

**Open Aid Alliance**  
INDEPENDENT AUDITOR'S REPORTS  
and  
FINANCIAL STATEMENTS  
December 31, 2020

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## Peterson CPA Group, P.C.

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Missoula AIDS Fund, Inc. DBA Open Aid Alliance  
Missoula, Montana

We have audited the accompanying financial statements of the Missoula AIDS Fund, Inc. DBA Open Aid Alliance, a nonprofit organization, which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Missoula AIDS Fund, Inc. DBA Open Aid Alliance, as of December 31, 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.

## **Other Matters**

### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, on our consideration of Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control over financial reporting and compliance.

*Peterson CPA Group, P.C.*

Missoula, Montana

November 24, 2021

# FINANCIAL STATEMENTS

**OPEN AID ALLIANCE**  
**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2020**

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**ASSETS**

	<b>2020</b>
Cash and Cash Equivalents	\$ 14,528
Accounts Receivable	151
Grant and Contract Receivables	699,775
Total Current Assets	<u>714,454</u>
Equipment and Vehicle, net	6,365
Deposits	2,825
Total Non-Current Assets	<u>9,190</u>
Total Assets	<u><u>\$ 723,644</u></u>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$ 1,984
Accrued Expenses	13,588
Line of Credit	25,000
Total Current Liabilities	<u>40,572</u>
Deferred Revenue	685,132
Total Non-Current Liabilities	<u>685,132</u>
Total Liabilities	<u>725,704</u>
Net Assets:	
Without Donor Restrictions	(2,060)
With Donor Restrictions	<u>-</u>
Total Net Assets	<u>(2,060)</u>
Total Liabilities and Net Assets	<u><u>\$ 723,644</u></u>

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See the notes to the financial statements.

**OPEN AID ALLIANCE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2020**

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	<u>Without Donor</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 30,278	\$ -	\$ 30,278
Grants	947,492	-	947,492
Other	317	-	317
Interest	539	-	539
	<u>978,626</u>	<u>-</u>	<u>978,626</u>
Net Assets Released from Restriction	<u>-</u>	<u>-</u>	<u>-</u>
 Total Support and Revenue	 <u>978,626</u>	 <u>-</u>	 <u>978,626</u>
<b>EXPENSES:</b>			
Program	928,372	-	928,372
General and Administrative	50,665	-	50,665
Fundraising	5,941	-	5,941
Total Expenses	<u>984,978</u>	<u>-</u>	<u>984,978</u>
 Change in Net Assets	 (6,352)	 -	 (6,352)
<b>NET ASSETS</b>			
Beginning of Year	<u>4,292</u>	<u>-</u>	<u>4,292</u>
End of Year	<u>\$ (2,060)</u>	<u>\$ -</u>	<u>\$ (2,060)</u>

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See the notes to the financial statements.

**OPEN AID ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2020**

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	Program	General and Administrative	Fundraising	Total
Salaries and Wages	\$303,843	\$ 13,048	\$ 3,626	\$ 320,517
Payroll Taxes and Employee Benefits	49,992	3,802	562	54,356
Advertising and Outreach	3,369	-	100	3,469
Bank Fees	22	425	-	447
Depreciation	335	-	-	335
Event Expense	-	-	490	490
Incentives	720	170	-	890
Insurance	10,686	415	135	11,236
Interest	-	1,846	-	1,846
Internet and Phone	5,455	200	60	5,715
Leases	2,226	96	27	2,349
Memberships and Dues	119	989	-	1,108
Office	5,493	1,102	10	6,605
Postage and Shipping	5,062	1	-	5,063
Professional Services	108,085	8,676	398	117,159
Program Services	325,032	11,559	-	336,591
Rent	36,982	1,525	447	38,954
Repairs and Maintenance	1,436	62	17	1,515
STI Testing	-	1,659	-	1,659
Stipends	263	-	-	263
Supplies	66,510	4,281	69	70,860
Taxes, Licenses, and Permits	85	35	-	120
Training	414	325	-	739
Travel	2,243	449	-	2,692
Total Expenses	<u>\$928,372</u>	<u>\$ 50,665</u>	<u>\$ 5,941</u>	<u>\$ 984,978</u>

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See the notes to the financial statements.

