



CPA & CONSULTING  
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BATON ROUGE AIDS SOCIETY, INC.

Accountant's Review and Attestation Reports,  
With Financial Statements and  
Notes To the Financial Statements

For the Year Ended December 31, 2011

Deemer CPA and Consulting Services, LLC

**Baton Rouge AIDS Society, Inc.**  
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### Accountant's Review Report

To the Board of Director's of  
Baton Rouge AIDS Society, Inc., Inc.

I have reviewed the accompanying statement of financial position of Baton Rouge AIDS Society, Inc., Inc. (a non-profit corporation) as of December 31, 2011, and the related statement of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of agency management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

  
Deemer CPA and Consulting Services, LLC

New Orleans, Louisiana  
July 26, 2012

**Baton Rouge Aids Society**  
**Statement of Financial Position**  
**As of December 31, 2011**

**Assets**

Current Assets	
Cash	\$ 16,039
Inventory	<u>78</u>
Total Current Assets	<u>16,117</u>
Fixed Assets	
Furniture & Equipment	138,383
Less: Accumulated Depreciation	<u>(124,822)</u>
Total Fixed Assets	<u>13,561</u>
<b>Total Assets</b>	<b><u><u>\$ 29,678</u></u></b>

**Liabilities and Net Assets**

Line of Credit	<u>\$ 21,942</u>
Total Current Liabilities	21,942
<b><u>Net Assets</u></b>	
Unrestricted	<u>7,736</u>
<b>Total Net Assets</b>	<u>7,736</u>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 29,678</u></u></b>

The accompanying notes are an integral part of these financial statements

**Baton Rouge Aids Society**  
**Statement of Activities**  
**For the Year Ended December 31, 2011**

	<u>Unrestricted</u>
<b>Revenues and Other Support</b>	
Governmental Grants	\$ 214,513
Foundations and Corporate Grants	42,484
<b>Total Revenues and Other Support</b>	<b>\$ 256,997</b>
 <b>Expenditures</b>	
Program Services	\$ 225,510
Support Services	13,721
<b>Total Expenditures</b>	<b>239,231</b>
<b>Change In Net Assets</b>	<b>\$ 17,766</b>
<b>Net Assets At Beginning Of Year</b>	<b>(10,030)</b>
<b>Net Assets At End Of Year</b>	<b>\$ 7,736</b>

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

**Baton Rouge Aids Society  
Statement of Cash Flows  
For the Year Ended December 31, 2011**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ 17,766
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	6,455
Changes in Operating Assets and Liabilities	
Outreach Inventory	150
Line of credit	<u>(25,062)</u>
Net Cash Provided/Used) by Operating Activities	(691)

**Cash Flows From Investing Activities:**

(Purchase)/Sale of Property and Equipment	<u>0</u>
Net Cash Used in Investing Activities	0

**Cash Flows From Financing Activities:**

Net Cash Provided by Financing Activities	<u>0</u>
Net Cash Decrease for Period	(691)
Cash, At Beginning of Period January 1, 2011	<u>16,730</u>
Cash, At End of Period December 31, 2011	<u><u>\$ 16,039</u></u>

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

**Baton Rouge AIDS Society**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2011**

**1. Summary of Significant Accounting Principles**

**General** - Baton Rouge AIDS Society is a non-profit corporation organized under the laws of the State of Louisiana. Its mission is to provide positive community responses to people affected by HIV/AIDS and reduce the spread of HIV/AIDS through education and testing in the Baton Rouge and surrounding area. The agency's operations are funded primarily through federal and state grants.

**Basis of Accounting** – BRASS's financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property and Equipment** – Improvements which significantly extend the useful life of an asset and purchases of equipment are capitalized. The straight line method of depreciation is used for the assets owned by BRASS. The estimated useful lives of these assets range from 3 to 10 years.

**Income Taxes** – BRASS has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

**Cash** - Cash is comprised of cash on hand and in banks.

**2. Net Assets** - A description of the three types of Net Assets categories is described below:

Unrestricted net assets are comprised of funds without donor-imposed restrictions. The revenues received by BRASS and expenses incurred are included in this category.

Temporarily restricted net assets include income, gifts, and contributions which have temporary restrictions that have not been met.

Permanently restricted net assets include income, gifts, and contributions which have donor-imposed restrictions to be invested in perpetuity and only the income from those investments can be made available for program operations.

As of December 31, 2011, BRASS had unrestricted net assets, however there were no temporarily or permanently restricted net assets.

### **3. Property and Equipment**

Property and Equipment consisted of the following at December 31, 2011:

Equipment and Office Furniture	\$138,383
Less: Accumulated Depreciation	( 124,822)
<b>Total Property and Equipment</b>	<b><u>\$ 13,561</u></b>

Current year depreciation expense was recorded at \$6,455.00.

### **4. Outreach Inventory**

Inventory consists of outreach supplies which were donated to BRASS. The carrying value is estimated based on the fair market value of the items donated.

