

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

Lafayette, Louisiana

Financial Report

Years Ended December 31, 2014 and 2013

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## INDEPENDENT AUDITORS' REPORT

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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, 2014 and 2013, 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, 2014 and 2013, 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 15, 2015, 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 15, 2015

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

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013**

**ASSETS**

	2014	2013
<b>CURRENT ASSETS</b>		
Cash and Interest Bearing Deposits	\$ 628,853	\$ 380,835
Investments	50,000	50,000
Contracts and Grants Receivable	785,935	1,249,181
Other Receivables	-	718
Prepaid Expenses	28,841	40,032
Employee Advances	75	710
Total Current Assets	1,493,704	1,721,476
<b>PROPERTY AND EQUIPMENT (NET)</b>	8,299,773	3,838,317
<b>OTHER ASSETS</b>		
Deposits	23,763	23,763
Total Other Assets	23,763	23,763
<b>TOTAL ASSETS</b>	<b>\$ 9,817,240</b>	<b>\$ 5,583,556</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 54,073	\$ 128,902
Accrued Payroll and Related Liabilities	205,498	184,676
Accrued Compensated Absences	165,079	163,186
Tenant Deposits	4,465	4,495
Notes Payable	277,455	472,784
Current Maturities of Long-Term Debt	3,022	2,888
Total Current Liabilities	709,592	956,931
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt (Less Current Maturities)	6,192	9,214
<b>TOTAL LIABILITIES</b>	715,784	966,145
<b>NET ASSETS</b>		
Unrestricted	9,101,456	4,617,411
Total Net Assets	9,101,456	4,617,411
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,817,240</b>	<b>\$ 5,583,556</b>

The accompanying notes are an integral part of these statements.

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

**STATEMENTS OF ACTIVITIES  
DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>UNRESTRICTED NET ASSETS</b>		
<b>PUBLIC SUPPORT</b>		
Donations	\$ 8,307	\$ 5,410
Fundraising	-	2,809
Allocation From United Way	4,500	4,000
Non-Cash Donation	<u>4,500,000</u>	<u>-</u>
Total Public Support	<u>4,512,807</u>	<u>12,219</u>
<b>REVENUES</b>		
Rental Income	426,283	423,465
Governmental Grants and Contracts	7,295,867	7,031,054
Meals Revenue	173,857	96,802
Miscellaneous	17,133	14,419
Mileage Revenue	6,144	30,845
Interest	<u>14,106</u>	<u>9,685</u>
Total Revenues	<u>7,933,390</u>	<u>7,606,270</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>12,446,197</u>	<u>7,618,489</u>
<b>EXPENSES AND LOSSES</b>		
Program Services:		
AIDS Education and Relief	6,913,342	6,372,861
Supporting Services:		
Management and General	<u>1,048,810</u>	<u>985,433</u>
Total Expenses	<u>7,962,152</u>	<u>7,358,294</u>
INCREASE IN UNRESTRICTED NET ASSETS	4,484,045	260,195
NET ASSETS AT BEGINNING OF YEAR	<u>4,617,411</u>	<u>4,357,216</u>
NET ASSETS AT END OF YEAR	<u>\$ 9,101,456</u>	<u>\$ 4,617,411</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, 2014**

	PROGRAM SERVICES	SUPPORTING SERVICES	
	AIDS EDUCATION AND RELIEF	MANAGEMENT AND GENERAL	TOTAL
Compensation and Related Expenses			
Salaries	\$ 3,794,305	\$ 457,682	\$ 4,251,987
Compensated Absences	-	1,892	1,892
Employee Benefits			
Medical	456,374	52,683	509,057
Pension Plan	83,094	13,593	96,687
Payroll Taxes	296,548	35,483	332,031
	4,630,321	561,333	5,191,654
Advertising	7,835	2,378	10,213
Bank Charges	-	3,000	3,000
Charitable Giving	-	2,006	2,006
Contract Personnel	112,951	12,233	125,184
Contractual	270,442	-	270,442
Depreciation	-	206,855	206,855
Direct Assistance	1,355,906	39,444	1,395,350
Dues and Subscriptions	840	4,881	5,721
Equipment Leasing	16,694	5,830	22,524
Education and Outreach	970	17	987
Insurance	45,286	10,655	55,941
Interest Expense	-	16,325	16,325
Landscaping	50	11,281	11,331
Legal and Accounting	-	22,575	22,575
Loss on Disposal of Assets	-	2,114	2,114
Miscellaneous	3,367	9,379	12,746
Office Expense	5,037	8,073	13,110
Postage	4,597	3,072	7,669
Repairs and Maintenance	24,861	22,855	47,716
Small Equipment	3,510	4,334	7,844
Supplies and Materials	164,148	18,073	182,221
Taxes and Licenses	-	325	325
Travel and Seminars	128,617	20,277	148,894
Utilities and Telephone	137,910	61,120	199,030
Volunteer Expenses	-	375	375
	4,630,321	561,333	5,191,654
TOTAL	\$ 6,913,342	\$ 1,048,810	\$ 7,962,152

