
NO/AIDS TASK FORCE
D/B/A CRESCENTCARE
FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013



A Professional Accounting Corporation

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NO/AIDS TASK FORCE
D/B/A CRESCENTCARE
FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
NO/AIDS Task Force d/b/a CrescentCare
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of NO/AIDS Task Force d/b/a CrescentCare (the Task Force), which comprise the statements of financial position as of June 30, 2014 and 2013, 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 the *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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Task Force as of June 30, 2014 and 2013, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2015, on our consideration of the Task Force's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the Task Force's internal control over financial reporting and compliance.

Portle Duwaite & Nettoville

New Orleans, Louisiana

January 14, 2015

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash	\$ 1,491,278	\$ 2,518,875
Reimbursements receivable	6,188,299	4,440,606
Prepaid expenses	91,781	37,761
Deposits	111,841	12,950
Investments	6,028,042	5,023,437
Investment in housing partnership	250,000	250,000
Equipment and leasehold improvements, less accumulated depreciation and amortization	<u>1,959,687</u>	<u>968,811</u>
<u>TOTAL ASSETS</u>	<u>\$ 16,120,928</u>	<u>\$ 13,252,440</u>

LIABILITIES AND NET ASSETS

<u>LIABILITIES</u>		
Accounts payable	\$ 1,653,101	\$ 1,961,534
Accrued payroll	429,120	295,851
Accrued compensated absences	337,978	247,406
Notes payable	<u>3,066</u>	<u>46,758</u>
Total liabilities	<u>2,423,265</u>	<u>2,551,549</u>
<u>NET ASSETS</u>		
Unrestricted	13,697,663	10,695,511
Temporarily restricted	<u>-</u>	<u>5,380</u>
Total net assets	<u>13,697,663</u>	<u>10,700,891</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 16,120,928</u>	<u>\$ 13,252,440</u>

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

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Total
<u>REVENUES AND OTHER SUPPORT</u>			
Grants and contracts	\$ 25,876,397	\$ -	\$ 25,876,397
Pledges and contributions	370,294	-	370,294
Fund raising	507,527	-	507,527
Investment income	553,392	-	553,392
Other support and revenue	62,058	-	62,058
Total public support and revenue before net assets released from restrictions	27,369,668	-	27,369,668
Net assets released from restrictions	5,380	(5,380)	-
Total public support and revenue	27,375,048	(5,380)	27,369,668
<u>EXPENSES</u>			
Program services	22,135,090	-	22,135,090
Supporting services	2,237,806	-	2,237,806
Total expenses	24,372,896	-	24,372,896
<u>CHANGE IN NET ASSETS</u>	3,002,152	(5,380)	2,996,772
Net assets, beginning of year	10,695,511	5,380	10,700,891
Net assets, end of year	\$ 13,697,663	\$ -	\$ 13,697,663

The accompanying notes are an integral part of this financial statement.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES AND OTHER SUPPORT</u>			
Grants and contracts	\$ 22,928,197	\$ -	\$ 22,928,197
Pledges and contributions	308,767	2,100	310,867
Fund raising	524,784	-	524,784
Investment income	107,943	-	107,943
Other support and revenue	79,095	-	79,095
Total public support and revenue	<u>23,948,786</u>	<u>2,100</u>	<u>23,950,886</u>
<u>EXPENSES</u>			
Program services	18,966,904	-	18,966,904
Supporting services	1,808,504	-	1,808,504
Total expenses	<u>20,775,408</u>	<u>-</u>	<u>20,775,408</u>
<u>ALLOCATIONS</u>			
Allocations to other AIDS related agencies	<u>13,112</u>	<u>-</u>	<u>13,112</u>
<u>CHANGE IN NET ASSETS</u>			
	3,160,266	2,100	3,162,366
Net assets, beginning of year	<u>7,535,245</u>	<u>3,280</u>	<u>7,538,525</u>
Net assets, end of year	<u>\$ 10,695,511</u>	<u>\$ 5,380</u>	<u>\$ 10,700,891</u>

