

This report is intended for the information of the board of directors, management, and the Department of Health and Human Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Ostreicher & Company

OSTREICHER & COMPANY
Certified Public Accountants

June 18, 1987



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INDEPENDENT AUDITORY REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS

To the Board of Directors
Central Louisiana AIDS
Support Services, Inc.

We have audited the financial statements of Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 28, 1997.

We have also audited CLASS' compliance with the requirements governing types of services allowed or excluded, eligibility, matching level of effort, or matching reporting, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended December 31, 1996. The management of CLASS is responsible for the Organization's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-113, "Audit of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-113 require that we plan and perform the audit to obtain reasonable assurance about whether material non-compliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any material instances of non-compliance with the requirements referred to above.

In our opinion, CLASS complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended December 31, 1996.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE
GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARD PROGRAMS**

To the Board of Directors
Central Louisiana AIDS
Support Services, Inc.

We have audited the financial statements of Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1990, and have issued our report thereon dated June 18, 1991.

We have applied procedures to test CLASS' compliance with the following requirements applicable to its federal awards programs, which are identified in the accompanying Schedule of Federal Awards. In the year ended December 31, 1990: political activity, civil rights, cash management, federal financial reports, allowable cost/profit principles, Drug-free Workplace Act, and debarment/review requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Educational Institutions and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on CLASS' compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

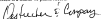
With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that CLASS has not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, and the Department of Health and Human Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


OESTRICHER & COMPANY
Certified Public Accountants

June 18, 1991

This report is intended for the information of the board of directors, management, and the Department of Health and Human Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



OESTREICHER & COMPANY
Certified Public Accountants

June 18, 1997

objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, perception of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories: (1) staff; (2) support, receivables, and receipts; (3) expenses for program and supporting services and accounts payable.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1996, CLASS expended 100% of its total federal awards under major programs.

We performed tests of controls, as required by OMB Circular A-123, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Organization's major federal award programs, which are identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program 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 structure and its operations that we consider to be material weaknesses as defined above.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE (SIC) IN ADMINISTERING FEDERAL AWARDS**

To the Board of Directors
Central Louisiana AESS
Support Services, Inc.

We have audited the financial statements of Central Louisiana AESS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 18, 1997. We have also audited the Organization's compliance with requirements applicable to major federal award programs and have issued our report thereon dated June 18, 1997.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Organization complied with laws and regulations, non-compliance with which would be material to a major federal award program.

In planning and performing our audit of the financial statements of CLASS for the year ended December 31, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated June 18, 1997.

The management of CLASS is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

To the Board of Directors
Central Louisiana AIDS
Support Services, Inc.


We have audited the financial statements of Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require us to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to CLASS is the responsibility of CLASS' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of CLASS' compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of directors, management and the Department of Health and Human Services. This report is not intended to limit the distribution of this report, which is a matter of public record.


OESTRIECHER & COMPANY
Certified Public Accountants

June 18, 1997

the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk 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 structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management and the Department of Health and Human Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



DESTRÉDCHER & COMPANY
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June 18, 1997



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

To the Board of Directors
Central Louisiana AIDS
Support Services, Inc.

We have audited the financial statements of Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards; Government Accounting Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audit of Institutions of Higher Education and Other Nongovernmental Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of CLASS is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of CLASS for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to

Central Louisiana AIDS
Support Services, Inc.

Schedule of Federal Awards
For the year ended December 31, 1996

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
Major Programs		
Department of Health and Human Services HIV/AIDS Services Program	93.118	\$97,287
Department of Health and Human Services HIV/AIDS Services Program	93.918	196,163
Department of Health and Human Services Public Health Services Health Resources and Service Administration Division for HIV Services Program	93.917	<u>282,928</u>
Total Major Program		576,478
Other Federal Assistance		
Department of Health and Human Services Public Health Services Maternal and Child Health Home Visiting Program	93.994	44,554
Department of Health and Human Services Public Health Services Housing Opportunities for Persons with AIDS	14.241	<u>16,304</u>
Total Federal Awards		<u>\$637,346</u>



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**INDEPENDENT AUDITORS' REPORT
ON SCHEDULE OF FEDERAL AWARDS**

To the Board of Directors
Central Louisiana AIDS
Support Services, Inc.

We have audited the financial statements of Central Louisiana AIDS Support Services, Inc. (173-158) a nonprofit organization for the year ended December 31, 1996, and have issued our report thereon dated June 18, 1997. 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 generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Central Louisiana AIDS Support Services, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Obstreich & Company

OBSTREICHER & COMPANY
Certified Public Accountants

June 18, 1997

Central Louisiana AIDS
Support Services, Inc.

Notes to the Financial Statements
December 31, 1989

2. NATURE OF ACTIVITIES

CLASS was formed to provide information relating to AIDS to members of the Central Louisiana community. AIDS testing is provided, along with counseling of AIDS patients, as well as education of the public concerning the prevention of AIDS.

3. LEASE COMMITMENT

Beginning January 1, 1989, CLASS entered into a lease agreement for office space on a month-to-month basis at the rate of \$480 per month.

4. EQUIPMENT

As of December 31, 1989, the cost and accumulated depreciation for fixed assets are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment	\$25,849	\$18,742

Depreciation expense for the period was \$2,494.

5. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

No provision has been made for uncollectible receivables since management considers all receivables collectible.

6. INVESTMENTS

Investments consist of a money market reserve fund. It is stated at cost, which approximates the market value.

7. COMPENSATED ABSENCES

The organization's obligation for employee's rights to receive compensation for future absences (such as vacation) was not material as of December 31, 1989, and thus is not recognized in the accompanying financial statements.

Central Louisiana AIDS
Support Services, Inc.