**OPEN AID ALLIANCE**  
**STATEMENT OF CASH FLOWS**  
**For the Years Ended December 31, 2020**

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	<b>2020</b>
<b>OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (6,352)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	335
Changes in operating assets and liabilities:	
Accounts Receivable	(136)
Grant and Contracts Receivable	(41,137)
Accounts Payable	120
Accrued Expenses	2,963
Deferred Revenue	50,221
Net Cash Flows from Operating Activities	6,014
<b>INVESTING ACTIVITIES</b>	
Purchases of equipment and vehicles	(6,700)
Net Cash Flows from Investing Activities	(6,700)
<b>FINANCING ACTIVITIES</b>	
Advances on line of credit	299,305
Repayments on line of credit	(329,235)
Net Cash Flows from Financing Activities	(29,930)
Net Change in Cash and Cash Equivalents	(30,616)
Cash at the Beginning of the Year	45,144
Cash at the End of the Year	\$ 14,528
<u>As Presented on the Statement of Financial Position:</u>	
Cash and Cash Equivalents	\$ 14,528
<u>Supplemental Disclosure of Cash Flow Information:</u>	
Cash paid for:	
Interest	\$ 1,846

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See the notes to the financial statements.

**OPEN AID ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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**NOTE 1. ORGANIZATION AND PURPOSE**

Missoula AIDS Fund, Inc. DBA Open Aid Alliance (the Organization) is a private, nonprofit corporation under Internal Revenue Code Section 501 (c)(3). The Organization's mission is to help people overcome stigma as they seek greater health and operates in Missoula, Montana.

Grants and contributions comprise the majority of the Organization's revenue.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as codified by the Financial Accounting Standards Board.

B. Cash and Cash Equivalents

For purposes 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.

From time to time, certain bank accounts that are subject to coverage by the Federal Deposit Insurance Corporation (FDIC) may exceed their insured limits. All bank accounts were fully insured by the FDIC at December 31, 2020.

C. Receivables

Receivables are comprised primarily of funds due from grants. Receivables are stated at unpaid balances and no interest is charged. Receivables are considered past due if not collected timely in accordance with grant agreements. There were no receivables past due at December 31, 2020. No interest is charged. Management has determined that an allowance was not necessary based on the nature of the receivable, economic considerations, and history with the grantor. Management reviews receivables periodically and writes off any receivable considered uncollectible. No receivables were written off in 2020.

Virtually all receivables at December 31, 2020 were from grants.

D. Equipment and Vehicle

Equipment and vehicle are stated at cost if purchased or at fair value on the date of donation. Assets costing \$500 or more are capitalized. Donations of equipment are recorded as donations without donor restriction unless the donor has restricted their use, in which case they are recorded as donations with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service.

**OPEN AID ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

D. Equipment and Vehicle, continued

Equipment and vehicle are depreciated on a straight-line basis over the estimated useful lives of five years. Depreciation expense totaled \$335 for the year ended December 31, 2020.

E. Net Asset Classification

The Organization reports information regarding its financial position and activities according to two classes of net assets in accordance with GAAP as follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions represent funds that are available to support the Organization’s operations with no donor imposed or board of director designated restrictions.

With Donor Restrictions: Net assets with donor restrictions represent funds which are donor-restricted for specific purposes, uses, or use in a specific period. Some may not expire by the passage of time nor be fulfilled or otherwise removed by actions of the Organization. There were no net assets with donor restrictions on December 31, 2020.

Donor-restricted funds are classified as “with donor restrictions” until the donor restriction expires either by the time restriction ending or the purpose restriction being accomplished, at which time they are accounted for as net assets released from restriction and reclassified as “net assets without donor restrictions”. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as “net assets without donor restrictions”. Expenses are reported as decreases in net assets without donor restrictions in the statement of activities. Gains and losses on investment and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless explicit donor stipulation or law restricts their use.