The accompanying notes are an integral part of this financial statement.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	Program Services										Supporting Services			Total Expenses
	Education	Primary Medical Care	Case Management	Behavioral Health	Food for Friends	Housing	Housing Supportive Services	Medication	AIDSLaw	Total	Management and General	Fund Raising	Total	
Salaries	\$ 1,014,897	\$ 2,028,368	\$ 1,373,231	\$ 357,587	\$ 131,578	\$ 270,223	\$ 1,032,463	\$ 109,301	\$ 267,160	\$ 6,584,808	\$ 1,037,424	\$ 165,026	\$ 1,202,450	\$ 7,787,258
Employee health and benefits	239,907	286,317	282,309	66,170	30,923	52,816	242,342	28,181	44,420	1,273,385	176,003	40,730	216,733	1,490,118
Payroll taxes	77,543	144,995	107,225	27,729	10,089	20,633	78,350	8,362	20,438	495,364	66,773	12,624	79,397	574,761
Total salaries and related expenses	1,332,347	2,459,680	1,762,765	451,486	172,590	343,672	1,353,155	145,844	332,018	8,353,557	1,280,200	218,380	1,498,580	9,852,137
Fees and contract expenses	26,021	395,007	120,488	190,635	1,759	14,238	548	763	50,099	799,558	83,655	4,178	87,833	887,391
Supplies and materials	151,979	281,155	43,806	8,992	290,372	15,029	18,903	1,816	4,701	816,753	16,817	30,549	47,366	864,119
Telephone	23,831	18,056	24,947	3,173	4,132	7,623	26,457	851	4,852	113,922	8,227	4,271	12,498	126,420
Postage	3,859	4,262	6,773	1,518	578	1,120	4,727	517	893	24,247	3,289	1,013	4,302	28,549
Occupancy	107,788	213,313	144,757	39,910	26,663	54,833	96,073	11,800	28,884	724,021	59,608	16,298	75,906	799,927
Equipment costs	46,878	87,138	50,932	13,972	18,256	17,150	32,813	2,813	10,051	280,003	25,230	8,897	34,127	314,130
Transportation	5,899	600	13,629	227	3,488	13,102	37,322	-	8,106	82,373	2,749	448	3,197	85,570
Conference	42,099	41,695	28,055	3,676	-	97	7,670	-	2,894	126,186	30,663	429	31,092	157,278
Printing and media	-	-	-	-	-	-	-	-	-	-	-	32,709	32,709	32,709
Client assistance	6	220,156	130,625	-	-	1,102,727	7,806	-	-	1,461,320	-	-	-	1,461,320
Medication	-	27,205	-	-	-	-	-	8,202,226	-	8,229,431	-	-	-	8,229,431
Insurance	19,214	89,243	22,801	4,493	1,850	4,493	10,571	1,586	6,010	160,261	11,893	2,114	14,007	174,268
Lab tests	35,856	444,252	-	-	-	-	-	-	-	480,108	-	-	-	480,108
Advertising and community support	4,803	8,337	7,429	1,546	4,759	1,269	3,522	389	1,092	33,146	22,034	66,481	88,515	121,661
Site expenses	-	-	-	-	-	-	-	-	-	-	-	168,939	168,939	168,939
Entertainment and volunteer recognition	2,236	-	-	-	29	-	-	-	-	2,265	-	-	-	2,265
Continuing education	638	46,073	1,309	5,733	650	-	4,689	-	354	59,446	38,596	189	38,785	98,231
Miscellaneous	50	19,146	690	-	235	1,000	4,639	1,150	3,461	30,371	24,841	10,058	34,899	65,270
Total expenses before depreciation, amortization and interest	1,803,504	4,355,318	2,359,006	725,361	525,361	1,576,353	1,608,895	8,369,755	453,415	21,776,968	1,607,802	564,953	2,172,755	23,949,723
Depreciation and amortization	69,444	72,917	91,433	19,675	8,102	19,675	46,295	6,944	18,582	353,067	52,082	9,259	61,341	414,408
Interest	-	-	-	-	-	2,207	-	-	2,848	5,055	3,710	-	3,710	8,765
Total expenses	\$ 1,872,948	\$ 4,428,235	\$ 2,450,439	\$ 745,036	\$ 533,463	\$ 1,598,235	\$ 1,655,190	\$ 8,376,699	\$ 474,845	\$ 22,135,090	\$ 1,663,594	\$ 574,212	\$ 2,237,806	\$ 24,372,896

The accompanying notes are an integral part of this financial statement.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2013