Notes to the Financial Statements
December 31, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fixed Assets

Central Louisiana AIDS Support Services, Inc. (CLASS), follows the practice of capitalizing all expenditures for equipment that have an estimated useful life of more than one year. For assets placed in service before January 1, 1986, depreciation is provided on the double-declining method over the estimated useful lives of the depreciable assets. For assets placed in service after December 31, 1984, depreciation is provided on the straight line method over the estimated useful lives of the depreciable assets.

Donated Materials

Donated materials are recognized as contributions in the financial statements at their estimated values at the date of receipt. There were no donated materials or assets recorded on the books for the year ended December 31, 1996.

Support and Revenue Recognition

Contributions are recognized as support when received. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Fees are recognized as revenues when received, and federal grants are recognized as support when accrued. All fees are considered available for unrestricted use, and federal grants are restricted for expenditures in accordance with the agreement between CLASS and the Office of Public Health, State of Louisiana.

Revenue for federal grants is recorded based on expenses incurred since these grants are on a cost-reimbursement basis.

Income Taxes

CLASS is exempt from federal income tax under Section 501 (c) (13) of the United States Internal Revenue Code. Contributions to CLASS are tax deductible.

Statement of Cash Flows

For the purposes 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.

NOTES TO THE FINANCIAL STATEMENTS

Central Louisiana AIDS
Support Services, Inc.

Statement of Cash Flows

For the year ended December 31, 1996

Cash flows from operating activities	
Increase in net assets	561,426
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	2,464
Changes in operating assets and liabilities:	
Accounts receivable	(28,300)
Investments	(443)
Accounts payable	112
Payroll taxes payable	<u>3,823</u>
Net cash provided by operating activities	30,002
Cash, beginning of year	<u>110,858</u>
Cash, end of year	<u>\$140,860</u>
Supplemental information:	
Interest paid in 1996	\$0
Income taxes paid in 1996	\$0

See accompanying notes to financial statements

Central Louisiana AIDS
Support Services, Inc.

Statement of Functional Expenses

For the year ended December 31, 1994

	Total Program Expenses	Supporting Services		Total
		Management	Fund	
Salaries, wages, and contract labor	3114,115	\$5,714	\$0	\$417,958
Payroll tax expenses	76,684	685	0	31,568
Administrative expenses	28,748	4,081	0	32,997
Advertising and promotion	360	0	0	360
Bank charges	0	218	0	218
Depreciation	0	1,484	0	1,484
Dues & services	67,665	0	0	67,665
Donations	0	50	0	50
Dues and subscriptions	796	184	0	980
Education	728	254	0	914
Fixed expenses	0	381	0	381
Facilities expenses	0	0	2,148	1,548
Insurance expense	1,881	173	0	1,706
Printing expense	5,869	0	0	1,869
Office supplies and repairs	7,295	1,721	0	9,016
Pest control	140	0	0	140
Postage	1,968	80	0	1,978
Printing	189	0	0	180
Professional services	1,127	0	0	1,127
Rent expense	1,088	0	0	1,088
Repairs and maintenance	727	168	0	871
Rent cars	160	658	0	769
Taxes and licenses	0	4,328	0	4,328
Telephone	8,461	0	0	8,461
Travel and lodging	1,187	1,714	0	8,711
Utilities	1,028	0	0	1,028
Volunteer recognition	0	80	0	80
Total	\$487,726	\$21,596	\$2,148	\$671,661

See accompanying notes to financial statements

Central Louisiana AIDS
Support Services, Inc.

Statement of Financial Position

December 31, 1996

Assets

Current assets	
Cash	\$156,758
Accounts receivable	119,783
Other receivables	85
Investments	<u>10,898</u>
Total current assets	287,524
Furniture and equipment (net of depreciation of \$19,345)	6,506
Deposits	<u>496</u>
Total assets	<u>\$294,526</u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$1,000
Payroll taxes payable	<u>11,718</u>
Total current liabilities	14,808
Net assets	
Unrestricted	<u>273,698</u>
Total liabilities and net assets	<u>\$288,506</u>

See accompanying notes to financial statements



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central Louisiana AIDS
Service, Inc.

We have audited the accompanying statement of financial position of Central Louisiana AIDS Service, Inc. (CLASS) as a nonprofit organization as of December 31, 1997, 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 generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 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 CLASS as of December 31, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 18, 1997, on our consideration of CLASS internal control structure and it is reported dated June 18, 1997, on our compliance with laws and regulations.

Oestricher & Company
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Certified Public Accountants

June 18, 1997



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**INDEPENDENT AUDITORS' REPORT ON
 COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO
 NONMAJOR FEDERAL AWARD PROGRAMS TRANSACTIONS**

To the Board of Directors
 Central Louisiana AIDS
 Support Services, Inc.

We have audited the financial statements of Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1998, and have issued our report thereon dated June 18, 1997.

In connection with our audit of the financial statements of CLASS and with our consideration of the Organization's internal control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain nonmajor federal award programs for the year ended December 31, 1998. As required by OMB Circular A-133, we performed testing procedures to test compliance with the requirements governing types of services allowed or not allowed, eligibility, and reporting that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on CLASS' compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that CLASS had not complied, in all material respects, with these requirements. Also, the results of our procedures did not disclose any material instances of noncompliance with these requirements.

This report is intended for the information of the board of directors, management, and the Department of Health and Human Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Oestreicher & Company
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 Certified Public Accountants

June 18, 1997

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STATE OF LOUISIANA
OFFICE OF THE ATTORNEY GENERAL
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**CENTRAL LOUISIANA AIDS
SUPPORT SERVICES, INC.**

FINANCIAL STATEMENTS

December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report and the books submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Printed Date: 12/13/1996