F. Revenue Recognition

Revenue is recognized following guidance of either FASB ASU 2014-09: *Revenue from Contracts with Customers* (Topic 606) or FASB ASU 2018-08: *Not-for-Profit Entities – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958).

The Organization’s significant revenue streams are grants and contributions. These revenue streams are reported following guidance from Topic 958. Topic 958 clarified the scope and the accounting guidance for contributions received assisting in the determination of whether the transaction should be accounted for as a contribution (nonreciprocal transaction) or as exchange (reciprocal) transactions. Topic 958 further clarified that if the possibility that a condition will not be met is remote, a conditional promise to give is considered unconditional and contribution revenue is immediately recognized and classified as net assets without donor restrictions or as net assets with donor restrictions.

**OPEN AID ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**F. Revenue Recognition, continued**

Distinguishing between contributions and exchange transactions determines whether the accounting follows Topic 958 or Topic 606. Contributions are recognized following guidance from Topic 958 and exchange transactions are recognized following guidance from Topic 606.

Contributions that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue was recognized. All other donor or grantor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills and would otherwise be purchased by the Organization. There were no donated services recognized in the financial statements for the year ended December 31, 2020.

All other revenue sources, which individually are not material to the overall financial statements, are recognized following guidance from ASC 606 at a point in time to all contracts at the date of initial application.

The Organization was negatively impacted from the world-wide coronavirus pandemic and lockdown orders by the Montana Governor impacting travel, commerce, and other activities in 2020.

There were no significant economic factors impacting revenue recognition in 2019.

The timing of revenue recognition, billings, and cash receipts results in billed receivables (contract asset) and deferred revenue (contract liability) on the statement of financial position. The balances of receivables and deferred revenue for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Accounts Receivable	\$ 151	\$ 15
Grants and Contracts Receivable	\$ 699,775	\$ 658,638
Deferred Revenue	\$ 685,132	\$ 634,911

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**OPEN AID ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

F. Functional Expense Allocations

The cost of program, general and administrative, and fundraising activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by the following functions:

Program: all expenses related to carrying out the Organization's mission.

General and Administrative includes all expenses related to management and administrative activities.

Fundraising: includes expenses related to promotional and special events.

Costs have been allocated among the program and supporting services benefited. Costs are direct charged whenever feasible. Costs that cannot reasonably be direct charged are allocated. Occupancy costs are allocated based on square footage. All other costs are allocated based on employee time.

G. Advertising and Outreach

Advertising costs are expensed when first incurred. Advertising costs for the year ended December 31, 2020 totaled \$3,469.

H. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual amounts could differ from those estimates.

I. Income Tax Status

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the increase in net assets is generally not subject to taxation. No provision for income taxes has been recorded in the financial statements as the Organization does not believe it had any unrelated business income in 2020.

J. Subsequent Events

Management has evaluated subsequent events through November 24, 2021, the date which the financial statements were available for issue. See also Notes 5, 9 and 10.

**OPEN AID ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**K. Recent Accounting Pronouncements**

The FASB issued Accounting Standard Update (ASU) 2016-02: *Leases*, in February 2016. This ASU requires the recognition of lease assets and liabilities in the financial statements as a “right-of-use” asset and a lease liability. This ASU supersedes lease accounting requirements of the FASB and requires new, additional disclosures. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities* on June 3, 2020. This ASU defers the effective date of Topic 606 and Topic 842 for certain entities that had not yet issued their financial statements to support and assist stakeholders as they cope with the challenges and hardships related to the COVID-19 pandemic. The Organization elected to defer adoption of Topic 842 to annual reporting periods beginning after December 15, 2021.

**NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the statements of financial position date are comprised of the following:

Cash and Cash Equivalents	\$ 14,528
Accounts Receivable	151
Grants and Contract Receivable	<u>699,775</u>
	<u>\$ 714,454</u>

The Organization does not have a formal liquidity policy and has a line of credit (Note 2E) to supplement cash flow.