	Program Services										Supporting Services			Total Expenses
	Education	Primary Medical Care	Case Management	Behavioral Health	Food for Friends	Housing	Housing Supportive Services	Medication	AIDSLaw	Total	Management and General	Fund Raising	Total	
Salaries	891,556	1,494,767	778,884	385,736	85,948	315,698	1,171,264	117,671	220,471	\$ 5,461,995	825,774	173,170	\$ 998,944	\$ 6,460,939
Employee health and benefits	174,307	207,497	176,259	69,433	19,032	42,381	273,680	28,481	33,557	1,024,627	139,481	40,126	179,607	1,204,234
Payroll taxes	67,918	106,251	59,352	29,937	6,557	20,176	93,125	9,002	15,227	407,545	55,396	13,247	68,643	476,188
Total salaries and related expenses	1,133,781	1,808,515	1,014,495	485,106	111,537	378,255	1,538,069	155,154	269,255	6,894,167	1,020,651	226,543	1,247,194	8,141,361
Fees and contract expenses	46,951	345,338	27,919	147,613	513	14,344	28,312	950	50,535	662,475	68,620	1,425	70,045	732,520
Supplies and materials	93,583	63,115	16,409	13,529	232,257	34,953	19,615	1,615	4,338	479,414	11,721	37,175	48,896	528,310
Telephone	17,724	7,836	12,459	4,934	961	7,708	45,231	551	4,187	101,591	5,067	1,802	6,869	108,460
Postage	3,332	2,988	6,755	1,983	342	623	5,948	487	661	23,119	2,574	4,135	6,709	29,828
Occupancy	84,055	73,434	75,217	57,156	11,471	41,619	122,670	10,392	23,987	500,001	51,960	15,588	67,548	567,549
Equipment costs	26,911	35,587	18,862	14,127	3,157	11,402	23,551	2,853	4,955	141,405	11,724	3,669	15,393	156,798
Transportation	2,544	1,083	16,130	691	750	11,402	33,412	-	4,783	70,795	1,065	695	1,760	72,555
Conference	25,836	22,196	10,224	2,888	-	1,676	3,374	2,556	2,462	71,212	27,173	9,972	37,145	108,357
Printing and media	-	-	-	-	-	-	-	-	-	-	-	25,795	25,795	25,795
Client assistance	-	174,558	174,760	-	-	702,639	14,122	-	-	1,066,079	-	-	-	1,066,079
Medication	-	27,664	-	-	-	-	-	8,004,076	-	8,031,740	-	-	-	8,031,740
Insurance	16,239	57,460	13,150	6,588	2,831	5,822	15,320	1,838	5,159	124,407	11,337	2,451	13,788	138,195
Lab tests	9,029	391,657	-	-	-	-	-	-	-	400,686	-	-	-	400,686
Advertising and community support	3,960	6,739	3,229	1,550	2,984	1,037	3,709	346	837	24,391	10,826	59,858	70,684	95,075
Site expenses	-	-	-	-	-	-	-	-	-	-	-	86,448	86,448	86,448
Entertainment and volunteer recognition	2,772	-	-	-	-	-	-	-	75	2,847	-	956	956	3,803
Continuing education	4,189	39,664	9,025	3,368	196	249	2,787	-	79	59,557	7,633	3,500	11,133	70,690
Miscellaneous	242	18,203	1,318	383	-	2,550	3,295	1,150	2,805	29,946	31,351	13,488	44,839	74,785
Total expenses before depreciation, amortization and interest	1,471,148	3,076,037	1,399,952	739,916	366,999	1,214,279	1,859,415	8,181,968	374,118	18,683,832	1,261,702	493,500	1,755,202	20,439,034
Depreciation and amortization	57,382	53,051	44,390	23,278	5,413	20,571	54,134	6,496	14,867	279,582	40,059	8,661	48,720	328,302
Interest	-	150	5	-	-	3,335	-	-	-	3,490	4,582	-	4,582	8,072
Total expenses	\$ 1,528,530	\$ 3,129,238	\$ 1,444,347	\$ 763,194	\$ 372,412	\$ 1,238,185	\$ 1,913,549	\$ 8,188,464	\$ 388,985	\$ 18,966,904	\$ 1,306,343	\$ 502,161	\$ 1,808,504	\$ 20,775,408

The accompanying notes are an integral part of this financial statement.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 2,996,772	\$ 3,162,366
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	414,408	328,302
Unrealized gain on investments	(391,597)	(6,657)
Changes in assets and liabilities:		
Reimbursements receivable	(1,747,693)	414,561
Prepaid expenses	(54,020)	(22,946)
Deposits	(98,891)	-
Accounts payable	(492,282)	305,182
Accrued expenses	223,841	45,212
Net cash provided by operating activities	<u>850,538</u>	<u>4,226,020</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment and leasehold improvements	(1,221,435)	(358,871)
Purchase of investments	(1,102,514)	(3,862,113)
Proceeds from sale of investments	489,506	199,340
Net cash used in investing activities	<u>(1,834,443)</u>	<u>(4,271,644)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on capital lease obligation	-	(5,287)
Payments on note payable	(43,692)	(61,678)
Net cash used in financing activities	<u>(43,692)</u>	<u>(66,965)</u>
Change in cash	(1,027,597)	(112,589)
Cash at beginning of year	2,518,875	2,631,464
Cash at end of year	<u>\$ 1,491,278</u>	<u>\$ 2,518,875</u>
<u>SUPPLEMENTAL DISCLOSURE</u>		
Interest paid	<u>\$ 8,765</u>	<u>\$ 8,072</u>

