</u> |

**LIABILITIES AND NET ASSETS**

|  |                      |                      |
|--|----------------------|----------------------|
| <b>CURRENT LIABILITIES</b>               |                      |                      |
| Accounts Payable                         | \$ 255,629           | \$ 342,080           |
| Accrued Payroll and Related Liabilities  | 307,496              | 266,348              |
| Accrued Compensated Absences             | 446,013              | 408,989              |
| Tenant Deposits                          | -                    | 31,154               |
| Accrued Expenses                         | 10,171               | 2,841                |
| Current Maturities of Long-Term Debt     | 65,043               | 332,593              |
| Total Current Liabilities                | <u>1,084,352</u>     | <u>1,384,005</u>     |
| <b>LONG-TERM LIABILITIES</b>             |                      |                      |
| Long-Term Debt (Less Current Maturities) | <u>950,508</u>       | <u>1,247,607</u>     |
| <b>TOTAL LIABILITIES</b>                 | <u>2,034,860</u>     | <u>2,631,612</u>     |
| <b>NET ASSETS</b>                        |                      |                      |
| Net Assets With Donor Restrictions       | 454,313              | 366,913              |
| Net Assets Without Donor Restrictions    | 10,518,204           | 9,071,419            |
| <b>TOTAL NET ASSETS</b>                  | <u>10,972,517</u>    | <u>9,438,332</u>     |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <u>\$ 13,007,377</u> | <u>\$ 12,069,944</u> |

The accompanying notes are an integral part of these statements.

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

**STATEMENTS OF ACTIVITIES  
DECEMBER 31, 2021 AND 2020**

|  | <u>2021</u>             | <u>2020</u>           |
|--|-------------------------|-----------------------|
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>                       |                         |                       |
| <b>PUBLIC SUPPORT</b>  |                         |                       |
| Donations  | \$ 15,157               | \$ 18,371             |
| Fundraising  | <u>-</u>                | <u>340</u>            |
| Total Public Support   | <u>15,157</u>           | <u>18,711</u>         |
| <br><b>REVENUES</b>  |                         |                       |
| Rental Income  | 646,117                 | 586,978               |
| Governmental Grants and Contracts                                  | 13,824,182              | 15,484,952            |
| Patient Service Fees - (SOS and Clinic)                            | 3,121,711               | 2,579,698             |
| Contractual Adjustments - (SOS and Clinic)                         | (2,051,096)             | (1,703,077)           |
| Clinic Revenue   | 10,590                  | 5,338                 |
| Meals Revenue  | 200,724                 | 186,660               |
| Miscellaneous  | 41,521                  | 96,489                |
| Interest   | 39,733                  | 35,557                |
| PPP Loan Forgiveness   | 1,373,478               | -                     |
| Total Revenues   | <u>17,206,960</u>       | <u>17,272,595</u>     |
| <br><b>TOTAL PUBLIC SUPPORT AND REVENUES</b>                       | <br><u>17,222,117</u>   | <br><u>17,291,306</u> |
| <br><b>EXPENSES</b>  |                         |                       |
| Program Services:  |                         |                       |
| AIDS Education and Relief  | 14,118,958              | 15,039,206            |
| Supporting Services:   |                         |                       |
| Management and General   | <u>1,656,374</u>        | <u>1,861,487</u>      |
| Total Expenses   | <u>15,775,332</u>       | <u>16,900,693</u>     |
| <br><b>CHANGE IN NET ASSETS WITHOUT<br/>    DONOR RESTRICTIONS</b> | <br><u>\$ 1,446,785</u> | <br><u>\$ 390,613</u> |

The accompanying notes are an integral part of these statements.

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

**STATEMENTS OF ACTIVITIES  
DECEMBER 31, 2021 AND 2020**

|  | <u>2021</u>          | <u>2020</u>         |
|--|----------------------|---------------------|
| <b>NET ASSETS WITH DONOR RESTRICTIONS</b>            |                      |                     |
| <b>REVENUES</b>                                      |                      |                     |
| Governmental Grant                                   | \$ 87,400            | \$ -                |
| Net Assets Released from Restrictions                | <u>-</u>             | <u>-</u>            |
| INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS       | 87,400               | -                   |
| INCREASE IN NET ASSETS<br>WITHOUT DONOR RESTRICTIONS | <u>1,446,785</u>     | <u>390,613</u>      |
| CHANGE IN NET ASSETS                                 | 1,534,185            | 390,613             |
| NET ASSETS AT BEGINNING OF YEAR                      | <u>9,438,332</u>     | <u>9,047,719</u>    |
| NET ASSETS AT END OF YEAR                            | <u>\$ 10,972,517</u> | <u>\$ 9,438,332</u> |