**NOTE 4. EQUIPMENT AND VEHICLE**

Equipment, vehicle, and accumulated depreciation consisted of the following on December 31, 2020:

Equipment	\$ 13,866
Vehicle	<u>6,700</u>
	20,566
Accumulated Depreciation	<u>(14,201)</u>
Equipment and Vehicle, net	<u>\$ 6,365</u>

**NOTE 5. LINE OF CREDIT**

The Organization has a line of credit with a local financial institution in the amount of \$140,000 with interest at 6.25%. The line of credit is due July 2021 and is secured by virtually all the Organization’s assets. \$25,000 was outstanding on December 31, 2020.

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**OPEN AID ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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**NOTE 5. LINE OF CREDIT, Continued**

Subsequent to year-end, the line of credit was repaid and a new line of credit was obtained from a different financial institution in the amount of \$120,000 with interest at 4.25% (Wall Street Journal Prime Rate + 1.00%), secured by the Organization's assets, maturing in August 2022.

**NOTE 6. FUNDRAISING EXPENSES**

Fundraising expenses in 2020 totaled \$5,941 representing 0.6% of total expenses.

**NOTE 7. RETIREMENT PLAN**

The Organization offers a SIMPLE IRA plan for its employees who meet the eligibility requirements and matches up to 3% of employee contributions. The Organization contributed \$2,350 in 2020.

**NOTE 8. CONCENTRATIONS**

The Organization receives significant funding from federal agencies. Funding from grants represented approximately 97% of total revenue in 2020.

**NOTE 9. LEASES**

The Organization leases office equipment. This lease expires June 2023 and monthly rent is \$89 per month. Minimum lease amounts for 2021 and 2022 are expected to be \$1,052 and \$531, respectively.

The Organization leases space under terms of a commercial lease agreement that ends August 31, 2021. Lease payments in 2020 were \$1,204 per month plus a monthly assessment for property taxes, insurance, utilities, and other common area maintenance. Rent under this lease is expected to be \$25,970 for 2021.

Subsequent to year end, the Organization relocated to a new facility and entered into a new 3-year lease that expires on June 30, 2024. Minimum expected lease payments under this agreement are expected to be \$22,800 in 2021, \$46,800 in 2022, \$49,200 in 2023, and \$25,200 in 2024.

Rent expense in 2020 totaled \$38,954.

**NOTE 10. ECONOMIC CONDITIONS**

The Organization's operations and activities have been impacted by the effects of the world-wide coronavirus pandemic during 2020 continuing into 2021. As of the date of the issuance of these financial statements, the full impact to the Organization's financial position is unknown and cannot reasonably be estimated.

SINGLE AUDIT SECTION AND SUPPLEMENTARY  
INFORMATION

**OPEN AID ALLIANCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2020**

Federal Grantor / Direct or Pass-through Grantor / Program or Cluster Title	Contract Number	Federal CFDA Number	Amount Expended	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Passed through the State of Montana				
Department of Public Health and Human Services				
HOPWA Cares (4/1/2020 - 3/31/2022)	20028190300	14.241	\$ 69,923	\$ -
HOPWA Regular (9/1/2019-8/31/2020)	20028520030	14.241	91,292	-
HOPWA Regular (9/1/2020-8/31/2021)	21028520010	14.241	43,869	-
HOPWA Plus (9/1/2019-8/31/2020)	20028530010	14.241	92,722	-
HOPWA Plus (9/1/2020-8/31/2022)	20028530010	14.241	56,829	-
Total U.S. Department of Housing and Urban Development			<u>354,635</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through the State of Montana				
Department of Public Health and Human Services				
DPHHS Housing/Outreach -HIV Care Formula Grant	17-07-4-51-314-0	93.917	115,269	-
DPHHS Prevention - HIV Care Formula Grant	18-07-4-51-007-0	93.917	64,469	-
DPHHS Housing/Outreach - HIV Care Formula Grant	21-07-4-51-314-0	93.917	7,729	-
DPHHS Early Intervention Services - HIV Care Formula	17-07-4-51-214-0	93.917	46,964	-
Total U.S. Department of Health and Human Services			<u>234,431</u>	<u>-</u>
U.S. Health Resources Services Administration				
Passed through Lake County Health Department				
Polson County SSP - HIV Care Formula Grant	20-07-4-51-403	93.917	27,729	-
Passed through Missoula County Health Department				
Missoula County SSP - HIV Care Formula Grant	N/A	93.917	22,560	-
Total U.S. Health Resources Services Administration			<u>50,289</u>	<u>-</u>
Total Expenditures for CFDA 93.17			<u>284,720</u>	<u>-</u>