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

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies

Organization

NO/AIDS Task Force d/b/a CrescentCare (the Task Force) is a nonprofit organization providing support and services to people infected and affected by acquired immune deficiency syndrome (AIDS) and human immunodeficiency virus (HIV) in the Southeast Louisiana region. In February 2014, the Task Force filed an application to the State of Louisiana Secretary of State for the trade name CrescentCare. The filing is related to the Task Force's plan in business expansion in order to provide clinical service not only to individuals with HIV/AIDS but also to the general public for other medical services. As of February 2014, the Task Force is doing business as CrescentCare. The Task Force also offers educational programs and informational materials to the general public, in order to prevent more people from becoming infected and to build awareness of the serious medical, legal, social and emotional problems faced by those already infected. The Task Force also provides a continuance of care and supportive services for individuals and families living with HIV disease. The Task Force's programs are as follows:

Education

Education continues to be the best method for slowing the spread of HIV/AIDS. This program's goal is to make the community aware that prevention is vital to reducing the spread of HIV. The Task Force uses community and venue-based outreach to talk to adolescents, injection drug users and other high-risk individuals in a non-threatening and non-judgmental manner about their behavior. A community mobilization project develops partnerships to design and implement prevention projects in the New Orleans French Quarter community. Additionally, the Task Force operates specific evidence-based interventions (including HIV antibody counseling, testing and referral) that are supported by scientific research. The Education program also performs health education presentations throughout Southeast Louisiana.

Primary Medical Care

The Task Force operates a full service primary care clinic which provides comprehensive medical care to over 1,400 HIV-infected or exposed individuals. In the clinic, the Task Force employs two full-time and one part-time physician, two full-time nurse practitioners, five full-time registered nurses, one full-time medical assistant and one phlebotomist. The clinic is open five days a week and provides care to all HIV-infected individuals in need.

Case Management

The Task Force provides case managers who serve as liaisons between clients and the network of community resources to ensure that the infected live comfortably and with dignity. Case managers work with those living with HIV and AIDS to develop a plan of care that addresses their medical, financial, emotional and social needs.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies (continued)

Behavioral Health

The Task Force offers behavioral health services, which includes mental health and substance abuse support to individuals and families coping with HIV. Short-term individual counseling helps HIV-infected and affected individuals cope with the complex emotional, physical and practical problems they face. Support groups are offered on a regular basis and, if needed, appointments are offered with a psychiatrist once a week.

Food for Friends

The Task Force delivers fourteen prepared, well-balanced meals each week to HIV-infected individuals who are unable to provide meals for themselves. Additionally, a food pantry supplements the clients' needs with nonperishable food items and personal care items.

Housing

The Task Force provides assistance to HIV-infected individuals to obtain acceptable and affordable housing. Additionally, the Task Force provides a program where individual and group level support is offered by trained peers living with HIV/AIDS.

Housing Support Services

Housing Support Services was funded by the State of Louisiana until September 2013 to assist persons with significant disabilities to obtain and maintain housing in the community. After September 2013, funding was provided through third party billings under units of service to a state agency. The supports provided are individualized to the tenant's needs.

Medication

The Task Force contracts with a local pharmacy to provide medication to HIV-infected individuals. The Task Force also assists with insurance (and medical) co-payments for qualified individuals. Staff assists eligible clients in enrolling in pharmaceutical medication assistance programs for access to free or low cost medications. The Task Force is a covered entity in the U.S. Department of Health and Human Services, Health Resources and Services Administration, Office of Pharmacy Affairs and participates in the 340B Drug Pricing Program (340B Program) whereby medications are purchased by a qualified third party pharmacy company for Task Force clients at a discounted price, resulting in revenue for the Task Force based on these savings. The intent of the 340B program is to permit the covered entity to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Revenues of \$15,235,717 and \$13,037,780 and related expenses of \$7,803,264 and \$7,706,136 were recognized in 2014 and 2013, respectively, related to this program and are included in grants and contracts revenue and program expenses, respectively, in the accompanying statements of activities.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation

The accompanying financial statements are presented using the accrual method of accounting. Under this method, revenues are recognized in the period earned and expenses are recognized in the period incurred. Grants are recognized as revenues when the conditions of the grant are considered to have been met. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Restricted contributions whose restrictions are met in the same reporting period as the contribution are shown as unrestricted contributions.