The accompanying notes are an integral part of these statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES  
DECEMBER 31, 2021**

|  | PROGRAM<br>SERVICES             | SUPPORTING<br>SERVICES       |                      |
|--|---------------------------------|------------------------------|----------------------|
|  | AIDS<br>EDUCATION<br>AND RELIEF | MANAGEMENT<br>AND<br>GENERAL | TOTAL                |
| <b>Compensation and Related Expenses</b> |                                 |                              |                      |
| Salaries                                 | \$ 7,336,821                    | \$ 672,531                   | \$ 8,009,352         |
| Compensated Absences                     | -                               | 37,023                       | 37,023               |
| Employee Benefits                        |                                 |                              |                      |
| Medical                                  | 941,236                         | 61,102                       | 1,002,338            |
| Pension Plan                             | 192,043                         | 24,178                       | 216,221              |
| Payroll Taxes                            | 556,360                         | 53,442                       | 609,802              |
|  | 9,026,460                       | 848,276                      | 9,874,736            |
| Advertising                              | 25,942                          | 6,172                        | 32,114               |
| Bank Charges                             | -                               | 2,590                        | 2,590                |
| Contract Personnel                       | 74,812                          | 32,645                       | 107,457              |
| Contractual                              | 511,633                         | -                            | 511,633              |
| Depreciation                             | -                               | 359,116                      | 359,116              |
| Direct Assistance                        | 3,342,386                       | 400                          | 3,342,786            |
| Dues and Subscriptions                   | 18,864                          | 10,690                       | 29,554               |
| Equipment Leasing                        | 8,113                           | 2,811                        | 10,924               |
| Education and Outreach                   | 4,591                           | 220                          | 4,811                |
| Insurance                                | 63,646                          | 64,567                       | 128,213              |
| Interest Expense                         | -                               | 21,161                       | 21,161               |
| Landscaping                              | 120                             | 7,298                        | 7,418                |
| Legal and Accounting                     | 108,343                         | 43,836                       | 152,179              |
| Loss on Disposal of Assets               | 5,209                           | -                            | 5,209                |
| Miscellaneous                            | 12,585                          | 31,480                       | 44,065               |
| Office Expense                           | 103,850                         | 34,322                       | 138,172              |
| Postage                                  | 1,906                           | 5,076                        | 6,982                |
| Repairs and Maintenance                  | 115,742                         | 67,427                       | 183,169              |
| Small Equipment                          | 3,688                           | 28,067                       | 31,755               |
| Supplies and Materials                   | 416,032                         | 28,810                       | 444,842              |
| Taxes and Licenses                       | 690                             | 35                           | 725                  |
| Travel and Seminars                      | 59,163                          | 10,174                       | 69,337               |
| Utilities and Telephone                  | 215,183                         | 51,201                       | 266,384              |
|  | \$ 14,118,958                   | \$ 1,656,374                 | \$ 15,775,332        |
| <b>TOTAL</b>                             | <b>\$ 14,118,958</b>            | <b>\$ 1,656,374</b>          | <b>\$ 15,775,332</b> |

The accompanying notes are an integral part of these statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES  
DECEMBER 31, 2020**

