

CURAMERICAS
RALEIGH, NORTH CAROLINA

INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year ended September 30, 2005

<u>Contents</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of functional expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6
SUPPLEMENTARY INFORMATION	
Independent Auditors' Report on Supplementary Information	11
Statement of Computation of Indirect Cost Rate	12
Schedule of Expenditures of Federal Awards	13
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>	14
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	17

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Curamericas

We have audited the accompanying statement of financial position of Curamericas, (a Nonprofit Organization) as of September 30, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.


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. 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 audit provides 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 Curamericas as of September 30, 2005, and the changes in its net assets and its cash flows for the year 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 January 10, 2006 on our consideration of Curamericas'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* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Information for the year ended September 30, 2004 is presented for comparative purposes only and was extracted from the financial statements presented by net asset class for that year, on which an unqualified opinion dated January 29, 2005, was expressed.



BUIE, NORMAN & COMPANY, P.A.
Certified Public Accountants

January 10, 2006

CURAMERICAS
STATEMENT OF FINANCIAL POSITION
September 30, 2005
(With comparative totals at September 30, 2004)

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Current assets:		
Cash	34,563	\$ 89,172
Sales tax receivable	-	203
Prepaid expenses	<u>2,236</u>	<u>2,430</u>
Total current assets	<u>36,799</u>	<u>91,805</u>
Property and equipment:		
Furniture and equipment	64,761	72,335
Leasehold improvements	<u>22,110</u>	<u>22,110</u>
	86,871	94,445
Less: accumulated depreciation	<u>50,663</u>	<u>48,371</u>
Net property and equipment	<u>36,208</u>	<u>46,074</u>
Investments, at fair value	<u>31,450</u>	<u>30,677</u>
Total assets	<u>\$ 104,457</u>	<u>\$ 168,556</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	17,632	\$ 18,765
Accrued wages and benefits	9,382	26,501
Payroll taxes withheld and accrued	<u>5,463</u>	<u>78,064</u>
Total current liabilities	<u>32,477</u>	<u>123,330</u>
Long-term debt	<u>100,000</u>	<u>-</u>
Net assets:		
Unrestricted	(75,343)	(23,928)
Temporarily restricted	21,866	43,697
Permanently restricted	<u>25,457</u>	<u>25,457</u>
Total net assets	<u>(28,020)</u>	<u>45,226</u>
Total liabilities and net assets	<u>\$ 104,457</u>	<u>\$ 168,556</u>

See accompanying notes to financial statements.

CURAMERICAS
STATEMENT OF ACTIVITIES
Year ended September 30, 2005
(With comparative totals for the Year ended September 30, 2004)

	2005			Total	2004 Total
	Unrestricted	Temporarily restricted	Permanently restricted		
<u>SUPPORT AND REVENUE</u>					
Donations	\$ 217,867	\$ 259,169	\$ -	\$ 477,036	\$ 497,544
Federal grants	590,644	-	-	590,644	346,027
Grants	53,542	-	-	53,542	-
Services and materials	639,669	-	-	639,669	631,197
Interest income	866	-	-	866	809
Other	675	-	-	675	2,876
Net assets released from restrictions	281,000	(281,000)	-	-	-
Total support and revenue	1,784,263	(21,831)	-	1,762,432	1,478,453
<u>EXPENSES</u>					
Program services	1,561,759	-	-	1,561,759	1,450,909
Supporting services:					
Management and general	244,585	-	-	244,585	195,506
Fundraising	29,334	-	-	29,334	41,489
Total expenses	1,835,678	-	-	1,835,678	1,687,904
Change in net assets	(51,415)	(21,831)	-	(73,246)	(209,451)
Net assets:					
Beginning of year	(23,928)	43,697	25,457	45,226	254,677
End of year	<u>\$ (75,343)</u>	<u>\$ 21,866</u>	<u>\$ 25,457</u>	<u>\$ (28,020)</u>	<u>\$ 45,226</u>

See accompanying notes to financial statements.

CURAMERICAS
STATEMENT OF FUNCTIONAL EXPENSES
Year ended September 30, 2005
(With comparative totals for the Year ended September 30, 2004)