The Task Force reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Tax Status

The Task Force is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and it is not a private foundation.

Accounting Standards Codification, "Accounting for Uncertainty in Income Taxes" clarifies the accounting and disclosure for uncertain tax positions. This interpretation requires organizations to use a prescribed model for assessing the financial statement recognition and measurement of all tax positions taken or expected to be taken in tax returns. The Task Force applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Task Force has reviewed its tax positions and determined there were no outstanding or retrospective tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities; therefore, implementation of this standard has not had a material effect on the Task Force.

The Task Force's tax returns for the years ended June 30, 2013, 2012, and 2011 remain open and subject to examination by taxing authorities. The tax return for the year ended June 30, 2014 has not been filed as of the report date.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies (continued)

Reimbursements Receivable

Reimbursements receivable are comprised primarily of reimbursements from federal agencies. The Task Force uses the allowance method to account for uncollectible reimbursements. Reimbursements are charged against the allowance when deemed to be uncollectible. The allowance is based on management's estimate of possible uncollectible reimbursements. Reimbursements are from federal agencies with minimal risks of nonpayment based on the Task Force's past experience with these agencies; all amounts due are considered collectible. Therefore, no allowance is reflected in the accompanying financial statements at both June 30, 2014 and 2013.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair value based on available market quotes in the consolidated statements of financial position and as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Unrealized gains that are restricted by donors are reported as increases in temporarily restricted net assets. Unrealized gains absent restriction and unrealized losses are reported as increases and decreases in unrestricted net assets.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are recorded at cost. The Task Force capitalizes all expenditures for equipment in excess of \$1,000; the fair value of donated assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the term of the related lease.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support, unless the donor has restricted the donated asset to a specific purpose or for use for a specified period of time. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies (continued)

Investment in Housing Partnership

In June, 2013, the Task Force invested \$250,000 in GCHP-Claiborne MM, LLC (Investee), a limited liability company which is the managing member of GCHP-Claiborne, LLC, an entity which owns a housing development created using New Market Tax Credits (NMTC). The primary owner of Investee is a not for profit community housing developer who builds housing units serving a client population consistent with the Task Force's mission. The Task Force's 21% interest in the Investee is being accounted for as an equity method investment, whereby the Task Force recognizes 21% of the Investee's change in net assets in the accompanying statements of activities and the investment balance itself reflects 21% of the Investee's net assets in the accompanying statements of financial position. As of June 30, 2014, the development was still under construction. The development was completed and began operations in August 2014. As of June 30, 2014 and 2013, there was no change in net assets of the Investee. At the end of the compliance period for the NMTC (15 years), the Task Force has a right of first refusal and purchase option to purchase the development at the higher of fair market value or an amount which approximates pay off of existing debt at the date of purchase.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Task Force have been summarized on a functional basis in the accompanying statements of functional expenses. In preparing these statements, certain costs such as occupancy, telephone and supplies have been allocated among the various programs and supporting services on the basis of program expenses to total expenses in each activity.

Donated Services

Donated services are reflected as contributions in the accompanying statements at their estimated fair values at the date of receipt. During fiscal years 2014 and 2013, a news publication company donated advertising space and services, primarily for fund raising activities. The estimated value of these donated services and the corresponding expenses for the years ended June 30, 2014 and 2013, was \$33,644 and \$23,588, respectively, and is reflected in the accompanying financial statements as other support and revenue and support service expenses.

Absent donor stipulations regarding how long those donated assets must be maintained, the Task Force reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Task Force reclassifies temporarily restricted net assets to unrestricted net assets at that time. If a time restriction has been stipulated by the donor, the expiration of this restriction is reported as the related asset is depreciated.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies (continued)

Advertising and Promotion

Advertising costs are expensed as incurred. The primary purpose of these appeals is to promote the Task Force's fund-raising events and raise awareness of the disease and its prevention as well as care and treatment services available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of 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. The Task Force's significant estimates include those regarding the fair value of donated materials and services, accrual for drug replenishment of its 340B Program, and consideration of allowances for reimbursements receivable.

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified to conform to 2014 reporting.

