

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

Lafayette, Louisiana

Financial Report

Year Ended December 31, 2010

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

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INDEPENDENT AUDITORS' REPORT

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** A LIMITED LIABILITY COMPANY

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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 financial position of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of CARES' management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity 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 21, 2011, 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 grants 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of CARES taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 basic financial statements taken as a whole.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
June 21, 2011

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

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009**

ASSETS	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash and Interest Bearing Deposits	\$ 67,066	\$ 80,527
Contracts and Grants Receivable	608,459	945,526
Other Receivables	3,218	2,438
Prepaid Expenses	49,647	6,122
Employee Advances	<u>2,557</u>	<u>3,418</u>
Total Current Assets	<u>730,947</u>	<u>1,038,031</u>
PROPERTY AND EQUIPMENT (NET)	<u>3,593,560</u>	<u>3,497,670</u>
OTHER ASSETS		
Deposits	<u>10,845</u>	<u>10,845</u>
Total Other Assets	<u>10,845</u>	<u>10,845</u>
TOTAL ASSETS	<u>\$ 4,335,352</u>	<u>\$ 4,546,546</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Technical Overdraft	\$ 4,462	\$ 87,056
Accounts Payable	131,972	95,956
Accrued Payroll and Related Liabilities	118,213	117,106
Accrued Compensated Absences	119,643	120,764
Deferred Revenue	34,663	49,214
Tenant Deposits	2,935	-
Notes Payable	377,914	343,542
Current Maturities of Long-Term Debt	<u>22,929</u>	<u>19,657</u>
Total Current Liabilities	<u>812,731</u>	<u>833,295</u>
LONG-TERM LIABILITIES		
Long-Term Debt (Less Current Maturities)	<u>7,776</u>	<u>32,518</u>
TOTAL LIABILITIES	<u>820,507</u>	<u>865,813</u>
NET ASSETS		
Unrestricted	<u>3,514,845</u>	<u>3,680,733</u>
Total Net Assets	<u>3,514,845</u>	<u>3,680,733</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,335,352</u>	<u>\$ 4,546,546</u>

The Accompanying Notes are an Integral Part of These Statements.

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

**STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
PUBLIC SUPPORT		
Donations	\$ 13,667	\$ 11,929
Fundraising	8,918	1,280
Allocation From United Way	<u>5,637</u>	<u>72,938</u>
Total Public Support	<u>28,222</u>	<u>86,147</u>
 REVENUES		
Rental Income	295,950	264,712
Governmental Grants and Contracts	5,404,638	6,590,968
Miscellaneous	25,844	11,356
Interest	<u>2,914</u>	<u>1,151</u>
Total Revenues	<u>5,729,346</u>	<u>6,868,187</u>
 TOTAL PUBLIC SUPPORT AND REVENUES	<u>5,757,568</u>	<u>6,954,334</u>
 EXPENSES AND LOSSES		
Program Services		
AIDS Education and Relief	5,072,337	5,711,063
Supporting Services		
Management and General	<u>851,119</u>	<u>850,545</u>
Total Expenses	<u>5,923,456</u>	<u>6,561,608</u>
 INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(165,888)	392,726
 NET ASSETS AT BEGINNING OF YEAR	<u>3,680,733</u>	<u>3,288,007</u>
 NET ASSETS AT END OF YEAR	<u>\$ 3,514,845</u>	<u>\$ 3,680,733</u>

The Accompanying Notes are an Integral Part of These Statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010**