|                                   | PROGRAM<br>SERVICES             | SUPPORTING<br>SERVICES       |                      |
|-----------------------------------|---------------------------------|------------------------------|----------------------|
|                                   | AIDS<br>EDUCATION<br>AND RELIEF | MANAGEMENT<br>AND<br>GENERAL | TOTAL                |
| Compensation and Related Expenses |                                 |                              |                      |
| Salaries                          | \$ 6,888,551                    | \$ 770,377                   | \$ 7,658,928         |
| Compensated Absences              | -                               | 155,202                      | 155,202              |
| Employee Benefits                 |                                 |                              |                      |
| Medical                           | 901,225                         | 74,990                       | 976,215              |
| Pension Plan                      | 167,506                         | 26,106                       | 193,612              |
| Payroll Taxes                     | 541,915                         | 59,775                       | 601,690              |
|                                   | 8,499,197                       | 1,086,450                    | 9,585,647            |
| Advertising                       | 30,457                          | 11,954                       | 42,411               |
| Amortization                      | -                               | 3,056                        | 3,056                |
| Bad Debt                          | 2,325                           | -                            | 2,325                |
| Bank Charges                      | -                               | 2,449                        | 2,449                |
| Contract Personnel                | 64,163                          | 28,569                       | 92,732               |
| Contractual                       | 1,549,505                       | -                            | 1,549,505            |
| Depreciation                      | -                               | 326,762                      | 326,762              |
| Direct Assistance                 | 3,919,265                       | 7,451                        | 3,926,716            |
| Dues and Subscriptions            | 14,355                          | 7,605                        | 21,960               |
| Equipment Leasing                 | 11,325                          | 3,620                        | 14,945               |
| Education and Outreach            | 1,275                           | -                            | 1,275                |
| Insurance                         | 63,379                          | 43,516                       | 106,895              |
| Interest Expense                  | -                               | 37,153                       | 37,153               |
| Landscaping                       | 240                             | 26,038                       | 26,278               |
| Legal and Accounting              | 20,720                          | 76,621                       | 97,341               |
| Loss on Disposal of Assets        | 8,341                           | -                            | 8,341                |
| Miscellaneous                     | 4,430                           | 13,662                       | 18,092               |
| Office Expense                    | 89,398                          | 30,074                       | 119,472              |
| Postage                           | 1,207                           | 4,941                        | 6,148                |
| Repairs and Maintenance           | 87,960                          | 65,175                       | 153,135              |
| Small Equipment                   | 19,821                          | 131                          | 19,952               |
| Supplies and Materials            | 408,163                         | 23,879                       | 432,042              |
| Taxes and Licenses                | 690                             | 975                          | 1,665                |
| Travel and Seminars               | 64,123                          | 7,930                        | 72,053               |
| Utilities and Telephone           | 178,867                         | 53,476                       | 232,343              |
|                                   | \$ 15,039,206                   | \$ 1,861,487                 | \$ 16,900,693        |
| <b>TOTAL</b>                      | <b>\$ 15,039,206</b>            | <b>\$ 1,861,487</b>          | <b>\$ 16,900,693</b> |

The accompanying notes are an integral part of these statements.

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

**STATEMENTS OF CASH FLOWS  
DECEMBER 31, 2021 AND 2020**

|   | <u>2021</u>        | <u>2020</u>         |
|---|--------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                    |                     |
| Change in Net Assets  | \$ 1,534,185       | \$ 390,613          |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Flows From Operating Activities: |                    |                     |
| Depreciation  | 359,116            | 326,762             |
| Amortization  | -                  | 3,057               |
| Bad Debt  | -                  | 2,325               |
| Loss on Disposal of Assets  | 5,209              | 8,341               |
| Forgiveness of PPP Loan   | (1,373,478)        | -                   |
| Changes in Current Assets and Liabilities:  |                    |                     |
| Contracts Receivable  | (622,840)          | 812,177             |
| Other Receivables   | (26,639)           | (220,817)           |
| Prepaid Expenses  | 76,111             | 38,111              |
| Employee Advances   | (1,343)            | 2,148               |
| Accounts Payable  | (86,451)           | 43,541              |
| Accrued Compensated Absences  | 37,024             | 155,202             |
| Accrued Payroll and Related Liabilities   | 41,148             | (169,351)           |
| Accrued Expenses  | 7,330              | 2,841               |
| Tenant Deposits   | (31,154)           | (675)               |
| Net Cash Provided By/(Used In) Operating Activities   | <u>(81,782)</u>    | <u>1,394,275</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                    |                     |
| Purchase of Fixed Assets  | <u>(1,381,297)</u> | <u>(189,534)</u>    |
| Net Cash (Used In) Investing Activities   | <u>(1,381,297)</u> | <u>(189,534)</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                    |                     |
| Net Proceeds (Repayments) on Line of Credit   | -                  | (1,892,000)         |
| Proceeds of Long-Term Debt  | 820,000            | 1,580,200           |
| Payments on Long-Term Debt  | <u>(11,171)</u>    | <u>-</u>            |
| Net Cash Provided By/(Used In) Financing Activities   | <u>808,829</u>     | <u>(311,800)</u>    |
| NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS   | (654,250)          | 892,941             |
| CASH, BEGINNING OF YEAR   | <u>1,420,014</u>   | <u>527,073</u>      |
| CASH, END OF YEAR   | <u>\$ 765,764</u>  | <u>\$ 1,420,014</u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                                       |                    |                     |
| Cash paid during the year for:  |                    |                     |
| Interest  | <u>\$ 21,161</u>   | <u>\$ 37,153</u>    |

The accompanying notes are an integral part of these statements.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

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

**Basis of Presentation**

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

**Basis of Accounting**

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

**Net Assets**

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

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

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

**Cash and Cash Equivalents**

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

**Allowance for Doubtful Accounts**

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

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Allowance for Doubtful Accounts – (continued)**

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

**Use of Estimates**

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

**Federal Financial Awards**

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

**Donated Services**

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

**Property and Equipment**

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

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$359,116 and \$326,762 for the years ended December 31, 2021 and 2020, respectively.