### **5. Lease Obligations**

The agency entered into a lease in August 2011 for office space and certain office equipment at a cost of \$1,500 each month. Total rent expense is recorded at \$ 22,684.00 for the year ended December 31, 2011.

### **6. Economic Dependency**

BRASS receives its funding primarily from federal and state grants. The continuance of this program is dependent upon the agency's ability to gain renewal of contracts and grants as well as to obtain new funding. In 2011, the agency's Faith Based Initiative Grant was not re-funded which accounts for approximately 70% of total revenues.

### **7. Line Of Credit**

The agency has a \$50,000 revolving line of credit at a local bank with an annual percentage rate of interest of 6.8%. The outstanding balance was \$ 21,942 at December 31, 2011.



**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Quasi-public Entities)**

July 5, 2012

Deemer CPA and Consulting Services, LLC  
P.O. Box 870847  
New Orleans, Louisiana 70187

(Auditors)

In connection with your review of our financial statements as of December 31, 2011 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of July 5, 2012.

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes  No

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes  No

**Prior Year Comments**

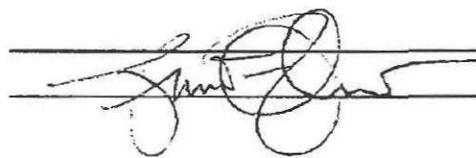
We have resolved all prior-year recommendations and/or comments.

Not Applicable

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.



Treasurer

Exec. Director

**ATTESTATION REPORT  
(Quasi-Public Entity)  
Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

To the Management of Baton Rouge AIDS Society, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Baton Rouge AIDS Society, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Baton Rouge AIDS Society, Inc.'s compliance with certain laws and regulations during the period ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

***Federal, State, and Local Awards***

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Grant Source	Grant Year	Grant Expenditures 1/1/11 – 12/31/11
Faith Based Initiative	2010-2011	171,030.00
HOPWA	2011	21,206.00
Tobacco Free Living	2011	15,186.00
Total		\$207,422.00

2. For each Federal, state, and local award, I randomly selected 6 disbursements from the award administered during the period under examination.

There were three separate funding sources, from which 6 disbursements were randomly selected during the period of January 1, 2011 through December 31, 2011.

3. For the items selected in procedure 2, I attempted to trace the eighteen disbursements to supporting documentation as to proper amount and payee.

I have examined cancelled checks and/or bank statements that included each of the eighteen selected disbursements to determine whether or not the proper amount was made payable to the correct payee. There was no exception noted when performing this procedure.

4. For the items selected in procedure 2, I attempted to determine if the eighteen disbursements were properly coded to the correct fund and general ledger account.

There were no exceptions noted while performing this procedure. The eighteen disbursements selected appeared to be properly coded to the correct fund and general ledger accounts.

5. For the items selected in procedure 2, I attempted to determine whether the eighteen disbursements received approval from proper authorities.

The eighteen disbursements tested appeared to have approval from the proper authorities through review of supporting documentation and check signatures.

6. For the items selected in procedure 2: For federal, state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. The allowability requirements appeared to be met for each of the eighteen disbursements, because expenditures were included in the approved budget and appeared to coincide with the goals of the program.

#### Eligibility

I reviewed the previously listed disbursements for eligibility requirements. Disbursements were in accordance with the approved budget for the eighteen disbursements reviewed.

## Reporting

I reviewed the previously listed disbursements for reporting requirements. The eighteen disbursements selected were reported properly.

7. For the programs selected for testing in item (2), I planned to compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports provided for the programs and period under examination.

However, the State of Louisiana Audit law requires this entity to provide reviewed financial statements no later than June 30, 2012. The agency did not meet this reporting deadline as detailed in Finding 11-01 on page 14 of this report.

## *Meetings*

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management has asserted that "open meetings" documents were properly posted on the door of board meetings, and complete agendas were made available, as required. I was provided a copy of the documents that were posted which appeared to have met the open meetings LSA-RS 42:1 through 42-12 requirements.

## *Comprehensive Budget*

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Baton Rouge AIDS Society, Inc. provided comprehensive budgets to the applicable local, state, and federal grantors for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the project, and plans showing specific goals and objectives that included measures of performance.

## *Prior Comments and Recommendations*

10. I reviewed the prior year review/attestation report for any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year findings to review.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the management of Baton Rouge AIDS Society, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Deemer CPA and Consulting Services, LLC*

July 26, 2012

**Baton Rouge AIDS Society**  
**Current Year Findings**  
**For the Year Ended December 31, 2011**

**11-01 Late Reporting**

Criteria:

The State of Louisiana audit law requires that the agency complete its audit within six months following their fiscal year end.

Condition:

The agency did not provide the financial information needed to fulfill their reporting requirements in a timely manner.

Cause:

The agency did not perform its yearly close-out in a timely manner.

Effect:

The agency's financial report was not submitted timely to the State of Louisiana Legislative Auditor's office.

Recommendation:

It is recommended that the agency maintain monthly financial statements to ensure completion of year- end financial statements in a timely manner.

Management's Response:

BRASS, Inc. is committed to ensuring that our accountant will provide monthly financial data as needed and timely.