See the notes to the schedule of expenditures of federal awards.  
See the Independent Auditor's Report.

**OPEN AID ALLIANCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For the Year Ended December 31, 2020**

Federal Grantor / Direct or Pass-through Grantor / Program or Cluster Title	Contract Number	Federal CFDA Number	Amount Expended	Passed Through to Subrecipients
Substance Abuse and Mental Health Services				
Administration				
Direct				
SAMHSA Building Communities of Recovery	3H79T1080773-S1	93.243	76,760	-
Total Substance Abuse and Mental Health Services			<u>76,760</u>	<u>-</u>
U.S. Department of the Treasury				
Passed through the State of Montana				
Department of Public Health and Human Services				
Coronavirus Relief Fund-MT COVID Social Services Grant	N/A	21.019	91,800	-
Total U.S. Department of the Treasury			<u>91,800</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$807,915</u>	<u>\$ -</u>

See the notes to the schedule of expenditures of federal awards.  
See the Independent Auditor's Report.

## OPEN AID ALLIANCE

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2020

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#### **NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Missoula AIDS Fund, Inc. DBA Open Aid Alliance under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selection of the operations of Missoula AIDS Fund, Inc. DBA Open Aid Alliance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Missoula AIDS Fund, Inc. DBA Open Aid Alliance.

#### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **NOTE 3. INDIRECT COST RATE**

Missoula AIDS Fund, Inc. DBA Open Aid Alliance has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.



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

To the Board of Directors of  
Missoula AIDS Fund, Inc. DBA Open Aid Alliance  
Missoula, Montana

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 Missoula AIDS Fund, Inc. DBA Open Aid Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control.

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Peterson CPA Group, P.C.*

Missoula, Montana  
November 24, 2021



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

To the Board of Directors of  
Missoula AIDS Fund, Inc. DBA Open Aid Alliance  
Missoula, Montana

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

We have audited Missoula AIDS Fund, Inc. DBA Open Aid Alliance's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Missoula AIDS Fund, Inc. DBA Open Aid Alliance, Inc.'s major federal programs for the year ended December 31, 2020. Missoula AIDS Fund, Inc. DBA Open Aid Alliance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Missoula AIDS Fund, Inc. DBA Open Aid Alliance's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Missoula AIDS Fund, Inc. DBA Open Aid Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Missoula AIDS Fund, Inc. DBA Open Aid Alliance's compliance.

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

In our opinion, Missoula AIDS Fund, Inc. DBA Open Aid Alliance 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, 2020.

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

Management of Missoula AIDS Fund, Inc. DBA Open Aid Alliance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Missoula AIDS Fund, Inc. DBA Open Aid Alliance's internal control over compliance.

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

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

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

*Peterson CPA Group, P.C.*

Missoula, Montana  
November 24, 2021

**OPEN AID ALLIANCE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2020**

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**Section 1 - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 500.156(a)?	No

*Identification of Major Federal Program(s):*

<u>CFDA Number(s):</u>	<u>Federal Program or Cluster</u>
14.241	U.S. Department of Housing and Urban Development Housing Opportunities for Persons with Aids

Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance:	\$750,000
Auditee qualified as a low-risk auditee?	No

**Section II - Financial Statement Findings**

None reported

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

None reported

**Section IV - Summary Schedule of Prior Audit Findings**

The December 31, 2019 year-end audit was not subject to a Single Audit