**Functional Allocation of Expenses**

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

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Compensated Absences**

Employees accrue personal leave time from the first day of employment with the amount being determined based on length of service. An employee is allowed to earn a maximum of leave based on length of employment, but they may not accrue more than this maximum balance. At the time of termination of employment, employees are entitled to receive payment for earned personal leave not yet taken. Accordingly, an accrual has been made for accumulated personal leave as of December 31, 2021 and 2020.

**Income Taxes**

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

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the periods prior to 2018.

**Revenue Recognition**

**Grants and Contributions**

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. No amounts were received in advance under the Organization's grants in 2021.

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

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Revenue Recognition – (continued)**

**Patient Service Fees and Pharmacy Revenue**

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

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

The Organization provides discounts from gross charges to uninsured patients who do not qualify for Medicaid. These discounts are like those provided to many local managed care plans. After the discounts are applied, if the Organization is still unable to collect a significant portion of uninsured patients' accounts, it records bad debt using the direct write-off method.

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Revenue Recognition – (continued)**

340B Program Revenue

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

**Fair Value Considerations**

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

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

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

**(B) RECLASSIFICATIONS**

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

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(C) PROPERTY AND EQUIPMENT**

Property and Equipment consist of the following:

|                                | 2021         | 2020         |
|--------------------------------|--------------|--------------|
| Land                           | \$ 45,000    | \$ 45,000    |
| Land Improvements              | 24,270       | 24,270       |
| Buildings                      | 9,078,409    | 7,782,671    |
| Building Renovations           | 2,161,378    | 2,161,378    |
| Autos and Trucks               | 138,378      | 154,178      |
| Construction in Progress       | 124,558      | 52,170       |
| Equipment                      | 405,184      | 420,194      |
| Total                          | 11,977,177   | 10,639,861   |
| Less: Accumulated Depreciation | (3,412,655)  | (3,092,311)  |
| Net Property and Equipment     | \$ 8,564,522 | \$ 7,547,550 |

**(D) ADVERTISING**

The Organization uses advertising to promote its programs among the individuals it serves. The cost of this advertising is expensed as incurred. Advertising costs totaled \$32,114 and \$42,411 for the years ended December 31, 2021 and 2020, respectively.

**(E) NOTE PAYABLE**

The Organization has a \$2,000,000 line of credit, secured by a mortgage on the organization's real property located in Lafayette, Louisiana. The line bears interest at a rate of prime plus 1.5 percent, currently 4.75 percent, with a maturity date of July 2022. As of December 31, 2021 and 2020, the balance on the line was \$-0- and \$-0-, respectively. The line of credit was renewed after year end.

**(F) LONG-TERM DEBT**

Long-term debt consisted of the following as of December 31, 2021:

In April 2020, the Organization was granted a loan from Iberia Bank in the aggregate amount of \$1,580,200, pursuant to the Paycheck Protection Program (the "PPP"). The Loan, which was in the form of a Note dated April 13, 2020, matures on April 13, 2022, and bears interest at a rate of 1.0% per annum, payable monthly in 18 payments of \$89,673 commencing on September 13, 2021. The Note may be prepaid at any time prior to maturing with no prepayment penalties.

On December 21, 2021, the Organization was granted partial forgiveness of this loan in the amount of \$1,373,478. The Organization owes the remaining balance of \$206,722 and will make 37 monthly payments of \$4,261 commencing on March 1, 2022, and a final payment of \$57,070 on April 1, 2025.

On July 12, 2021, the Organization was granted a loan from Iberia Bank for \$820,000 for the purchase of a building. The note bears an interest rate of 3.95% with monthly payments of \$1,829 commencing on August 12, 2021, and a balloon payment of \$495,887 on July 12, 2031.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(F) LONG TERM DEBT – (continued)**

|                               |                   |
|-------------------------------|-------------------|
| Total Long-Term Notes Payable | \$ 1,015,551      |
| Less: Current Maturities      | <u>(65,043)</u>   |
| Total Long-Term Debt          | <u>\$ 950,508</u> |

Maturities of Long-Term Debt are as follows:

|            |                     |
|------------|---------------------|
| 2022       | \$ 65,043           |
| 2023       | 78,583              |
| 2024       | 80,177              |
| 2025       | 100,965             |
| 2026       | 33,932              |
| Thereafter | <u>656,851</u>      |
| Total      | <u>\$ 1,015,551</u> |

**(G) NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2021 and 2020, net assets with donor restrictions are available for the following purpose:

|                       | <u>2021</u>       | <u>2020</u>       |
|-----------------------|-------------------|-------------------|
| Building Improvements | <u>\$ 454,313</u> | <u>\$ 366,913</u> |

The donor restriction of \$366,913 relates to the Wellness Center improvements funded through a Community Development Block Grant which has a seven-year time-restriction. The restriction will expire during the year ended December 31, 2024.