	PROGRAM SERVICES AIDS EDUCATION AND RELIEF	SUPPORTING SERVICES MANAGEMENT AND GENERAL	TOTAL
Compensation and Related Expenses			
Salaries	\$ 2,530,299	\$ 269,125	\$ 2,799,424
Compensated Absences	-	(1,121)	(1,121)
Employee Benefits			
Medical	265,875	29,927	295,802
Pension Plan	57,714	8,770	66,484
Payroll Taxes	200,056	21,564	221,620
	3,053,944	328,265	3,382,209
Advertising	3,757	1,080	4,837
Bank Charges	-	4,543	4,543
Charitable Giving	-	2,327	2,327
Contract Personnel	57,071	18,822	75,893
Contractual	86,962	-	86,962
Depreciation	-	180,284	180,284
Direct Assistance	1,485,741	3,232	1,488,973
Dues and Subscriptions	207	7,081	7,288
Equipment Leasing	14,480	2,443	16,923
Education and Outreach	110	58	168
Insurance	49,834	21,348	71,182
Interest Expense	-	19,818	19,818
Janitorial	600	-	600
Landscaping	-	12,628	12,628
Legal and Accounting	661	33,642	34,303
Loss on Disposal of Assets	-	25	25
Miscellaneous	1,644	17,775	19,419
Office Expense	5,584	15,638	21,222
Postage	8,268	3,391	11,659
Printing	1,086	258	1,344
Rent	-	6,010	6,010
Repairs and Maintenance	12,086	46,365	58,451
Small Equipment	9,885	9,367	19,252
Supplies/Materials	46,799	17,622	64,421
Taxes and Licenses	690	716	1,406
Travel and Seminars	132,165	28,018	160,183
Utilities and Telephone	100,763	70,036	170,799
Volunteer Expenses	-	327	327
	-	327	327
TOTAL	\$ 5,072,337	\$ 851,119	\$ 5,923,456

The Accompanying Notes are an Integral Part of These Statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009**

	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL
	AIDS EDUCATION AND RELIEF	MANAGEMENT AND GENERAL	
Compensation and Related Expenses			
Salaries	\$ 2,387,589	\$ 340,282	\$ 2,727,871
Compensated Absences	-	9,253	9,253
Employee Benefits			
Medical	168,391	22,650	191,041
Pension Plan	55,761	8,245	64,006
Payroll Taxes	177,240	26,182	203,422
	2,788,981	406,612	3,195,593
Advertising	8,219	942	9,161
Bank Charges	-	5,973	5,973
Charitable Giving	-	1,300	1,300
Contract Personnel	76,394	11,883	88,277
Contractual	420,093	-	420,093
Depreciation	-	149,844	149,844
Direct Assistance	2,044,413	4,208	2,048,621
Dues and Subscriptions	155	6,500	6,655
Equipment Leasing	10,739	5,113	15,852
Education and Outreach	1,307	30	1,337
Insurance	45,379	16,894	62,273
Interest Expense	-	21,177	21,177
Janitorial	-	1,836	1,836
Landscaping	-	23,001	23,001
Legal and Accounting	1,062	22,527	23,589
Loss on Disposal of Assets	-	9,325	9,325
Miscellaneous	888	11,881	12,769
Office Expense	12,848	6,852	19,700
Postage	12,228	1,326	13,554
Printing	2,298	109	2,407
Rent	-	8,669	8,669
Repairs and Maintenance	14,500	32,945	47,445
Small Equipment	11,514	6,870	18,384
Supplies/Materials	44,279	8,991	53,270
Taxes and Licenses	250	2,218	2,468
Travel and Seminars	160,671	13,716	174,387
Utilities and Telephone	54,845	69,733	124,578
Volunteer Expenses	-	70	70
	\$ 5,711,063	\$ 850,545	\$ 6,561,608

The Accompanying Notes are an Integral Part of These Statements.

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

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (165,888)	\$ 392,726
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	180,284	149,844
Loss on Disposal of Assets	25	9,325
Changes in Current Assets and Liabilities:		
Contracts Receivable	318,394	(7,894)
Other Receivables	17,893	(104,633)
Prepaid Expenses	(43,525)	(1,084)
Employee Advances	861	(2,993)
Deposits	-	2,219
Technical Overdraft	(82,594)	87,056
Accounts Payable	36,016	(180,870)
Accrued Compensated Absences	(1,121)	9,253
Accrued Payroll and Related Liabilities	1,107	11,131
Deferred Revenue	(14,551)	49,214
Tenant Deposits	2,935	-
Net Cash Provided By Operating Activities	249,836	413,294
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(276,199)	(473,422)
Net Cash Used In Investing Activities	(276,199)	(473,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds (Repayments) on Line of Credit	34,372	(75,713)
Proceeds from Long-Term Debt	-	66,000
Repayment of Long-Term Debt	(21,470)	(13,825)
Net Cash Provided By (Used In) Financing Activities	12,902	(23,538)
NET DECREASE IN CASH AND EQUIVALENTS	(13,461)	(83,666)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	80,527	164,193
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 67,066	\$ 80,527
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 19,818	\$ 21,177

The Accompanying Notes are an Integral Part of These Statements.