2. Investments

Investments consisted of the following at June 30:

	<u>2014</u>	<u>2013</u>
Money market funds	\$ 337,210	\$ 265,935
Mutual funds	<u>5,690,832</u>	<u>4,757,502</u>
	<u>\$ 6,028,042</u>	<u>\$ 5,023,437</u>

The Task Force's investments had accumulated unrealized gains of \$391,596 and \$11,324 at June 30, 2014 and 2013, respectively. The unrealized gain and loss for each year is reflected in the fair market value of these investments as stated in these consolidated financial statements at the end of each respective year. Money market funds are primarily invested in U.S. government securities.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

3. Equipment and Leasehold Improvements

Equipment and leasehold improvements are summarized as follows at June 30:

	<u>Useful Life</u>	<u>2014</u>	<u>2013</u>
Computer equipment and software	3 to 5 years	\$ 1,283,864	\$ 808,520
Office furniture, fixtures and equipment	3 to 5 years	458,136	439,934
Leasehold improvements	3 to 5 years	1,530,128	654,331
Mobile medical unit	10 years	210,000	210,000
Building	30 years	93,000	93,000
Land	-	<u>23,000</u>	<u>23,000</u>
		3,598,128	2,228,785
Less: Accumulated depreciation and amortization		<u>1,638,441</u>	<u>1,259,974</u>
Total net equipment and leasehold improvements		<u>\$ 1,959,687</u>	<u>\$ 968,811</u>

In March 2014, the Task Force purchased a generator with a cost basis of \$17,650 which was funded under the Housing Opportunities for Persons with AIDS (HOPWA) federal grant. The generator is used for the Exchange House program which is part of the HOPWA grant. This item is included in fixed assets in the accompanying 2014 statement of financial position, and the related depreciation is included in accumulated depreciation and amortization and depreciation and amortization expense.

During the years ended June 30, 2014 and 2013, depreciation and amortization was \$414,408 and \$328,302, respectively. As of June 30, 2014, leasehold improvements of \$183,849 were accrued in accounts payable in the accompanying statements of financial position.

4. Lines of Credit

The Task Force has two unsecured lines of credit with financial institutions. There were no outstanding borrowings against these lines of credit as of June 30, 2014 and 2013. The first line of credit for \$250,000 was renewed in May 2014 for \$500,000 and carries interest at the Wall Street Journal's prime rate plus 0.75% and matures in May 2015. The second line of credit is for \$250,000 and was renewed in June 2014 for \$500,000. This line of credit carries interest based on the LIBOR rate plus 3.806% and matures in July 2015.

5. Notes Payable

In June 2008, the Task Force purchased a building for \$116,000 in the Houma, Louisiana region to serve as an office and clinic in that area. The Task Force purchased the property with funds acquired through the issuance of a note payable to a bank. The note has a stated interest of 5.95% and is due in 92 equal monthly installments of principal and interest of \$1,575. The note is collateralized by the Task Force's account at that bank. The outstanding balances related to this loan were \$3,066 and \$46,758 at June 30, 2014 and 2013, respectively.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

6. Commitments and Contingencies

Operating Leases

The Task Force leased its administrative headquarters which also serves as an operational facility under a non-cancelable operating lease. The lease was amended in September 2010 increasing monthly rent from \$34,300 to \$44,300 starting in June 2011 and extended the term to January 2013. Beginning February 2013, the lease is on a month to month basis. The Task Force leases another operating facility for program activities on a monthly basis for \$1,500 per month. In March 2014, the Task Force entered into a 60 month operating lease for a new operational facility. Monthly rent payments begin at \$26,024 and increase annually until the fifth year when they increase to \$28,895.

Future minimum lease payments under operating leases with an initial term of one year or more were as follows at June 30, 2014:

<u>Year</u>	
2015	\$ 433,286
2016	342,361
2017	332,388
2018	341,003
2019	231,164
Thereafter	-
Total minimum lease payments	<u>\$ 1,680,202</u>

Rental expense relating to these leases was approximately \$780,000 and \$558,000 for the years ended June 30, 2014 and 2013, respectively. The lease payments are included in occupancy in the accompanying statements of functional expenses.

Concentrations

Grants received require the fulfillment of certain conditions as set forth in the grant instruments. The Task Force intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of the funds to donors. The Task Force, by accepting the grants and their terms, has agreed to the conditions of the donors. Government grants and support represented approximately 94% and 95% of the Task Force's total support and revenue for fiscal 2014 and 2013, respectively, including approximately \$15.2 million and \$13.0 million of revenues for years ended June 30, 2014 and 2013, respectively from the 340B Program. In addition, the balance of reimbursements receivable is comprised primarily of government grants and support at both June 30, 2014 and 2013.

