

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

Lafayette, Louisiana

Financial Report

Years Ended December 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

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

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, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatements 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 CARES as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2014, 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 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 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
June 10, 2014

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

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012**

ASSETS

| | <u>2013</u> | <u>2012</u> |
|--|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and Interest Bearing Deposits | \$ 380,835 | \$ 143,497 |
| Investments | 50,000 | 50,000 |
| Contracts and Grants Receivable | 1,249,181 | 978,436 |
| Other Receivables | 718 | 1,316 |
| Prepaid Expenses | 40,032 | 32,371 |
| Employee Advances | 710 | 345 |
| Total Current Assets | <u>1,721,476</u> | <u>1,205,965</u> |
| PROPERTY AND EQUIPMENT (NET) | <u>3,838,317</u> | <u>3,964,300</u> |
| OTHER ASSETS | | |
| Deposits | <u>23,763</u> | <u>23,763</u> |
| Total Other Assets | <u>23,763</u> | <u>23,763</u> |
| TOTAL ASSETS | <u>\$ 5,583,556</u> | <u>\$ 5,194,028</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 128,902 | \$ 306,981 |
| Accrued Payroll and Related Liabilities | 184,676 | 138,584 |
| Accrued Compensated Absences | 163,186 | 133,256 |
| Tenant Deposits | 4,495 | 4,093 |
| Notes Payable | 472,784 | 239,037 |
| Current Maturities of Long-Term Debt | 2,888 | 2,759 |
| Total Current Liabilities | <u>956,931</u> | <u>824,710</u> |
| LONG-TERM LIABILITIES | | |
| Long-Term Debt (Less Current Maturities) | <u>9,214</u> | <u>12,102</u> |
| TOTAL LIABILITIES | <u>966,145</u> | <u>836,812</u> |
| NET ASSETS | | |
| Unrestricted | <u>4,617,411</u> | <u>4,357,216</u> |
| Total Net Assets | <u>4,617,411</u> | <u>4,357,216</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 5,583,556</u> | <u>\$ 5,194,028</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, 2013 AND 2012**

| | <u>2013</u> | <u>2012</u> |
|--|---------------------|---------------------|
| UNRESTRICTED NET ASSETS | | |
| PUBLIC SUPPORT | | |
| Donations | \$ 5,410 | \$ 65,066 |
| Fundraising | 2,809 | 3,191 |
| Allocation From United Way | 4,000 | 5,000 |
| In-Kind Donation | - | 420,000 |
| Total Public Support | <u>12,219</u> | <u>493,257</u> |
| REVENUES | | |
| Rental Income | 423,465 | 442,773 |
| Governmental Grants and Contracts | 7,031,054 | 5,881,937 |
| Meals Revenue | 96,802 | 87,543 |
| Miscellaneous | 14,419 | 28,674 |
| Mileage Revenue | 30,845 | - |
| Interest | 9,685 | 4,485 |
| Total Revenues | <u>7,606,270</u> | <u>6,445,412</u> |
| TOTAL PUBLIC SUPPORT AND REVENUES | <u>7,618,489</u> | <u>6,938,669</u> |
| EXPENSES AND LOSSES | | |
| Program Services: | | |
| AIDS Education and Relief | 6,372,861 | 5,326,139 |
| Supporting Services: | | |
| Management and General | <u>985,433</u> | <u>859,788</u> |
| Total Expenses | <u>7,358,294</u> | <u>6,185,927</u> |
| INCREASE IN UNRESTRICTED NET ASSETS | 260,195 | 752,742 |
| NET ASSETS AT BEGINNING OF YEAR | <u>4,357,216</u> | <u>3,604,474</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 4,617,411</u> | <u>\$ 4,357,216</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, 2013**