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

NOTES TO FINANCIAL STATEMENTS

(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 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.

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

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Organization generally does not require collateral, and the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

Deferred Revenue

Income from tenant rent and prepaid services is deferred and recognized over the period to which they relate.

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 Government agency contracts. Related contract receivables are referred to as Contracts receivable – State of Louisiana and Contracts receivable – other in the statement of financial position.

Donated Services

CARES receives substantial volunteer services in areas such as transportation, clerical, medical, food bank, hotline, fund raising and the companion program. No amounts have been reflected on the statements for donated services because no objective basis is available to measure the value of such services.

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

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are valued at historical cost for assets purchased and at fair market value at the time of donation for donated assets. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. 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 contributions. Depreciation is computed using the straight-line method over the assets useful lives. Depreciation expense was \$180,284 and \$149,844 for the years ended December 31, 2010 and 2009, respectively.

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, 2010 and 2009.

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.

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 not to be a private foundation within the meaning of Section 509(a) of the code.

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

NOTES TO FINANCIAL STATEMENTS

(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 \$4,837 and \$9,161 for the years ended December 31, 2010 and 2009, respectively.

(C) CERTIFICATE OF DEPOSIT

The certificate of deposit in the amount of \$50,000 is included in cash in the accompanying financial statements. The certificate bears interest at 1.15 percent per annum and matures on July 26, 2011, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

(D) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	<u>2010</u>	<u>2009</u>
Building	\$ 2,800,000	\$ 2,800,000
Building Renovations	1,069,019	837,159
Autos and Trucks	32,500	32,500
Equipment	<u>248,259</u>	<u>245,721</u>
Total	4,149,778	3,915,380
Accumulated Depreciation	<u>556,218</u>	<u>417,710</u>
Net Property and Equipment	<u>\$ 3,593,560</u>	<u>\$ 3,497,670</u>

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

(E) NOTE PAYABLE

The Organization has a \$500,000 line of credit, secured by a mortgage on the real property of the Organization. The line bears interest at a rate of prime plus 1.5 percent, currently 4.75, with a maturity date of September 30, 2011. As of December 31, 2010 and 2009, the balance on the line was \$377,914 and \$343,542, respectively.

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

NOTES TO FINANCIAL STATEMENTS

(F) LONG-TERM DEBT

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

	2010	2009
Note payable to Iberia Bank dated March 2009 in the amount of \$26,000 bearing interest at 6.25 percent per annum, payable in monthly installments of \$795. The loan is secured by a mortgage on real property.	\$ 10,683	\$ 19,255
Note payable to Iberia Bank dated June 2009 in the amount of \$40,000 bearing interest at 7.5 percent per annum, payable in monthly installments of \$1,246. The loan is secured by a mortgage on real property.	<u>20,022</u>	<u>32,920</u>
	<u>30,705</u>	<u>52,175</u>
Less: Current Portion	<u>22,929</u>	<u>19,657</u>
Long-Term Portion	<u>\$ 7,776</u>	<u>\$ 32,518</u>

Annual maturities of long-term debt during each of the years ended December 31 are as follows:

2011		\$ 22,929
2012		<u>7,776</u>
Total		<u>\$ 30,705</u>

(G) CONCENTRATION OF CREDIT RISK

The majority of the CARES' revenues and accounts receivable are from contracts with the Louisiana Department of Health and Hospitals (DHH). The contracts are administered by DHH under programs which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on CARES could be severe.

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

NOTES TO FINANCIAL STATEMENTS

(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 2010 and 2009 was \$66,484 and \$64,006, respectively.

(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 FDIC insurance limits. As of December 31, 2010, CARES had no significant concentrations of credit risk.

The fair values of CARES' financial instruments are as follows:

Cash and short-term investments – The carrying amount approximates fair value because of the short maturities of those investments.

Bank loans payable – Fair value approximates carrying value since stated rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities.

(J) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

(K) RECLASSIFICATIONS

Certain reclassifications have been made to the 2009 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

(L) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 21, 2011, which is the date the financial statements were available to be issued.