The donor restriction of \$87,400 relates to the rehabilitation of the Open-Door building, a therapeutic residential facility funded through a Community Development Block Grant which has a five-year time-restriction. The restriction will expire during the year ended December 31, 2027.

**(H) OPERATING LEASE - LESSOR**

On August 1, 2018, the Company entered into a lease as the lessor. The term of the initial lease was for three years and expired on July 31, 2021. The term of the lease is now month-to-month.

The total cost of the building being leased at December 31, 2021, was \$4,500,000 with accumulated depreciation of \$787,500.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(I) OPERATING LEASE – LESSEE**

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

During July 2019, the Organization entered into a three-year lease for office space in Alexandria, Louisiana. The monthly payments are \$835.

During November 2019, the Organization entered into a three-year lease for two suites in New Orleans, Louisiana. The monthly payments are \$4,246. The lease has a renewal option for one (2) two-year term at \$4,370 per month.

The future minimum lease payments are as follows:

|                                     |                  |
|-------------------------------------|------------------|
| 2022                                | <u>\$ 51,714</u> |
| Total Minimum Future Lease Payments | <u>\$ 51,714</u> |

Rent expense totaled \$66,972 and \$42,411 for the years ended December 31, 2021 and 2020, respectively.

**(J) CONCENTRATION OF CREDIT RISK**

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

**(K) EMPLOYEE BENEFIT PLAN**

CARES has a defined contribution salary deferral plan covering substantially all employees. Under the plan, CARES matches 100% of eligible employees' salary deferrals (match not to exceed 6% of employee salary). Pension expense incurred during 2021 and 2020 was \$216,221 and \$193,612, respectively.

**(L) FINANCIAL INSTRUMENTS**

Financial instruments that potentially subject CARES to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with one high quality financial institution. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of December 31, 2021, CARES had \$767,410 of cash in excess of FDIC limits. It is the opinion of management that the solvency of the referenced financial instruments is not of particular concern at this time.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(L) FINANCIAL INSTRUMENTS – (continued)**

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

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

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

**(M) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS**

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

**(N) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR**

A detail of compensation, benefits, and other payments paid to the Executive Director, Claude Martin, for the year ended December 31, 2021:

| <u>Purpose</u>              |            |
|-----------------------------|------------|
| Salary and Related Expenses | \$ 123,781 |
| Benefits – Insurance        | \$ 8,400   |
| Benefits – Retirement       | \$ 7,106   |

**(O) LIQUIDITY AND AVAILABILITY**

The Organization has \$4,411,329 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$765,764 and receivables of \$3,645,565. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

**(P) SUBSEQUENT EVENTS**

Subsequent events were evaluated through August 1, 2022, which is the date the financial statements were available to be issued.

- During August 2022, the Line of Credit (Note E – Note Payable) was renewed for \$2,000,000 at an initial rate of 4.75%.

**SUPPLEMENTAL INFORMATION**

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

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2021**

| <u>Program Title</u>   | <u>ALN</u> | <u>Grant Number</u> | <u>Expenditures</u> | <u>Subrecipients</u> |
|--|------------|---------------------|---------------------|----------------------|
| <b>U.S. Department of Housing and Urban Development</b>      |            |                     |                     |                      |
| Passed through Lafayette City-Parish Consolidated Government |            |                     |                     |                      |
| Community Development Block Grants/Entitlement Grants:       |            |                     |                     |                      |
| Facility Improvements Grant                                  | 14.218     | N/A                 | \$ 87,400           | \$ -                 |
| Continuum of Care Program:                                   |            |                     |                     |                      |
| Project Home Again II  | 14.267 *   | LA0015L6H002013     | 305,828             | -                    |
| Project Home Again IV  | 14.267 *   | LA0181L6H002009     | 517,416             | -                    |
|  |            |                     | <u>823,244</u>      | <u>-</u>             |
| Passed through the Louisiana Department of Health:           |            |                     |                     |                      |
| Housing Opportunities for Persons with AIDS:                 |            |                     |                     |                      |
| Hope House   | 14.241     | 2000544880          | 122,169             | -                    |
| Total for U.S. Department of Housing and Urban Development   |            |                     | <u>1,032,813</u>    | <u>-</u>             |
| <b>U.S. Department of Health and Human Services</b>          |            |                     |                     |                      |
| Coordinated Services and Access to Research for              |            |                     |                     |                      |
| Women, Infants, Children, and Youth:                         |            |                     |                     |                      |
| Ryan White - Title IV  | 93.153     | H12HA26263          | 145,389             | -                    |
| COVID-19 - Grants for New and Expanded Services under the    |            |                     |                     |                      |
| Health Center Program  |            |                     |                     |                      |
|  | 93.527     | N/A                 | 86,218              | -                    |
| American Rescue Plan Act Funding for Look-Alikes             | 93.527     | 6L2CCS42395-01-03   | 142,813             | -                    |
| Passed through the Louisiana Department of Health:           |            |                     |                     |                      |
| Affordable Care Act (ACA) Personal Responsibility Education  |            |                     |                     |                      |
| Program  |            |                     |                     |                      |
| SIHLE/BART   | 93.092     | 2000408473          | 50,275              | -                    |

(continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued  
DECEMBER 31, 2021**

| <u>Program Title</u>                                | <u>ALN</u> | <u>Grant Number</u> | <u>Expenditures</u>  | <u>Subrecipients</u> |
|---|------------|---------------------|----------------------|----------------------|
| <b>U.S. Department of Health and Human Services</b> |            |                     |                      |                      |
| Passed through the Louisiana Department of Health:  |            |                     |                      |                      |
| HIV Care Formula Grants:                            |            |                     |                      |                      |
| HOPWA   | 93.917 *   | 2000370904          | \$ 261,504           | \$ -                 |
| COVID-19 - HOPWA                                    | 93.917 *   | 2000370904          | 1,766                | -                    |
| COVID-19 - Ryan White                               | 93.917 *   | 2000370904          | 12,189               | -                    |
| Ryan White Program                                  | 93.917 *   | 2000370904          | <u>1,089,130</u>     | <u>-</u>             |
|   |            |                     | <u>1,364,589</u>     | <u>-</u>             |
| HIV Prevention Grants:                              |            |                     |                      |                      |
| Medical Models                                      | 93.940 *   | 2000485858          | 167,467              | -                    |
| Prevention Program - Fee for Service                | 93.940 *   | 2000413812          | 68,790               | -                    |
| Prevention Program - Wellness Center                | 93.940 *   | 2000418641          | 33,255               | -                    |
| HIV Prevention                                      | 93.940 *   | 2000439038          | <u>8,741,149</u>     | <u>-</u>             |
|   |            |                     | <u>9,010,661</u>     | <u>-</u>             |
| Passed through the Louisiana Department of Health:  |            |                     | <u>10,425,525</u>    | <u>-</u>             |
| Total for U.S. Department of Health                 |            |                     | <u>10,799,945</u>    | <u>-</u>             |
| Total Expenditures                                  |            |                     | <u>\$ 11,832,758</u> | <u>\$ -</u>          |

\* - denotes a major program

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

**NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
DECEMBER 31, 2021**

**(A) BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Acadiana Concern for AIDS Relief, Education and Support, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as reimbursements.
- (2) Pass-through entity identifying numbers are presented where available.

**(C) INDIRECT COST RATE**

The Organization has elected to use the 10% de minimis indirect cost rate for the year ended December 31, 2021, unless otherwise negotiated.

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

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

LANCE E. CRAPPELL, CPA, CGMA \*

MICAH R. VIDRINE, CPA \*

TRAVIS M. BRINSKO, CPA \*

CHRISTINE R. DUNN, CPA\*\*

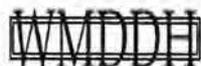
DAMIAN H. SPIESS, CPA, CFP \*\*

JOAN MARTIN, CPA, CVA, CFF\*\*

ANDRE' D. BROUSSARD, CPA\*\*

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

\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY



MAGEN M. HORNSBY, CPA

STEPHANIE A. RAWLINSON, CPA

STEPHANIE L. WEST, CPA, MBA

JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

DUSTIN HEBERT, CPA, MBA

CHRISTOPHER LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

SUMATI T. PADHY, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 1, 2022.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CARES' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CARES' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CARES' 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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001.