| | PROGRAM SERVICES | SUPPORTING SERVICES | |
|--|---------------------------------|------------------------------|---------------------|
| | AIDS EDUCATION AND RELIEF | MANAGEMENT AND GENERAL | TOTAL |
| Compensation and Related Expenses | | | |
| Salaries | \$ 3,335,892 | \$ 370,756 | \$ 3,706,648 |
| Compensated Absences | - | 29,930 | 29,930 |
| Employee Benefits | | | |
| Medical | 361,284 | 31,856 | 393,140 |
| Pension Plan | 76,340 | 12,021 | 88,361 |
| Payroll Taxes | 262,252 | 29,051 | 291,303 |
| | 4,035,768 | 473,614 | 4,509,382 |
| Advertising | 7,082 | 3,646 | 10,728 |
| Bank Charges | - | 4,562 | 4,562 |
| Charitable Giving | - | 275 | 275 |
| Contract Personnel | 70,581 | 45,859 | 116,440 |
| Contractual | 192,723 | - | 192,723 |
| Depreciation | - | 221,388 | 221,388 |
| Direct Assistance | 1,525,411 | 42,077 | 1,567,488 |
| Dues and Subscriptions | 6,538 | 5,666 | 12,204 |
| Equipment Leasing | 15,041 | 7,061 | 22,102 |
| Education and Outreach | 450 | 50 | 500 |
| Insurance | 43,264 | 7,512 | 50,776 |
| Interest Expense | - | 16,916 | 16,916 |
| Landscaping | - | 7,356 | 7,356 |
| Legal and Accounting | 67 | 21,166 | 21,233 |
| Loss on Disposal of Assets | - | 816 | 816 |
| Miscellaneous | 1,170 | 4,915 | 6,085 |
| Office Expense | 3,111 | 13,110 | 16,221 |
| Postage | 2,870 | 3,204 | 6,074 |
| Rent | - | 600 | 600 |
| Repairs and Maintenance | 17,664 | 37,560 | 55,224 |
| Small Equipment | 12,031 | 894 | 12,925 |
| Supplies and Materials | 112,263 | 13,583 | 125,846 |
| Taxes and Licenses | 690 | 212 | 902 |
| Travel and Seminars | 202,329 | 47 | 202,376 |
| Utilities and Telephone | 123,808 | 51,567 | 175,375 |
| Volunteer Expenses | - | 1,777 | 1,777 |
| TOTAL | \$ 6,372,861 | \$ 985,433 | \$ 7,358,294 |

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, 2012**

| | PROGRAM SERVICES | SUPPORTING SERVICES | |
|--|---------------------------------|------------------------------|---------------------|
| | AIDS EDUCATION AND RELIEF | MANAGEMENT AND GENERAL | TOTAL |
| Compensation and Related Expenses | | | |
| Salaries | \$ 2,904,725 | \$ 297,947 | \$ 3,202,672 |
| Employee Benefits | | | |
| Medical | 338,003 | 26,477 | 364,480 |
| Pension Plan | 69,326 | 12,076 | 81,402 |
| Payroll Taxes | 229,071 | 23,620 | 252,691 |
| | 3,541,125 | 360,120 | 3,901,245 |
| Advertising | 5,843 | 2,739 | 8,582 |
| Bank Charges | - | 2,764 | 2,764 |
| Charitable Giving | - | 1,250 | 1,250 |
| Contract Personnel | 31,340 | 48,257 | 79,597 |
| Contractual | 55,167 | - | 55,167 |
| Depreciation | - | 210,211 | 210,211 |
| Direct Assistance | 1,293,472 | 34,540 | 1,328,012 |
| Dues and Subscriptions | 1,310 | 4,652 | 5,962 |
| Equipment Leasing | 17,670 | 4,581 | 22,251 |
| Education and Outreach | 4,328 | 88 | 4,416 |
| Insurance | 31,286 | 12,111 | 43,397 |
| Interest Expense | - | 14,393 | 14,393 |
| Landscaping | - | 8,371 | 8,371 |
| Legal and Accounting | 459 | 23,751 | 24,210 |
| Loss on Disposal of Assets | - | 969 | 969 |
| Miscellaneous | 1,365 | 10,718 | 12,083 |
| Office Expense | 4,027 | 5,252 | 9,279 |
| Postage | 3,509 | 2,612 | 6,121 |
| Printing | 142 | 505 | 647 |
| Rent | - | 2,250 | 2,250 |
| Repairs and Maintenance | 27,246 | 23,784 | 51,030 |
| Small Equipment | 4,251 | 6,235 | 10,486 |
| Supplies and Materials | 62,999 | 15,114 | 78,113 |
| Taxes and Licenses | 11,609 | 229 | 11,838 |
| Travel and Seminars | 91,295 | 15,746 | 107,041 |
| Utilities and Telephone | 137,696 | 48,471 | 186,167 |
| Volunteer Expenses | - | 75 | 75 |
| TOTAL | \$ 5,326,139 | \$ 859,788 | \$ 6,185,927 |