	Program Services	Supporting Services		Total Expenses	
		Management and General Services	Fundraising	2005	2004
Bank and payroll fees	\$ -	\$ 4,680	\$ -	\$ 4,680	\$ 4,769
Board expense	-	909	-	909	733
Computer expenses	-	-	-	-	1,558
CBIO Core project	-	55,880	-	55,880	-
Depreciation	-	9,961	-	9,961	12,690
Donated services	263,557	-	-	263,557	203,159
Donated supplies	375,304	-	-	375,304	428,038
Employee benefits	13,177	3,765	1,883	18,825	30,355
Insurance	1,173	3,521	-	4,694	6,755
Interest	-	7,178	-	7,178	-
Lease	-	3,267	-	3,267	3,092
Licenses	-	2,001	-	2,001	1,880
Loss on disposal of assets	-	2,088	-	2,088	-
Miscellaneous	-	-	-	-	14,500
Office	-	14,954	-	14,954	4,087
Overseas program costs	550,289	-	-	550,289	385,970
Payroll taxes	14,570	4,163	2,082	20,815	26,291
Penalties	-	2,342	-	2,342	-
Postage	2,065	3,097	-	5,162	4,132
Printing	892	6,689	1,338	8,919	11,242
Professional fees	12,153	27,721	-	39,874	33,577
Rent	-	30,025	-	30,025	28,780
Repairs	-	1,098	-	1,098	753
Retirement	4,747	1,356	678	6,781	9,394
Telephone and internet	2,106	6,319	-	8,425	15,459
Training	-	216	-	216	665
Travel	3,523	3,642	-	7,165	30,811
Utilities	-	3,008	-	3,008	3,118
Work team expense	147,236	-	-	147,236	92,356
Wages	170,967	46,705	23,353	241,025	333,740
	<u>\$ 1,561,759</u>	<u>\$ 244,585</u>	<u>\$ 29,334</u>	<u>\$ 1,835,678</u>	<u>\$ 1,687,904</u>

See accompanying notes to financial statements.

CURAMERICAS
STATEMENT OF CASH FLOWS
Year ended September 30, 2005

(With comparative totals for the year ended September 30, 2004)

	2005	2004
Cash flows from operating activities:		
Changes in net assets	\$ (73,246)	\$ (209,451)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Loss on disposal of fixed assets	2,088	-
Depreciation	9,961	12,690
(Increase) decrease in:		
Accounts receivable	-	20,889
Sales tax receivable	203	(203)
Prepaid expenses	194	-
Increase (decrease) in:		
Accounts payable	(1,133)	14,289
Accrued wages and benefits	(17,119)	18,728
Payroll taxes withheld and accrued	(72,601)	78,064
Net cash used in operating activities	(151,653)	(64,994)
Cash flows from investing activities:		
Proceeds from disposal of investments	-	69,355
Purchase of investments	(773)	-
Capital expenditures	(2,183)	(3,104)
Net cash provided by (used in) investing activities	(2,956)	66,251
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	100,000	-
Net cash provided by financing activities	100,000	-
Net increase (decrease) in cash and cash equivalents	(54,609)	1,257
Cash and cash equivalents:		
Beginning of year	89,172	87,915
End of year	\$ 34,563	\$ 89,172

See accompanying notes to financial statements.

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 1 – ORGANIZATIONAL STRUCTURE AND PURPOSE

Curamericas (the Organization) is a not-for-profit corporation that works to alleviate suffering by improving the health education and access to care for families and communities living in dire human need. With a special focus on women of reproductive age and their children, Curamericas teaches women how to detect and treat the symptoms of illness that, if untreated, will decrease their own survival and that of their children.

A portion of the Organization's activities is conducted through Latin and South American nonprofit institutions. These institutions are legally separate entities working cooperatively to promote health programs. For financial reporting purposes, these institutions are considered to be subrecipients of federal funds, and financial statements are not combined.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Curamericas is presented to assist in understanding its financial statements. The financial statements and notes are representations of Curamericas' management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

Curamericas' financial statements are prepared on the accrual basis of accounting, recognizing revenues when earned and expenses when incurred. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires within the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Property and equipment are stated at historical cost at the date of acquisition. Donated assets are recorded at fair market value at the date of donation. Depreciation is computed using the straight line method over the estimated useful life of the asset. Repairs and maintenance are expensed as incurred and betterments and improvements are capitalized. Management has elected to expense property and equipment forwarded to foreign locations rather than to capitalize and depreciate these assets over their estimated useful lives. Since it is unlikely that these assets could be economically returned for other uses, their costs are reflected as a part of the program expenditures in the year incurred.

Accounts Receivable

All accounts receivable are reviewed regularly. Any considered doubtful as to collection are written off directly.

Investments

The Organization carries investments in marketable securities at their determinable fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Curamericas presents its cash flow statement using the indirect method. For purposes of cash flow presentation, the organization considers demand deposits with financial institutions to be cash equivalents.

Income Taxes

Curamericas files Form 990, *Return of Organization Exempt from Income Tax*. The organization is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code (IRC). Therefore, no provision for income taxes is made in the accompanying financial statements. In addition, the Internal Revenue Service has determined that Curamericas is not a "private foundation" within the meaning of §509(a) of the IRC. There was no unrelated business income during the fiscal year.

Estimates

The presentation 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 accounts 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.

Functional Allocation

Curamericas allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Financial Statement Presentation

The organization employs Statement of Financial Accounting Standards (SFAS) Number 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS Number 117, the organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted assets. In addition, the organization presents a statement of cash flows. Temporarily and permanently restricted net assets at September 30, 2005 was \$21,866 and \$25,457 respectively.