**INTERNAL CONTROL, COMPLIANCE
AND OTHER GRANT INFORMATION**

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	Amounts to Subrecipients
U.S. Department of Housing and Urban Development				
Supportive Housing Program:				
Mainstream Case Management	14.235	LA0011B6H000802	\$ 47,938	\$ -
Project Home Again I	14.235	LA0016B6H000802	123,352	-
Project Home Again II	14.235	LA0015B6H000802	216,099	-
Project Home Again III	14.235	LA160B6H000900	9,078	-
Housing Opportunities for Persons with AIDS:				
Hope House	14.241	DHH-051420	72,103	-
SATS	14.241	DHH-053124	20,380	-
Passed through the Lafayette Consolidated Government:				
ARRA - Homeless Prevention and Rapid Re-housing Program	14.257 *	509-MY-22-0004	<u>187,612</u>	<u>-</u>
Total for U.S. Department of Housing and Urban Development			<u>676,562</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through the Louisiana Department of Health and Hospitals:				
HIV Care Formula Grants:				
Ryan White Program	93.917	DHH-048323	115,794	-
Ryan White Program	94.917	DHH-055788	527,390	-

(continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	Amounts to Subrecipients
U.S. Department of Health and Human Services				
Passed through the Louisiana Department of Health and Hospitals:				
HIV Prevention Grants:				
Prevention Program	93.940 *	DHH-046887	\$ 2,550,217	\$ -
Prevention Services	93.940 *	DHH-053003	64,310	-
Substance Abuse Prevention and Treatment Block Grant:				
Office of Addictive Disorders - Secondary	93.959 *	DHH-055116	259,230	-
Office of Addictive Disorders	93.959 *	DHH-055134	20,526	-
Office of Addictive Disorders - Primary	93.959 *	DHH-055363	<u>49,180</u>	<u>-</u>
Total for U.S. Department of Health and Human Services			<u>3,586,647</u>	<u>-</u>
Total Expenditures			<u>\$ 4,263,209</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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** A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

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MICHAEL G. DEHART, CPA, CVA, MBA * +

+RETIRED

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*

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

We have audited the financial statements of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) (a nonprofit organization), as of and for the year ended December 31, 2010, and have issued our report thereon dated June 21, 2011. 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.



Internal Control Over Financial Reporting

In planning and performing our audit, we considered CARES' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of CARES' internal control over financial reporting. According, we do not express an opinion on the effectiveness of CARES' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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TINA B. VIATOR, CPA

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CARES' financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, federal awarding agencies, pass-through entities and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document, therefore its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
June 21, 2011

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

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

Compliance

We have audited the compliance of Acadiana Concern for AIDS Relief, Education and Support, Inc. (CARES) (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. CARES' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of CARES' management. Our responsibility is to express an opinion on CARES' compliance based on our audit.

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. Our audit does not provide a legal determination on CARES' compliance with those requirements.

In our opinion, CARES complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

Management of CARES' is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered CARES' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, federal awarding agencies, pass-through entities and the Louisiana Legislative Auditor and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
June 21, 2011

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2010**

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, 2010, and have issue our report thereon dated June 21, 2011. 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 Comptroller General of the United States. Our audit of the financial statements of December 31, 2010 resulted in an unqualified 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, 2010, had three major programs:

- Department of Housing and Urban Development – Passed through the Lafayette Consolidated Government – ARRA – Homeless Prevention and Rapid Re-Housing Program CFDA No. 14.257
- Department of Health and Human Services – Passed through the Louisiana Department of Health and Hospitals- Substance Abuse Prevention and Treatment Block Grant CFDA No. 93.959
- Department of Health and Human Services – Passed through the Louisiana Department of Health and Hospitals- HIV Prevention Grants Program CFDA No. 93.940

Low-Risk Auditee

CARES is considered a low-risk auditee for the year ended December 31, 2010.

Major Programs - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended December 31, 2010.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED DECEMBER 31, 2010**

Auditor's Report - Major Programs

An unqualified opinion has been issued on CARES' compliance for its major programs as of and for the year ended December 31, 2010.

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, 2010**

There were no prior year findings.

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

**MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2010**

This section is not applicable in the current year.