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CENTRAL LOUISIANA AIDS  
SUPPORT SERVICES, INC.

FINANCIAL STATEMENTS

December 31, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, 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.

Release Date 8/22/98

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### Independent Auditor's Report

The Board of Directors  
Central Louisiana AIDS  
Support Services

We have audited the accompanying financial position of Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Central Louisiana AIDS Support Services, Inc. Our responsibility is to express an opinion on these general purpose 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 the Office of Management and Budget (OMB) Circular A-133, "Auditor of States, Local Governments, and Non-Profit Organizations." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Central Louisiana AIDS Support Services, Inc. as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The Board of Directors  
Central Louisiana AIDS  
Support Services

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Central Louisiana AIDS Support Services, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated June 5, 1998, on our consideration of the Central Louisiana AIDS Support Services, Inc. internal control over financial reporting and compliance.

  
ARTHUR S. LOPEZ  
Certified Public Accountants

June 5, 1998

Central Louisiana AIDS  
Support Services, Inc.

Statement of Financial Position

December 31, 1992

**Assets**

Current assets	
Cash	\$183,716
Accounts receivable	<u>101,795</u>
Total current assets	285,511
Furniture and equipment (net of depreciation of \$20,047)	18,359
Deposits	<u>496</u>
Total assets	<u>\$508,256</u>

**Liabilities and Net Assets**

Current liabilities	
Accounts payable	\$13,740
Other liabilities	181
Payroll taxes payable	<u>1,256</u>
Total current liabilities	15,180
Net assets	
Temporarily restricted	35,483
Unrestricted	<u>255,590</u>
Total liabilities and net assets	<u>\$508,256</u>

See accompanying notes to financial statements:

Central Louisiana AIDS  
Support Services, Inc.

Statement of Activities  
For the year then ended December 31, 1997

	Unrestricted	Temporarily Restricted
<b>Public support and revenues</b>		
<b>Public support</b>		
Grants	\$0	\$180,000
Contributions	6,315	0
Net assets released from restrictions	153,120	(153,120)
<b>Total public support</b>	159,435	35,880
<b>Screening</b>		
Membership dues	218	0
Fund raising	9,809	0
Interest income	518	0
Program service fees	21,084	0
Salaries	11,984	0
Administrative fees	15,618	0
<b>Total revenues</b>	603,233	0
<b>Total public support and revenues</b>	603,668	35,880
<b>Expenses</b>		
Program services	153,120	0
Management and general	82,714	0
Fund raising	1,838	0
<b>Total expenses</b>	237,672	0
<b>Increase (decrease) in net assets</b>	(18,109)	35,880
<b>Net assets, January 1, 1997</b>	273,898	0
<b>Net assets, December 31, 1997</b>	255,789	35,880

See accompanying notes to financial statements

**Central Louisiana AIDS  
Support Services, Inc.**

**Statement of Functional Expenses**

**For the year ended December 31, 1997**

	Total Program Services	Supporting Services		Total
		Management and General	Fund Raising	
Salaries, wages, and contract labor	\$178,138	\$47,652	0	\$102,990
Payroll tax expense	24,066	510	0	24,589
Administrative expense	21,608	903	0	22,793
Advertising and promotion	1,383	339	0	1,688
Bank charges	0	63	0	63
Depreciation	0	3,548	0	3,548
Direct services	711,471	0	0	711,471
Disposal of fixed asset	0	146	0	146
Dues and subscriptions	341	360	0	901
Education	75	146	0	221
Food expense	0	49	0	49
Fundraising expenses	0	0	1,939	1,939
Insurance expense	2,775	1,811	0	4,586
Meeting expense	2,128	0	0	2,128
Office supplies and expense	8,049	3,460	0	11,549
Post control	128	0	0	128
Postage	1,678	304	0	2,082
Printing	674	0	0	674
Professional expense	6,236	4,133	0	10,361
Rent expense	3,330	2,403	0	7,633
Repairs and maintenance	1,239	64	0	1,805
Retirees	2,469	6,681	0	11,730
Taxes and licenses	0	1,983	0	2,965
Telephone	9,315	0	0	9,315
Travel and lodging	3,908	3,260	0	15,358
Utilities	3,468	0	0	3,468
Volunteer recognition	878	0	0	878
<b>Total</b>	<b>\$881,128</b>	<b>\$82,714</b>	<b>\$1,939</b>	<b>\$867,179</b>

See accompanying notes to financial statements

Central Louisiana AIDS  
Support Services, Inc.