The Task Force has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Institute has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

7. Retirement Savings Plan

The Task Force provides a simplified employee retirement savings plan (the Plan) to its employees. The Plan provides, to all employees who have been with the Task Force for a minimum of two years, an annual contribution to an Individual Retirement Account (IRA) equal to 5% of an employee's current gross eligible compensation. Contributions to the Plan were approximately \$231,000 and \$172,000 for the years ended June 30, 2014 and 2013, respectively.

8. Fair Value Measurements

The fair value measurement standards establish a framework for measuring fair value, and expand disclosure about fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 Measurements).

The three levels of the fair value hierarchy under the standards are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Valuation methodology inputs are unobservable and significant to fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded or at the net asset value ("NAV") of shares held at year end as applicable.

Money market funds: Valued based on quoted prices in active markets for identical securities.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

8. Fair Value Measurements (continued)

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2014 by fair value measurements valuation hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt and Equity Fund:				
Conservative Allocation	\$ 2,970,205	\$ -	\$ -	\$ 2,970,205
Fixed Income Funds:				
Government Securities	196,603	-	-	196,603
Corporate Bonds	1,326,591			1,326,591
Multisector Bonds	494,843			494,843
Non Traditional Bond	296,710	-	-	296,710
Corporate Bank Loan	405,880	-	-	405,880
Money Market	337,210	-	-	337,210
Total	<u>\$ 6,028,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,028,042</u>

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2013 by fair value measurements valuation hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt and Equity Fund:				
Conservative Allocation	\$ 1,959,185	\$ -	\$ -	\$ 1,959,185
Fixed Income Funds:				
Government Securities	675,596	-	-	675,596
Corporate Bonds	940,943			940,943
Multisector Bonds	488,174			488,174
Non Traditional Bond	292,822	-	-	292,822
Corporate Bank Loan	400,782	-	-	400,782
Money Market	265,935	-	-	265,935
Total	<u>\$ 5,023,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,023,437</u>

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

9. Allocation of Joint Costs

During fiscal years 2014 and 2013, the Task Force incurred costs related to the publication and mailing of its periodic newsletter; this newsletter includes requests for contributions, as well as program and management and general components. These costs are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows for the years ended June 30:

<u>Expense Category</u>	<u>2014</u>	<u>2013</u>
Fund Raising	\$ 820	\$ 578
Management – general	4,272	3,057
Program Services:		
Education	4,281	3,001
Primary Medical Care	19,384	11,586
Case Management	16,258	10,547
Mental Health	1,546	865
Food for Friends	861	404
Housing/Peer Support	3,888	3,579
Legal Services	1,092	634
Medication	1,124	808
FACES	<u>1,912</u>	<u>-</u>
Total	<u>\$ 55,438</u>	<u>\$ 35,059</u>

10. Louisiana Legislative Auditor’s Review

During fiscal year ended June 30, 2013, the Task Force’s financial records were under a limited review status by the Louisiana Legislative Auditor’s (the LLA) office. The LLA has not yet concluded or issued any reports relative to their limited review as of the date of issuance of this independent audit report. The Task Force has not been contacted during fiscal year ended June 30, 2014 or through the date of this report concerning that review. The effects of any findings or subsequent conclusions from the LLA’s limited review are unknown as of this report date and are not included or recognized in these financial statements.