Temporarily restricted net assets are available for the following purposes at September 30, 2005;

Maternal Health Guatemala	\$ 4,799
Work Teams	12,979
CSRA - Bolivia	4,088
Total	<u>\$ 21,866</u>

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. Based on the donor's instructions, the Board has discretion in the use of income earned from endowment assets.

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

Contributions

Curamericas employs SFAS Number 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS Number 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Temporarily restricted donations during the year ended September 30, 2005 and 2004 was \$259,169 and \$246,923 respectively. These donations are donor restricted for specific use in overseas locations and for support of work teams in these locations.

NOTE 3 – **GRANTS**

Grants received during the year ended September 30, 2005 were as follows:

US AID CS 18 - Guatemala	\$ 336,765
US AID CS 18 - Bolivia	253,879
Core project grant	<u>53,542</u>
	<u>\$ 644,186</u>

NOTE 4 – **CREDIT CONCENTRATION**

Curamericas is required by SFAS Number 105, *Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk*, to disclose significant concentrations of credit risk regardless of the degree of risk. The Organization maintains bank deposits in one bank located in Raleigh, North Carolina. Accounts are secured by the Federal Deposit Insurance Corporation up to \$100,000. At September 30, 2005 and 2004, bank deposits totaled \$41,337 and \$101,520 respectively of which \$ - 0 - and \$1,520 was uninsured.

NOTE 5 – **LEASE COMMITMENTS**

The Organization leases certain equipment and office space for its operations. Total lease and rent payments for the years ended September 30, 2005 and 2004 totaled \$33,292 and \$31,872 respectively. The lease of office space is under a lease agreement that expires June 30, 2006. At that time the tenancy shall automatically become a month to month tenancy upon the same terms and conditions contained in the original lease. Assuming that Curamericas maintains its current lease arrangements, minimum lease payments for the next five years will be as follows:

<u>Year ended September 30,</u>	
2006	\$ 33,871
2007	33,871
2008	33,871
2009	33,871
2010	<u>33,871</u>
	<u>\$ 169,355</u>

CURAMERICAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2005

NOTE 6 – IN-KIND CONTRIBUTIONS

Donated services consist of specialized services by medical personnel. These services would ordinarily be purchased by the Organization. They are recorded at the fair value of the service on the date of donation. The value of the donated services given during the year ended September 30, 2005 and 2004 were \$263,557 and \$203,159 respectively. This amount is reflected as revenue and expense in the accompanying financial statements.

Goods donated consist of medical supplies for use in Curamericas' programs. The amount of contributed materials, valued at \$376,112 ,for 2005 and \$428,038 for 2004 are reflected as revenue and expense in the accompanying financial statements.

NOTE 7 – RETIREMENT BENEFIT PLAN

Curamericas maintains a profit sharing pension plan. The plan invites exempt employees to participate and contribute to a 401(k) fund that is administered by a third party. Curamericas matches employee contributions up to a maximum of 4% of gross salary. Employer contributions for 2005 and 2004 were \$6,781 and \$9,394 respectively.

NOTE 8 – COMPENSATED ABSENCES

Employees must be full-time, permanent employees to accrue leave. Accrued leave available at September 30, 2005 and 2004 was \$8,056 and \$8,418 respectively and is included in accrued wages and benefits in the current liabilities section of the statement of financial position.

NOTE 9 – INVESTMENTS

Investments consist of money market funds and a mutual fund. They are stated at estimated fair value at September 30, 2005.

	Fair Value	Cost basis
Money market funds	\$ 31,304	\$ 31,304
Putnam growth	146	114
Total	\$ 31,450	\$ 31,418

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 10 - LONG-TERM DEBT

On September 23, 2004, the Organization negotiated a line of credit with Bank of America for the sum of \$126,250. Repayment is interest only for twelve months beginning October 23, 2004. The interest rate is prime and the loan is secured by the personal guarantees from the Organization's directors. As of September 30, 2004, no money had been borrowed on the line of credit. A total of \$100,000 was borrowed in October and November of 2004 to pay current liabilities at September 30, 2004.

Long-term debt at September 30, 2005 and 2004 consisted of the following:

Bank of America:	\$ 100,000
Note payable in monthly installments of interest only at prime. All outstanding principal is payable on November 28, 2006. Total credit line available is \$125,000 secured by personal guarantees from members of the board of directors	
	<u>\$ 100,000</u>
Less: current maturities	<u> -</u>
	<u>\$ 100,000</u>

Maturities of long-term debt are as follows:

Year ended September 30, 2007	<u>\$ 100,000</u>
-------------------------------	-------------------

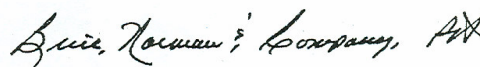
NOTE 11 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest amounted to \$7,178 during the year ended September 30, 2005 and \$-0- during the year ended September 30, 2004.

INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION

The Board of Directors
Curamericas

Our report on our audit of the basic financial statements of Curamericas for 2005 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules are presented for the purpose of additional analysis only and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



BUIE, NORMAN & COMPANY, P.A.
Certified Public Accountants

January 10, 2006

CURAMERICAS
SCHEDULE OF COMPUTATION OF INDIRECT COST RATE
Year ended September 30, 2005

	Total	Exclusion/ Unallowable Expenses	Direct Costs	Indirect Cost Pool
Bank and payroll fees	\$ 4,680	\$ -	\$ -	\$ 4,680
Board expense	909	-	-	909
Computer expenses	-	-	-	-
CBIO Core project	55,880	-	-	55,880
Depreciation	9,961	-	-	9,961
Donated services	263,557	-	263,557	-
Donated supplies	375,304	-	375,304	-
Employee benefits	18,825	1,883	13,177	3,765
Insurance	4,694	-	1,173	3,521
Interest	7,178	-	-	7,178
Lease	3,267	-	-	3,267
Licenses	2,001	-	-	2,001
Loss on disposal of assets	2,088	-	-	2,088
Miscellaneous	-	-	-	-
Office	14,954	-	-	14,954
Overseas program costs	550,289	-	550,289	-
Payroll taxes	20,815	2,082	14,570	4,163
Penalties	2,342	2,342	-	-
Postage	5,162	-	2,065	3,097
Printing	8,919	1,338	892	6,689
Professional fees	39,874	-	12,153	27,721
Rent	30,025	-	-	30,025
Repairs	1,098	-	-	1,098
Retirement	6,781	678	4,747	1,356
Telephone and internet	8,425	-	2,106	6,319
Training	216	-	-	216
Travel	7,165	-	3,523	3,642
Utilities	3,008	-	-	3,008
Work team expense	147,236	-	147,236	-
Wages	241,025	23,353	170,967	46,705
	<u>\$ 1,835,678</u>	<u>\$ 31,676</u>	<u>\$ 1,561,759</u>	<u>\$ 242,243</u>

$$\frac{\text{Indirect Costs}}{\text{Total adjusted expenses - Indirect costs}} = \frac{242,243}{1,196,817 - 242,243} = 25\%$$

See independent auditors' report.

CURAMERICAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year ended September 30, 2005

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>Federal Awards:</u>		
US Agency for International Development Child Survival 18-Guatemala	98.001	\$ 336,765
US Agency for International Development Child Survival 18-Bolivia	98.001	<u>253,879</u>
Total Federal expenditures		<u>\$ 590,644</u>

See independent auditors' report.

**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
Curamericas

We have audited the financial statements of Curamericas as of and for the year ended September 30, 2005, and have issued our report thereon dated January 10, 2006. 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

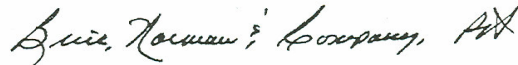
In planning and performing our audit, we considered Curamericas's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether Curamericas'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*.

We noted certain other matters that we reported to management of Curamericas in a separate letter dated January 10, 2006

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Buie, Norman & Company, P.A.
Certified Public Accountants

January 10, 2006

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
Curamericas

Compliance

We have audited the compliance of Curamericas 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 September 30, 2005. Curamericas's major federal programs are identified in the summary of auditor's 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 Curamericas's management. Our responsibility is to express an opinion on Curamericas's 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 Curamericas'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. Our audit does not provide a legal determination of Curamericas's compliance with those requirements.

In our opinion Curamericas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005.

Internal Control Over Compliance

The management of Curamericas 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 Curamericas's internal control over compliance with 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 to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely

period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Buie, Norman & Company, P.A.

Buie, Norman & Company, P.A.
Certified Public Accountants

January 10, 2006

CURAMERICAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2005

SUMMARY OF AUDIT RESULTS

The auditor's report expresses an unqualified opinion on the financial statements of Curamericas

No reportable conditions relating to the audit of the financial statements are reported.

No instances of noncompliance material to the financial statements of Curamericas were disclosed during the audit.

No reportable conditions relating to the audit of the major federal program are reported.

The auditors' report expresses an unqualified opinion on compliance for the major program of Curamericas

The audit disclosed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

The program identified and tested as a major program is:

<u>Agency</u>	<u>Title</u>	<u>Grant</u>
US Agency for International Development Child Survival 18	General grant	N/A

The threshold used to distinguish between Type A and Type B programs was \$300,000.

FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings disclosed by the audit of the financial statements.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT

There are no findings and questioned costs that are required to be reported under Section 510(a) of OMB Circular A-133.