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
	-	1,777	1,777
<b>TOTAL</b>	<b>\$ 6,372,861</b>	<b>\$ 985,433</b>	<b>\$ 7,358,294</b>

The accompanying notes are an integral part of these statements.

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

**STATEMENTS OF CASH FLOWS  
DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 4,484,045	\$ 260,195
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	206,855	221,388
Loss on Disposal of Assets	2,114	816
Donation of Building	(4,500,000)	-
Changes in Current Assets and Liabilities:		
Other Receivables	463,246	(270,745)
Prepaid Expenses	718	598
Employee Advances	11,191	(7,661)
Accounts Payable	635	(365)
Accrued Compensated Absences	(74,829)	(178,079)
Accrued Payroll and Related Liabilities	1,893	29,930
Tenant Deposits	20,822	46,092
	(30)	402
Net Cash Provided By Operating Activities	616,660	102,571
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(170,425)	(96,221)
Net Cash (Used In) Investing Activities	(170,425)	(96,221)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Proceeds (Repayments) on Line of Credit	(195,329)	233,747
Repayment of Long-Term Debt	(2,888)	(2,759)
Net Cash Provided By (Used In) Financing Activities	(198,217)	230,988
NET INCREASE IN CASH AND EQUIVALENTS	248,018	237,338
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	380,835	143,497
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 628,853	\$ 380,835
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	\$ 16,325	\$ 16,916
Donation of Building	\$ 4,500,000	\$ -

The accompanying notes are an integral part of these statements.

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

(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.

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

(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 and fundraising. No amounts have been reflected on the statements for donated services because no objective basis is available to measure the value of such services.

**Property and Equipment**

The Organization capitalizes all expenditures in excess of \$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. During the year ended December 31, 2014, the Organization received the donation of a building valued at \$4,500,000. The donation is unrestricted.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$206,855 and \$221,388 for the years ended December 31, 2014 and 2013, 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, 2014 AND 2013**

**(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, 2014 and 2013.

**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 \$10,213 and \$10,728 for the years ended December 31, 2014 and 2013 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 July 26, 2016, 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:

	<b>2014</b>	<b>2013</b>
Land	\$ 45,000	\$ 45,000
Buildings	7,675,000	3,175,000
Building Renovations	1,441,055	1,293,426
Autos and Trucks	55,587	55,585
Construction in Progress	18,586	76,831
Equipment	429,953	357,339
Total	9,665,181	5,003,181
Less: Accumulated Depreciation	(1,365,408)	(1,164,864)
Net Property and Equipment	<u>\$ 8,299,773</u>	<u>\$ 3,838,317</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, 2014 AND 2013**

**(E) NOTE PAYABLE**

The Organization has a \$500,000 line of credit, secured by a mortgage on the organization's real property located in Lafayette, Louisiana. The line bears interest at a rate of prime plus 1.5 percent, currently 4.75, with a maturity date of October 13, 2015. As of December 31, 2014 and 2013, the balance on the line was \$277,455 and \$472,784, respectively.