11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 14, 2015, and determined that no other events have occurred that require disclosure.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Public Health Service Centers for Disease Control and Prevention - HIV Prevention Projects for Community Based Organizations	93.939	\$ 356,789
Public Health Service Centers for Disease Control and Prevention - HIV Prevention Projects for Community Based Organizations	93.939	327,357
Public Health Service Centers for Disease Control and Prevention - Secretarys Minority AIDS Initiative Funding for Care and Prevention in the United States (CAPUS) Demonstration Project	93.940	248,529
Public Health Service Centers for Disease Control and Prevention - Preventive Health Services - STD Control	93.977	23,675
Substance Abuse & Mental Health Services Administration Center for Substance Abuse Treatment	93.243	101,290
Health Resources and Services Administration Ryan White Part C Outpatient EIS Program	93.918	366,148
Health Resources and Services Administration Ryan White Program Part D Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	803,067
Public Health Service Office of Minority Health Family and Community Violence Prevention Program	93.910	237,936
<u>Pass through:</u>		
<u>Mayor's Office of Health Policy</u>		
Ryan White C.A.R.E. Act Part A Funds HIV Emergency Relief Project Grants	93.914	3,205,908
Ryan White C.A.R.E. Act Part A Funds HIV Emergency Relief Project Grants	93.914	54,530
Ryan White C.A.R.E. Act Part B Funds HIV Emergency Relief Project Grants	93.914	277,148
Ryan White C.A.R.E. Act Part B Funds HIV Care Formula Grants	93.917	354,753
<u>City of Baton Rouge</u>		
Ryan White C.A.R.E. Act Part A Funds HIV Emergency Relief Project Grants	93.914	88,964
<u>Louisiana Department of Health and Hospitals</u>		
Office of Public Health - HIV/AIDS Services Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	181,603
Office of Public Health - HIV/AIDS Services HIV Behavioral Surveillance System Grant	93.944	250,776
<u>Louisiana Children's Hospital</u>		
Ryan White Program Part D Funds Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	11,759
<u>Unity of Greater New Orleans, Inc</u>		
Substance Abuse & Mental Health Services Administration Center for Substance Abuse Treatment	93.243	201,100
<u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
<u>Pass through:</u>		
<u>City of New Orleans Division of Housing and Neighborhood Development</u>		
Housing Opportunities for Persons with AIDS	14.241	830,989
<u>Unity of Greater New Orleans, Inc</u>		
Housing Opportunities for Persons with AIDS	14.241	268,942
Supportive Housing Program	14.235	33,587
<u>Louisiana Department of Health and Hospitals</u>		
Office of Public Health - Housing Opportunities for Persons with AIDS	14.241	124,266
Office of Aging and Adult Services - Permanent Supportive Housing	14.218	469,400
<u>TOTAL FEDERAL AWARDS</u>		\$ 8,818,516

See accompanying notes to the schedule of expenditures of federal awards.

NO/AIDS TASK FORCE
D/B/A CRESCENTCARE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

1. Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the Task Force and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The Task Force's federal awards are operated on a cost reimbursement basis whereby the Task Force applies for reimbursement of costs incurred in conjunction with program activities. During 2014, the Ryan White grants (except for Part C and D) were operated on units of service fee basis whereby the Task Force was compensated at fixed rates per units of service as provided for in the federal grant contracts. Additionally, the Permanent Supportive Housing grant is reimbursed at an hourly rate per staff team member as called for in the grant agreement. Accordingly, this schedule presents the revenues earned through the expenditure of funds awarded, costs expended and reimbursed, the reimbursement for units of service provided and the reimbursement of hourly rates.

2. Major Programs

Major programs are identified in the summary of auditors' results section of the schedule of findings and questioned costs.

3. Relationship to Financial Statements

Federal awards are included in the financial statements of the Task Force as follows:

Schedule of Federal Awards	\$ 8,818,516
340B Drug Pricing Program (non-federal)	15,235,717
Other (non-federal)	<u>1,822,164</u>
Total grants and contracts	<u>\$ 25,876,397</u>

**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**

To the Board of Directors of
NO/AIDS Task Force d/b/a CrescentCare
New Orleans, 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 NO/AIDS Task Force d/b/a CrescentCare (the Task Force) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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 January 14, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Task Force's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Task Force's 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 the Task Force'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.

Kostelnik & Wittmille

New Orleans, Louisiana
January 14, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of
NO/AIDS Task Force d/b/a CrescentCare
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited NO/AIDS Task Force d/b/a CrescentCare's (the Task Force) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Task Force's major federal programs for the year ended June 30, 2014. The Task Force's 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 the Task Force's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the Task Force's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Task Force's compliance.

Opinion on Each Major Federal Program

In our opinion, the Task Force 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 June 30, 2014.

Report on Internal Control Over Compliance

Management of the Task Force 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 the Task Force's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the Task Force's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Nettville

New Orleans, Louisiana
January 14, 2015

NO/AIDS TASK FORCE D/B/A CRESCENTCARE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

(1) Summary of Auditors' Results

Financial Statements

The type of report issued on the financial statements: unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? none reported

Noncompliance material to the financial statements noted? no

Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: unmodified opinion

Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133? no

Major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.241	Housing Opportunities for Persons with AIDS
93.153	Ryan White Part D Coordinated Service and Access to Research for Women, Infants, Children, and Youth Program
93.939	HIV Prevention Projects for Community Based Organizations

NO/AIDS TASK FORCE D/B/A CRESCENTCARE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133:	<u>yes</u>
(2) Findings Relating to the Financial Statements Reported in Accordance with <i>Government Auditing Standards</i>:	<u>none</u>
(3) Findings and Questioned Costs relating to Federal Awards:	<u>none</u>