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, 2013 AND 2012**

| | 2013 | 2012 |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase in Net Assets | \$ 260,195 | \$ 752,742 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities: | | |
| Depreciation | 221,388 | 210,211 |
| Loss on Disposal of Assets | 816 | 969 |
| Changes in Current Assets and Liabilities: | | |
| Contracts Receivable | (270,745) | (163,419) |
| Investments | - | (50,000) |
| Other Receivables | 598 | (1,020) |
| Prepaid Expenses | (7,661) | (6,901) |
| Employee Advances | (365) | 1,845 |
| Deposits | - | (12,918) |
| Technical Overdraft | - | (459) |
| Accounts Payable | (178,079) | 218,540 |
| Accrued Compensated Absences | 29,930 | - |
| Accrued Payroll and Related Liabilities | 46,092 | (5,424) |
| Deferred Revenue | - | (87,586) |
| Tenant Deposits | 402 | 980 |
| Net Cash Provided By Operating Activities | <u>102,571</u> | <u>857,560</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | <u>(96,221)</u> | <u>(678,986)</u> |
| Net Cash (Used In) Investing Activities | <u>(96,221)</u> | <u>(678,986)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net Proceeds (Repayments) on Line of Credit | 233,747 | (102,269) |
| Repayment of Long-Term Debt | <u>(2,759)</u> | <u>(7,875)</u> |
| Net Cash Provided By (Used In) Financing Activities | <u>230,988</u> | <u>(110,144)</u> |
| NET INCREASE IN CASH AND EQUIVALENTS | 237,338 | 68,430 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>143,497</u> | <u>75,067</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 380,835</u> | <u>\$ 143,497</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash paid during the year for: | | |
| Interest | <u>\$ 16,916</u> | <u>\$ 14,393</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, 2013 AND 2012**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Acadiana Concern for AIDS Relief, Education, and Support, Inc. (CARES) is a nonprofit organization whose purpose is to respond to the presence of AIDS (Acquired Immune Deficiency Syndrome) in Lafayette, Louisiana, and the surrounding area by way of education, communication, support, direct assistance and companionship.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions

Contributions are recognized as revenue when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

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. 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.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Allowance for Doubtful Accounts - (continued)

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, hotline, fundraising and the companion program. 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 \$1,000 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 restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$221,388 and \$210,211 for the years ended December 31, 2013 and 2012, 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, 2013 AND 2012**

(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, 2013 and 2012.

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.

(B) 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 \$10,728 and \$8,582 for the years ended December 31, 2013 and 2012 respectively.

(C) CERTIFICATE OF DEPOSIT

The certificate of deposit in the amount of \$50,000 bears interest at .20 percent per annum and matures on April 26, 2015, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

(D) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

| | <u>2013</u> | <u>2012</u> |
|----------------------------|---------------------|---------------------|
| Buildings and Land | \$ 3,220,000 | \$ 3,220,000 |
| Building Renovations | 1,293,426 | 1,293,426 |
| Autos and Trucks | 55,585 | 55,585 |
| Construction in Progress | 76,831 | - |
| Equipment | <u>357,339</u> | <u>341,446</u> |
| Total | 5,003,181 | 4,910,457 |
| Accumulated Depreciation | <u>1,164,864</u> | <u>946,157</u> |
| Net Property and Equipment | <u>\$ 3,838,317</u> | <u>\$ 3,964,300</u> |

The Organization's land and building are pledged as collateral for the Organization's debt.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

(E) NOTE PAYABLE

The Organization has a \$500,000 line of credit, secured by a mortgage on the real property of the Organization. The line bears interest at a rate of prime plus 1.5 percent, currently 4.75, with a maturity date of September 25, 2014. As of December 31, 2013 and 2012, the balance on the line was \$472,784 and \$239,037, respectively.

