

BAYOU CARE HOUSING, INC.

*Financial Statements
For the Years Ended December 31, 2014 and 2013*



BAYOU CARE HOUSING, INC.
FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

INDEX

	<u>Page</u>
Independent Auditors' Report -----	1-2
Statements of Financial Position -----	3
Statements of Activities -----	4
Statements of Cash Flows -----	5
Notes to Financial Statements -----	6-8
Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> -----	9-10
Schedule of Findings and Questioned Costs-----	11-12
Summary Schedule of Prior Year Findings-----	13
Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head-----	14

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

Board of Directors of
Bayou Care Housing, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Bayou Care Housing, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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 Bayou Care Housing, Inc., as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Others Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bayou Care Housing's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits and other payments to agency head on Page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of Bayou Care Housing'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 Bayou Care Housing's internal control over financial reporting and compliance.

Cameron, Hines & Company (AAAC)

West Monroe, Louisiana
June 19, 2015

BAYOU CARE HOUSING, INC.
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	December 31,	
	2014	2013
Current Assets:		
Cash and Cash Equivalents	\$ 18,122	\$ 13,087
Grants Receivable	8,929	9,209
Total Current Assets	\$ 27,051	\$ 22,296
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ -	\$ 346
Due to Related Company	9,832	-
Accrued Expenses	1,390	1,379
Total Current Liabilities	11,222	1,725
Net Assets		
Unrestricted	15,829	20,571
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 27,051	\$ 22,296

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

BAYOU CARE HOUSING, INC.
STATEMENTS OF ACTIVITIES

	For the Years Ended	
	December 31,	
	2014	2013
<u>Support and Revenue:</u>		
Federal Grant Funding	\$ 116,154	\$ 123,582
Contributions	326	392
	116,480	123,974
<u>Expenses:</u>		
Salaries	49,840	48,359
Retirement	1,078	1,046
Insurance	3,516	749
Payroll Taxes	3,993	3,876
Direct Assistance		
Housing	32,020	33,155
Utilities	9,845	9,321
Food	21	202
Insurance	1,963	1,966
Furnishings	1,612	1,815
Travel	1,567	4,418
Other	4,732	7,534
Telephone	1,396	1,368
Rent	4,200	4,200
Professional Fees	4,750	4,750
Supplies	381	506
Office	308	709
Total Expenses	121,222	123,974
<u>Changes in Net Assets</u>	(4,742)	-
<u>Net Assets - Unrestricted at Beginning of Year</u>	20,571	20,571
<u>NET ASSETS - UNRESTRICTED AT END OF YEAR</u>	\$ 15,829	\$ 20,571

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

BAYOU CARE HOUSING, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended	
	December 31,	
	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (4,742)	\$ -
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in:		
Grants Receivable	280	(268)
Increase (Decrease) in:		
Accounts Payable	(346)	(751)
Due to Related Party	9,832	-
Accrued Expenses	11	126
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>5,035</u>	<u>(893)</u>
 <u>Cash and Cash Equivalents, Beginning of Year</u>	 <u>13,087</u>	 <u>13,980</u>
 <u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	 <u>\$ 18,122</u>	 <u>\$ 13,087</u>

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

BAYOU CARE HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Bayou Care Housing, Inc. was incorporated to provide housing opportunities for persons with AIDS.

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 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.

Basis of Accounting

The financial statements of Bayou Care Housing have been prepared on the accrual basis and, accordingly, reflect all significant receivables and payables.

Basis of Presentation

FASB Accounting Standards Codification (ASC) Section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Bayou Care Housing and/or passage of time. As of December 31, 2014 and 2013, there were no temporarily restricted net assets.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by Bayou Care Housing. Generally, the donors of these assets permit Bayou Care Housing to use all of, or part of, the income earned on the related investments for general or specific purposes. As of December 31, 2014 and 2013, there were no permanently restricted net assets.

BAYOU CARE HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Bayou Care Housing considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable represent amounts that have been expensed for grant purposes and are to be reimbursed in full by the grantor and have been promised over the next twelve months.

