

BAYOU CARE HOUSING, INC.

*Financial Statements
For the Years Ended December 31, 2013 and 2012*



BAYOU CARE HOUSING, INC.
FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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CAMERON, HINES & COMPANY

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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, 2013 and 2012, 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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2014, 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 (APAC)

West Monroe, Louisiana
June 19, 2014

BAYOU CARE HOUSING, INC.
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	December 31,	
	2013	2012
Current Assets:		
Cash and Cash Equivalents	\$ 13,087	\$ 13,980
Grants Receivable	9,209	8,941
Total Current Assets	\$ 22,296	\$ 22,921
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 346	\$ 1,097
Accrued Expenses	1,379	1,253
Total Current Liabilities	1,725	2,350
Net Assets		
Unrestricted	20,571	20,571
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 22,296</u>	<u>\$ 22,921</u>

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

BAYOU CARE HOUSING, INC.
STATEMENTS OF ACTIVITIES

	For the Years Ended	
	December 31,	
	2013	2012
<u>Support and Revenue:</u>		
Federal Grant Funding	\$ 123,582	\$ 115,980
Contributions	392	391
	123,974	116,371
<u>Expenses:</u>		
Salaries	48,359	47,887
Retirement	1,046	1,017
Insurance	749	702
Payroll Taxes	3,876	3,860
Direct Assistance		
Housing	33,155	30,421
Utilities	9,321	6,794
Food	202	117
Insurance	1,966	1,966
Furnishings	1,815	1,981
Travel	4,418	3,059
Other	7,534	7,587
Telephone	1,368	1,166
Rent	4,200	4,200
Professional Fees	4,750	4,750
Supplies	506	226
Office	709	369
Total Expenses	123,974	116,102
<u>Changes in Net Assets</u>	-	269
<u>Net Assets - Unrestricted at Beginning of Year</u>	20,571	20,302
<u>NET ASSETS - UNRESTRICTED AT END OF YEAR</u>	\$ 20,571	\$ 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>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ -	\$ 269
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in:		
Grants Receivable	(268)	(273)
Increase (Decrease) in:		
Accounts Payable	(751)	1,097
Accrued Expenses	126	1,253
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(893)</u>	<u>2,346</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>13,980</u>	<u>11,634</u>
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 13,087</u>	<u>\$ 13,980</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, 2013 AND 2012

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, 2013 and 2012, 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, 2013 and 2012, there were no permanently restricted net assets.

BAYOU CARE HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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 2013, Bayou Care Housing received and expended \$123,582 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, 2013. The earliest income tax year that is subject to examination is 2010.

Note 4 - Housing Expense

Bayou Care Housing is obligated under ten lease agreements for apartment rentals at December 31, 2013. Each lease agreement is a month to month agreement cancellable at any time. Housing expense for the year ended December 31, 2013 was a net of \$33,155, after client reimbursements of \$11,325.

BAYOU CARE HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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 2013 and 2012. Also, Bayou Care paid GoCare administration fees in the amount of \$6,765 and \$6,471 for the years ending December 31, 2013 and 2012, respectively.

Note 6 - Subsequent Events

Subsequent events have been evaluated through June 19, 2014, 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.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, 2013 and 2012, 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, 2014.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report 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, 2013

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, 2013, and have issued our report thereon dated June 19, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2013, resulted in an unmodified opinion.

SECTION I – Summary of Auditors’ 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 ___ yes X 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

No matters were reported.

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, 2013

There were no prior year findings.