(F) LONG-TERM DEBT

The following is a summary of long-term debt and pledged assets at December 31,

| | 2013 | 2012 |
|---|-----------|-----------|
| Note payable to Iberia Bank dated November 2012 in the amount of \$15,086 bearing interest at 4.50 percent per annum, payable in monthly installments of \$282. The loan is secured by a vehicle. | \$ 12,102 | \$ 14,861 |
| Less: Current Portion | 2,888 | 2,759 |
| Long-Term Portion | \$ 9,214 | \$ 12,102 |

Annual maturities of long-term debt for the year ended December 31 are as follows:

| | |
|-------|-----------|
| 2014 | \$ 2,888 |
| 2015 | 3,022 |
| 2016 | 3,163 |
| 2017 | 3,029 |
| Total | \$ 12,102 |

(G) CONCENTRATION OF CREDIT RISK

The majority of the CARES' revenues and accounts receivable are from contracts with the Louisiana Department of Health and Hospitals (DHH). The contracts are administered by DHH 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.

(H) 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 2013 and 2012 was \$88,361 and \$81,402, respectively.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

(I) 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, 2013, CARES had \$315,891 of credit risk.

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.

(J) 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.

(K) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 10, 2014, which is the date the financial statements were available to be issued.

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, 2013**

| <u>Program Title</u> | <u>CFDA</u> | <u>Grant Number</u> | <u>Expenditures</u> | <u>Subrecipients</u> |
|--|-------------|---------------------|---------------------|----------------------|
| U.S. Department of Housing and Urban Development | | | | |
| Supportive Housing Program: | | | | |
| Mainstream Case Management | 14.235 * | LA0011B6H001004 | \$ 54,836 | \$ - |
| Project Home Again I | 14.235 * | LA0015L6H001205 | 137,415 | - |
| Project Home Again II | 14.235 * | LA0015L6H001204 | 228,478 | - |
| Project Home Again III | 14.235 * | LA0160B6H001101 | 77,364 | - |
| Project Home Again IV | 14.235 * | LA0181L6H001201 | 234,388 | - |
| Seasons of Serenity | 14.235 * | LA0002L6H001205 | 19,903 | - |
| Housing Opportunities for Persons with AIDS: | | | | |
| Hope House and SATS | 14.241 | DHH-059242 | 94,443 | - |
| Passed through the Lafayette Consolidated Government: | | | | |
| Emergency Shelter Grants Program | | | | |
| Hope House | 14.321 | | <u>17,548</u> | - |
| Total for U.S. Department of Housing and Urban Development | | | <u>864,375</u> | <u>-</u> |
| U.S. Department of Health and Human Services | | | | |
| Affordable Care Act (ACA) Personal Responsibility Education Program: | | | | |
| SIHLE | 93.092 | DHH-059475 | 110,225 | - |

(continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued
DECEMBER 31, 2013**