#### **Purpose of this Report**

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

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

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

Lafayette, Louisiana  
August 1, 2022

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

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

LANCE E. CRAPPELL, CPA, CGMA \*

MICAH R. VIDRINE, CPA \*

TRAVIS M. BRINSKO, CPA \*

CHRISTINE R. DUNN, CPA\*\*

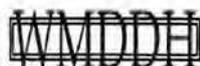
DAMIAN H. SPIESS, CPA, CFP \*\*

JOAN MARTIN, CPA, CVA, CFF\*\*

ANDRE' D. BROUSSARD, CPA\*\*

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

\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY



MAGEN M. HORNSBY, CPA

STEPHANIE A. RAWLINSON, CPA

STEPHANIE L. WEST, CPA, MBA

JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

DUSTIN HEBERT, CPA, MBA

CHRISTOPHER LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

SUMATI T. PADHY, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

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

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

### Report on Compliance for Each Major Federal Program

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

We have audited the Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES') compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of CARES' major federal programs for the year ended December 31, 2021. CARES' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, CARES complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CARES and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CARES' compliance with the compliance requirements referred to above.

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

In our opinion, CARES complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CARES' federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CARES' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CARES' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CARES' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CARES' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CARES' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

This report is intended for the information of the management and Board of Directors of the Acadiana Concern for AIDS Relief, Education and Support, Inc. and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

August 1, 2022  
Lafayette, Louisiana

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

We have audited the financial statements of Acadiana Concern for Aids Relief, Education, and Support, Inc. as of and for the year ended December 31, 2021, and have issued our report thereon dated August 1, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2021, resulted in an unmodified opinion.

***Section I - Summary of Auditors' Reports***

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

Internal Control

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

Compliance

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

b. *Federal Awards*

Major Programs Identification

CARES at December 31, 2021, had three major programs:

- Department of Housing and Urban Development – Direct Award – Continuum of Care Program – ALN: 14.267
- Department of Health and Human Services – Passed through the Louisiana Department of Health - HIV Care Formula Grants – ALN: 93.917 and HIV Prevention Grants – ALN: 93.940

Low-Risk Auditee

CARES is considered a low-risk auditee for the year ended December 31, 2021.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended December 31, 2021.

Auditors' Report - Major Programs

An unmodified opinion has been issued on CARES' compliance for its major program as of and for the year ended December 31, 2021.

Significant Deficiencies - Major Program

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (continued)  
YEAR ENDED DECEMBER 31, 2021**

***Section II - Financial Statement Findings***

**Finding No. 2021-001 - Late Filing**

Fiscal Year Finding Initially Occurred: 2021

*Statement of Condition:*

CARES failed to comply with LA R.S. 24513, by not submitting audited financial statements to the Louisiana Legislative Auditor within six months after their December 31, 2021, fiscal year end.

*Criteria:*

The Organization should adhere to the Louisiana Revised Statutes.

*Cause of Condition:*

CARES had extenuating circumstances with key accounting personnel which hindered the ability to close the books in a timely manner.

*Effect of Condition:*

CARES is not in compliance with state law.

*Recommendation:*

No recommendation. As stated, these were circumstances outside of the Organization's control.

***Section III - Federal Awards Findings and Questioned Costs***

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

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2021**

There were no prior year findings.

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2021**

**Louisiana Legislative Auditor**

Acadiana Concern for AIDS Relief, Education and Support, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2021.

**Finding No. 2021-001 – Late Filing**

Fiscal Year Finding Initially Occurred: 2021

*Recommendation:*

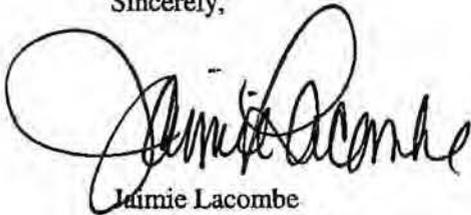
No recommendation. As stated, these were circumstances outside of the Organization's control.

*Management's Corrective Action Plan:*

The Organization agrees with this finding. The Organization is aware of reporting deadlines outlined in the Louisiana Revised Statute 24:513, however, due to extenuating circumstances, the audit submission was delayed.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Jaimie Lacombe, Director of Finance, at (337) 233-2437.

Sincerely,



Jaimie Lacombe  
Director of Finance  
Acadiana Concern for AIDS Relief, Education and Support, Inc.



**AcadianaCares**  
A NETWORK FOR HEALTHY LIVING

809 Martin Luther King Jr. Drive | Lafayette, LA 70501  
P: 337.233.2437 | F: 337.235.4178 | [acadianacares.org](http://acadianacares.org)

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

Lafayette, Louisiana

Independent Accountants' Report  
On Applying Agreed-Upon Procedures

Year Ended December 31, 2021

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

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

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

LANCE E. CRAPPELL, CPA, CGMA \*

MICAH R. VIDRINE, CPA \*

TRAVIS M. BRINSKO, CPA \*

CHRISTINE R. DUNN, CPA\*\*

DAMIAN H. SPIESS, CPA, CFP \*\*

JOAN MARTIN, CPA, CVA, CFF \*\*

ANDRE' D. BROUSSARD, CPA\*\*

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

\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY



MAGEN M. HORNSBY, CPA

STEPHANIE A. RAWLINSON, CPA

STEPHANIE L. WEST, CPA, MBA

JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

DUSTIN HEBERT, CPA, MBA

CHRISTOPHER LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

SUMATI T. PADHY, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

ALAN M. TAYLOR, CPA

TINA B. VIATOR, CPA

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

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. Acadiana C.A.R.E.S.' management is responsible for those control and compliance areas identified in the SAUPs.