**(F) LONG-TERM DEBT**

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

	2014	2013
Note payable to Iberia Bank dated November 2013 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.	\$ 9,214	\$ 12,102
Less: Current Portion	3,022	2,888
Long-Term Portion	\$ 6,192	\$ 9,214

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

2015	\$ 3,022
2016	3,163
2017	3,029
Total	\$ 9,214

**(G) CONCENTRATION OF CREDIT RISK**

The majority of 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 2014 and 2013 was \$96,687 and \$88,361, respectively.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**(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, 2014, CARES had \$581,113 of credit risk. It is the opinion of management that the solvency of the referenced financial instruments is not of particular concern at this time.

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

A detail of compensation, benefits, and other payments paid to the Executive Director, Claude Martin, for the year ended December 31, 2014:

<u>Purpose</u>	
Salary	\$ 104,502
Benefits – Insurance	\$ 7,089
Benefits – Retirement	\$ 6,153
Travel	\$ 1,451
Conference Travel	\$ 1,483

**(L) SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 15, 2015, 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, 2014**

<u>Program Title</u>	<u>CFDA</u>	<u>Grant Number</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<b>U.S. Department of Housing and Urban Development</b>				
Supportive Housing Program:				
Mainstream Case Management	14.235	LA0011L6H001306	\$ 59,711	\$ -
Project Home Again I	14.235	LA0016L6H001306	151,537	-
Project Home Again II	14.235	LA0015L6H001306	279,850	-
Project Home Again IV	14.235	LA0181L6H001302	363,498	-
Seasons of Serenity	14.235	LA0002L6H001306	23,045	-
Housing Opportunities for Persons with AIDS:				
Hope House and SATS	14.241 *	DHH-059913	116,361	-
Passed through the Lafayette Consolidated Government:				
Emergency Shelter Grants Program				
Hope House	14.321	DHH-058542	<u>12,885</u>	-
Total for U.S. Department of Housing and Urban Development			<u>1,006,887</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
Affordable Care Act (ACA) Personal Responsibility Education Program:				
SIHLE	93.092	DHH-060003	86,900	-

(continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued  
DECEMBER 31, 2014**

<u>Program Title</u>	<u>CFDA</u>	<u>Grant Number</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<b>U.S. Department of Health and Human Services</b>				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth:				
Ryan White - Title IV	93.153 *	H12HA26263	\$ 109,066	\$ -
Passed through the Louisiana Department of Health and Hospitals:				
HIV Care Formula Grants:				
HOPWA	93.917	DHH-060077	123,050	-
Ryan White Program	93.917	DHH-060077	630,004	-
Passed through the Louisiana Department of Health and Hospitals:				
HIV Prevention Grants:				
Prevention Program - Core	93.940 *	DHH-060050	29,448	-
Prevention Program - FFS	93.940 *	DHH-060051	51,216	-
Prevention Program - Wellness Center	93.940 *	DHH-059997	54,050	-
HIV Prevention	93.940 *	DHH-058754	4,453,047	-
Passed through the Louisiana Department of Health and Hospitals:				
Substance Abuse Prevention and Treatment Block Grant:				
Acadiana Area Human Services District - Primary	93.959		46,002	-
Acadiana Area Human Services District - Secondary	93.959		316,145	-
Acadiana Area Human Services District - HIV Clinics	93.959		<u>17,661</u>	<u>-</u>
Total for U.S. Department of Health and Human Services			<u>5,916,589</u>	<u>-</u>
Total Expenditures			<u>\$ 6,923,476</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 \*

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TINA B. VIATOR, CPA

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, 2014, 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 15, 2015.

### 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.

## **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 15, 2015

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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

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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, 2014. 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, 2014.

### ***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, 2014, and have issued our report thereon dated June 15, 2015, 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 15, 2015

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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, 2014, and have issued our report thereon dated June 15, 2015. 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, 2014 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
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b. *Federal Awards*

Major Programs Identification

CARES' at December 31, 2014, had three major programs:

- Department of Housing and Urban Development – CFDA No. 14.241
- Department of Health and Human Services – CFDA No. 93.153
- Department of Health and Human Services – Passed through the Louisiana Department of Health and Hospitals - HIV Prevention Grants - CFDA No. 93.940

Low-Risk Auditee

CARES is considered a low-risk auditee for the year ended December 31, 2014.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$300,000 for the year ended December 31, 2014.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued  
YEAR ENDED DECEMBER 31, 2014**

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, 2014.

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, 2014**

There were no prior year findings.