| <u>Program Title</u> | <u>CFDA</u> | <u>Grant Number</u> | <u>Expenditures</u> | <u>Subrecipients</u> |
|---|-------------|---------------------|---------------------|----------------------|
| U.S. Department of Health and Human Services | | | | |
| Coordinated Services and Access to Research for Women, Infants, Children, and Youth: | | | | |
| Ryan White - Title IV | 93.153 | H12HA26263 | \$ 50,798 | \$ - |
| Passed through the Louisiana Department of Health and Hospitals: | | | | |
| HIV Care Formula Grants: | | | | |
| HOPWA | 93.917 * | DHH-058919 | 145,567 | - |
| Ryan White Program | 93.917 * | DHH-058919 | 543,834 | - |
| Passed through the Louisiana Department of Health and Hospitals: | | | | |
| Special Projects of National Significance: | | | | |
| LSU-HCSD | 93.928 | H97HA08476 | 1,826 | - |
| Passed through the Louisiana Department of Health and Hospitals: | | | | |
| HIV Prevention Grants: | | | | |
| Prevention Program - Core | 93.940 | DHH-059329 | 31,473 | - |
| Prevention Program - FFS | 93.940 | DHH-059401 | 40,380 | - |
| Prevention Program - Wellness Center | 93.940 | DHH-059325 | 22,730 | - |
| HIV Prevention | 93.940 | DHH-058754 | 3,787,552 | - |
| Passed through the Louisiana Department of Health and Hospitals: | | | | |
| Substance Abuse Prevention and Treatment Block Grant: | | | | |
| Acadiana Area Human Services District - Primary | 93.959 * | | 93,537 | - |
| Acadiana Area Human Services District - Secondary | 93.959 * | | 185,128 | - |
| Acadiana Area Human Services District - HIV Clinics | 93.959 * | | <u>20,878</u> | <u>-</u> |
| Total for U.S. Department of Health and Human Services | | | <u>5,033,928</u> | <u>-</u> |
| Total Expenditures | | | <u>\$ 5,898,303</u> | <u>\$ -</u> |

* - denotes a major program

Note: The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

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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

JOHN W. WRIGHT, CPA *
JAMES H. DUPUIS, CPA, CFP *
JAN H. COWEN, CPA *
LANCE E. CRAPPELL, CPA, CGMA *
MICAH R. VIDRINE, CPA *
TRAVIS M. BRINSKO, CPA *
RICK L. STUTES, CPA, CVA/ABV, APA *
CHRISTINE R. DUNN, CPA**
DAMIAN H. SPIESS, CPA, CFP **
JOAN MARTIN, CPA, CVA, CFF, DABFA**
BRIDGET B. TILLEY, CPA, MT**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA **
MICHAEL G. DEHART, CPA **
JOE D. HUTCHINSON, CPA **

+RETIRED

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, 2013, 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 June 10, 2014.

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) 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 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. 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.



STEPHANIE A. BLANK, CPA
ROBERT T. DUCHARME, II, CPA
STEFAN HAWKINS, CPA
KAYLEEN HOWARD, CPA
MARY PATRICIA KEELEY, CPA
ROBIN T. LeBLANC, CPA
WENDY ORTEGO, CPA, CVA
ROBIN G. STOCKTON, CPA
TINA B. VIATOR, CPA

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CARES'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.

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

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

Lafayette, Louisiana
June 10, 2014

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Acadiana Concern for AIDS Relief, Education and Support, Inc.'s (CARES) (a nonprofit organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CARES' major federal programs for the year ended December 31, 2013. CARES' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CARES' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 CARES' 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 CARES's compliance.

Opinion on Each Major Federal Program

In our opinion, the CARES' Organization 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, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control over Compliance

Management of CARES' 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 CARES' 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 OMB Circular A-133, 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 CARES' 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) as of and for the year ended December 31, 2013, and have issued our report thereon dated June 10, 2014, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Lafayette, Louisiana
June 10, 2014

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

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, 2013, and have issued our report thereon dated June 10, 2014. 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, 2013 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, 2013, had three major programs:

- Department of Housing and Urban Development – CFDA No. 14.235
- Department of Health and Human Services – Passed through the Louisiana Department of Health and Hospitals - HIV Care Formula Grants - CFDA No. 93.917
- Department of Health and Human Services – Passed through the Louisiana Department of Health and Hospitals - HIV Care Formula Grants - CFDA No. 93.959

Low-Risk Auditee

CARES is considered a low-risk auditee for the year ended December 31, 2013.

Major Programs - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended December 31, 2013.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED DECEMBER 31, 2013**

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, 2013.

Significant Deficiencies – Major Program

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

Section II - Financial Statement Findings

There were no findings in the current year.

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, 2013**

There were no prior year findings.