Economic Dependency

Bayou Care Housing receives almost all of its support through federal government grant funding. The continued yearly renewal of these grants is vital to the continuation of the facility. During 2014, Bayou Care Housing received and expended \$116,480 that was provided by the Department of Community Planning and Administration through the Office of Public Health – Housing Opportunities for Persons with AIDS.

Note 2 - Cash and Cash Equivalents

Bayou Care Housing maintains its cash balances in one local financial institution. The bank statement balance is \$13,307 as of December 31, 2013. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Note 3 - Income Taxes

Bayou Care Housing is a nonprofit corporation exempted from federal income taxes under Sec. 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should Bayou Care engage in activities unrelated to its exempt purpose, taxable income could result. Bayou Care had no material unrelated business income for the year ended December 31, 2014. The earliest income tax year that is subject to examination is 2011.

Note 4 - Housing Expense

Bayou Care Housing is obligated under ten lease agreements for apartment rentals at December 31, 2014. Each lease agreement is a month to month agreement cancellable at any time. Housing expense for the year ended December 31, 2014 was a net of \$32,020, after client reimbursements of \$14,750.

BAYOU CARE HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 5 - **Related Party Transactions**

Bayou Care shares a building and staff with the Greater Ouachita Coalition Providing Aids Resources and Education (GoCare). Bayou Care paid GoCare \$4,200 for its share of rent in 2014 and 2013. Also, Bayou Care paid GoCare administration fees in the amount of \$4,540 and \$6,765 for the years ending December 31, 2014 and 2013, respectively.

Note 6 - **Subsequent Events**

Subsequent events have been evaluated through June 19, 2015, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

**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**

Board of Directors of
Bayou Care Housing, Inc.

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 Bayou Care Housing, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Bayou Care Housing'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 Bayou Care Housing's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bayou Care Housing'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 organization'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 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 over financial reporting that might be significant deficiencies or material weaknesses. 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 Bayou Care Housing's 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 14-1.

Bayou Care Housing's Response to Findings

Bayou Care Housing's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Bayou Care Housing's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
June 19, 2014

BAYOU CARE HOUSING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

To the Board of Directors
Bayou Care Housing, Inc.

We have audited the financial statements of Bayou Care Housing, Inc. as of and for the year ended December 31, 2014, and have issued our report thereon dated June 19, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2014, resulted in an unmodified opinion.

SECTION I – Summary of Auditors’ Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness _____ yes X no
Significant Deficiencies not considered to be
Material Weaknesses _____ yes X no

Compliance

Compliance Material to Financial Statements X yes _____ no

B. Federal Awards N/A

Material Weakness Identified _____ yes _____ no
Significant Deficiencies not considered to be
Material Weaknesses _____ yes _____ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unmodified _____ Qualified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Circular A-133,
Section 510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by OMB Circular A-133? N/A

SECTION II – Financial Statement Findings

14-1 **Time and Effort Support**

Condition:

During the audit, it was noted that Bayou Care Housing did not maintain personnel activity reports to document and support amounts that it was being reimbursed for from federal grants.

Criteria:

Personnel Activity Reports are to be filled out by any employee that has any portion of their salary paid from federal funds. These reports should be signed off by the employee and appropriate supervisor noting that the allocation is appropriate for the time period covered by the reports.

Effect:

Bayou Care Housing could be reimbursed for more or less salaries than it is entitled to.

Recommendation:

All employees should fill out appropriate time records allocating time spent per funding source and have supervisory approval of that allocation. This record should then be used to request appropriate reimbursement from the grantor.

Response:

Bayou Care Housing will begin having employees filling out activity reports per payroll period allocating their respective time to each funding source. Their supervisor will then review and sign off on and send to the person responsible for grant billings to properly allocate for reporting and reimbursement purposes.

SECTION III – Federal Award Findings and Questioned Costs

No matters were reported.

BAYOU CARE HOUSING, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

There were no prior year findings.

BAYOU CARE HOUSING, INC.
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
DECEMBER 31, 2014

Salary and Expense Account	\$ 13,100
Per Diem Allowance	-
Benefits - Insurance	-
Benefits - Retirement	-
Vehicle provided by government	-
Travel	-
Registration Fees	-
Conference Travel	-
Continuing professional education fees	-
	<hr/>
	\$ 13,100