



CPA & CONSULTING
SERVICES, LLC

BATON ROUGE AIDS SOCIETY
(a Non-Profit Organization)

Independent Auditor's Report and Financial Statements
For the Year Ended December 31, 2010

Deemer CPA and Consulting Services, LLC

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/7/11

**Baton Rouge AIDS Society
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BRENDEL W. DEEMER, CPA
brendeldeemer@aol.com

Independent Auditor's Report

To the Board of Directors of Baton Rouge AIDS Society:

I have audited the accompanying statement of financial position of Baton Rouge AIDS Society (a non-profit organization) (hereinafter referred to as BRASS) as of December 31, 2010, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of BRASS management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge AIDS Society and the results of operations and its cash flows for the year then ended December 31, 2010, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 15, 2011 on my consideration of Baton Rouge AIDS Society's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contract, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements of BRASS taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements of the organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Deemer CPA and Consulting Services, LLC

New Orleans, Louisiana

June 15, 2011

**Baton Rouge AIDS Society
Statement of Financial Position
As of December 31, 2010**

<u>Assets</u>	
Cash	\$ 16,730
Outreach Inventory	<u>228</u>
Total Current Assets	16,958
<u>Fixed Assets</u>	
Property and Equipment	138,383
Accumulated Depreciation	<u>(118,367)</u>
Total Fixed Assets (Net)	20,016
Total Assets	<u>\$ 36,974</u>
<u>Liabilities and Net Assets</u>	
Line of Credit	<u>47,004</u>
Total Liabilities	47,004
<u>Net Assets</u>	
Net Assets, Unrestricted	<u>(10,030)</u>
Total Net Assets	<u>(10,030)</u>
Total Liabilities and Net Assets	<u>\$ 36,974</u>

The accompanying notes are an integral part of these financial statements

**Baton Rouge AIDS Society
Statement of Activities
For the Year Ended December 31, 2010**

	<u>Unrestricted</u>
Revenues	
Grant revenue	\$ 331,279
Private Foundations & Contributions	10,601
Total revenues	341,880
 Expenses	
Program Services	\$ 334,301
Support Services	34,400
Total Expenses	368,701
Change In Net Assets	\$ (26,821)
Net Assets At Beginning Of Year	16,791
Net Assets At End Of Year	\$ (10,030)

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, 2010**

Cash Flows From Operating Activities:

Changes in Net Assets	\$ (26,821)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	7,113
Changes in Operating Assets and Liabilities	
Outreach Inventory	550
Line of credit	1,871
 Net Cash Provided by Operating Activities	 (17,287)

Cash Flows From Investing Activities:

(Purchase)/Sale of Property and Equipment	(7,820)
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Cash Flows From Financing Activities:

Net Cash Provided by Financing Activities	0
Net Cash Increase for Period	(25,107)
 Cash, At Beginning of Period January 1, 2010	 41,837
 Cash, At End of Period December 31, 2010	 \$ 16,730

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, 2010

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, 2010, 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, 2010:

Equipment and Office Furniture	\$138,383
Less: Accumulated Depreciation	<u>(118,367)</u>
Total Property and Equipment	<u>\$ 20,016</u>

Current year depreciation expense was recorded at \$7,113.00.

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 2010 for office space and certain office equipment at a cost of \$2,090 each month. Total rent expense is recorded at \$ 25,080.00 for the year ended December 31, 2010.

6. Economic Dependency

BRASS receives its funding primarily from federal and state grants. The agency had two main funding sources in 2010, U.S. Department of Education and State of Louisiana Office of Public Health. 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.

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 \$ 47,004 at December 31, 2010.

SUPPLEMENTAL INFORMATION

**Baton Rouge AIDS Society
Schedule of Functional Expenses
For the Year Ended December 31, 2010**

	Program Services		Total Program Services	Support Services	Grand Total
	Education	Outreach			
Compensation	\$ 128,691	\$ 58,675	\$ 187,366	\$ 10,572	\$ 197,938
Payroll Tax Expense	14,195	6,093	20,288	1,195	21,483
Contractual Services	345	15,556	15,901	4,833	20,734
Insurance	17,652	4,654	22,306	1,372	23,678
Equipment	7,800	18,680	26,480	593	27,073
Rent Expense	17,445	6,225	23,670	1,410	25,080
Supplies	8,765	1,987	10,752	1,131	11,883
Bank Service Charge	0	0	0	201	201
Postage and Delivery	40	550	590	180	770
Printing and Reproduction	0	201	201	0	201
Repairs and Maintenance	119	285	404	221	625
Professional Development	2,840	150	2,990	310	3,300
Utilities	1,765	280	2,045	590	2,635
Telephone	2,123	1,525	3,648	245	3,893
Meals	1,171	359	1,530	876	2,406
Interest	0	0	0	2,821	2,821
Depreciation	0	0	0	7,113	7,113
Client Services	0	6,005	6,005	318	6,323
Dues and Subscriptions	153	0	153	0	153
Advertising	0	0	0	268	268
Travel and Meetings	9,972	0	9,972	151	10,123
Miscellaneous		0	0		0
Total Expenses	\$ 213,076	\$ 121,225	\$ 334,301	\$ 34,400	\$ 368,701

See Independent Auditor's Report.



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BRENDEL W. DEEMER, CPA
brendeldeemer@aol.com

**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
Baton Rouge AIDS Society, Inc.

I have audited the financial statements of Baton Rouge AIDS Society, Inc. (BRASS) as of and for the year ended December 31, 2010, and have issued my report thereon dated June 15, 2011. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered BRASS's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BRASS's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of BRASS's internal control over financial reporting.

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 combination of control 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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, BRASS Board of Directors, others within the entity, the State of Louisiana Legislative Auditor, federal awarding agencies and federal flow through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deemer CPA and Consulting Services, LLC

June 15, 2011

Baton Rouge AIDS Society
Current Year Findings and Questioned Costs
For the Year Ended December 31, 2010

There were no current year findings or questioned costs.

Baton Rouge AIDS Society
Status of Prior Year Findings(Unresolved and Resolved)
For the Year Ended December 31, 2010

There were no prior year findings or questioned cost.