Statement of Cash Flow

For the year ended December 31, 1997

<b>Cash flows from operating activities</b>	
Increase in net assets	817,278
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation expense	5,340
Increase in accounts receivable	(28,242)
Increase in accounts payable	99,377
Decrease in payroll taxes payable	<u>(18,321)</u>
Net cash provided by operating activities	<u>41,432</u>
<b>Cash flows from investing activities</b>	
Equipment additions	(17,372)
Sell of investments	<u>10,888</u>
Net cash used by investing activities	<u>(6,484)</u>
Net increase in cash	34,948
Cash, beginning of year	<u>150,758</u>
Cash, end of year	<u>5185,716</u>
<b>Supplemental information:</b>	
Interest paid in 1997	\$0
Income taxes paid in 1997	\$0

See accompanying notes to financial statements



**NOTES TO THE FINANCIAL STATEMENTS**

**Central Louisiana AIDS  
Support Services, Inc.**

**Notes to the Financial Statements  
December 31, 1997**

**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, 1998, 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, 1994, 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 value at the date of receipt. There were no donated materials. However, an AS-30 Sorzar was purchased at less than fair market value. The donation of \$1,285 was recorded as a contribution.

**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. Dues are recognized as revenues when received, and federal grants are recognized as support when accrued. All dues 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.

Revenues 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) (3) 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.

Central Louisiana AIDS  
Support Services, Inc.

Notes to the Financial Statements  
December 31, 1997

**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.

**2. LEASE COMMITMENT**

Beginning December 1, 1997, CLASS entered into a lease agreement for office space on a month-to-month basis at the rate of \$1,200 per month.

**3. EQUIPMENT**

As of December 31, 1997, the cost and accumulated depreciation for fixed assets are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment	\$28,180	\$20,641

Depreciation expense for the period was \$5,548.

**4. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES**

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

**5. INVESTMENTS**

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

**6. 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, 1997, and thus is not recognized in the accompanying financial statements.



## OESTREICHER & COMPANY

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF THE NATIONAL ASSOCIATION OF STATE SOCIETIES OF CPAs

### REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS AND OMB CIRCULAR A - 133

The Board of Directors  
Central Louisiana AIDS  
Support Services

We have audited the general purpose financial statements of the Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) as of and for the year ended December 31, 1997, and have issued our report thereon dated June 3, 1998. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A - 133, "Auditor of States, Local Governments, and Non-Profit Organizations".

#### Compliance

As part of obtaining reasonable assurance about whether CLASS' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered CLASS' 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 assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal



control over financial reporting that, in our judgment, could adversely affect CLASS' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected in a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

  
**DESTRICHER & COMPANY**  
Certified Public Accountants

June 3, 1998



**OESTRICHER & COMPANY**  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND  
OMB CIRCULAR A-133**

The Board of Directors  
Central Louisiana AIDS  
Support Services

**Compliance**

We have audited the compliance of Central Louisiana AIDS Support Services, Inc. (CLASS) (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1997. CLASS' 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 CLASS' management. Our responsibility is to express an opinion on CLASS' compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, 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, *Audit 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 Central Louisiana AIDS Support Services, Inc. compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Central Louisiana AIDS Support Services, Inc. compliance with those requirements.

As described in the accompanying schedule of findings and questioned costs, Class did not comply with requirements regarding allowable costs that are applicable to its major programs. Compliance with such requirements is necessary in our opinion, for CLASS to comply with requirements applicable to that program.



The Board of Directors  
Central Louisiana AIDS  
Support Services

In our opinion, except for the noncompliance described in the preceding paragraph, CLASS 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 December 31, 1997.

Internal Control Over Compliance

The management of Central Louisiana AIDS Support Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Central Louisiana AIDS Support Services, Inc. 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 internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect CLASS' ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

A material weakness is a 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 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public records and its distribution is not limited.

  
ROBERT E. CORREY & COMPANY  
Certified Public Accountants

June 5, 1998

**Central Louisiana AIDS  
Support Services, Inc.**

**Schedule of Findings and Questioned Costs  
For the year ended December 31, 1997**

**Reportable conditions.** Matters coming to the auditor's attention that in his or her judgment represent significant deficiencies in the design or operation of the internal control system, which could adversely affect the organization's ability to meet compliance requirements and to record, process, summarize, and report financial data consistent with the assertions of management.

While testing cash disbursements, we noted that there was a \$ 60 cash advance taken on First Bankcard Center Visa. This cash advance was taken out on Christmas Eve, and there was not an explanation written on the receipt.



**Central Louisiana AIDS  
Support Services, Inc.**

**Schedule of Federal Awards  
For the year ended December 31, 1997**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<b>Major Program</b>		
Department of Health and Human Services HIV/AIDS Services Program	85.118	898,086
Department of Health and Human Services HIV/AIDS Services Program	93.918	187,968
Department of Health and Human Services Public Health Services Health Resources and Service Administration Division for HIV Services Program	93.917	<u>179,774</u>
<b>Total Major Program</b>		<b>1,165,828</b>
<b>Other Federal Assistance</b>		
Department of Health and Human Services Public Health Services Maternal and Child Health Home Visiting Program	63.894	44,680
Department of Health and Human Services Public Health Services Housing Opportunities for Persons with AIDS	14.241	<u>51,652</u>
<b>Total Federal Awards</b>		<b><u>1,262,160</u></b>