Acadiana C.A.R.E.S. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating management's assertions about Acadiana C.A.R.E.S.' compliance with certain laws, regulations, and best practices. Additionally, the Legislative Auditor, State of Louisiana, has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

*Written policies and procedures were obtained and address the functions noted above.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*Written policies and procedures were obtained and address the functions noted above.*

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

*This section is not applicable to not for profits entities.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:341.*

#### ***Board (or Finance Committee, if applicable)***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions were found as a result of this procedure.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds and semi-annual budget to-actual, at a minimum, on all special revenue funds.

*This procedure was not applicable.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*This procedure was not applicable.*

#### ***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained listing of client bank accounts, and management's representation that the listing is complete Selected five accounts for testing.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*There was no evidence of bank reconciliations being completed within two months of the statement closing date.*

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

*Two out of the five accounts tested showed no evidence of management's review.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*One of the five accounts tested shows no evidence of management researching reconciling items of twelve months or more.*

### Collections

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Obtained listing of deposit sites (1) and management's representation that the listing is complete.*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

*No exceptions were found as a result of this procedure.*

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

a) Observe that receipts are sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Obtained listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions were found as a result of this procedure.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

---

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Obtained listing and management's representation that the listing is complete.*

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*No exceptions were found as a result of this procedure.*

### ***Travel and Expense Reimbursement***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Obtained listing and management's representation that the listing is complete.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

### ***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Obtained listing and management's representation that the listing is complete.*

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

*This procedure was not applicable for a not-for-profit entity.*

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

*No exceptions were found as a result of this procedure.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

*This procedure was not applicable for a not-for-profit entity.*

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

*No exceptions were found as a result of this procedure.*

### ***Payroll and Personnel***

---

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

*Obtained a listing and management's representation that the listing is complete.*

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

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were found as a result of this procedure.*

#### ***Ethics (excluding nonprofits)***

---

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*This procedure was not applicable for a not-for-profit entity.*

- b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*This procedure was not applicable for a not-for-profit entity.*

### Debt Service (excluding nonprofits)

---

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

*This procedure was not applicable for a not-for-profit entity.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*This procedure was not applicable for a not-for-profit entity.*

### Fraud Notice

---

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

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

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

*It was noted that the "fight fraud" poster was not posted on the entity's website.*

### Information Technology Disaster Recovery/Business Continuity

---

25. Perform the following procedures, verbally discuss the results with management, and report **"We performed the procedure and discussed the results with management."**

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*"We performed the procedure and discussed the results with management."*

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*"We performed the procedure and discussed the results with management."*

- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management

demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*"We performed the procedure and discussed the results with management."*

### ***Sexual Harassment***

---

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:341.*

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:341.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:341.*

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;  
and
- e. Amount of time it took to resolve each complaint.

We were engaged by the Acadiana C.A.R.E.S. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on management's financial records and compliance with applicable laws and regulations. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Acadiana C.A.R.E.S. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of Acadiana C.A.R.E.S. and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties.

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

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

Lafayette, Louisiana  
June 14, 2022

August 10, 2022  
Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC  
P.O. Box 80569  
Lafayette, LA 70598

The following is Management's response to the 2021 agreed upon procedures report submitted.

#### BANK RECONCILIATIONS

3. a), b) and c) - Management is working on processes to ensure that all bank reconciliations are done in a timely manner. Management is also ensuring that the CEO reviews all bank reconciliations and signs off on them upon completion. Addressing finding c), management will develop a process to address outstanding checks aged more than 12 months to align with the state of Louisiana unclaimed property laws.

#### FRAUD NOTICE

24. Management will work with their IT consultant to insert the necessary link on the website.

If any additional information is needed, please contact me.



Claude Martin  
CEO



**AcadianaCares**  
A NETWORK FOR HEALTHY LIVING

809 Martin Luther King Jr. Drive | Lafayette, LA 70501  
P: 337.233.2437 | F: 337.235.4178 | [acadianacares.org](http://acadianacares.org)