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Central Louisiana Aids Support Service, Inc.

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-8-04

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ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

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W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Central Louisiana Aids Support Service, Inc.

Alexandria, Louisiana:

I have audited the accompanying statement of financial position of Central Louisiana Aids Support Service, Inc. (a nonprofit organization) as of December 31, 2003, and the related statements of activities and cash flows for the year then ended. These statements are the responsibility of the Central Louisiana Aids Support Service, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Louisiana Aids Support Service, Inc. as of December 31, 2003, and 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*, I have also issued a report dated June 29, 2004, on my consideration of Central Louisiana Aids Support Service, Inc.'s internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Central Louisiana Aids Support Service, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Elliott & Assoc. "APAC"

Leesville, Louisiana
June 29, 2004

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

Board of Directors
Central Louisiana Aids Support Service, Inc.
Alexandria, Louisiana

I have audited the financial statements of the Central Louisiana Aids Support Service, Inc. as of and for the year ended December 31, 2003, and have issued my report thereon dated June 29, 2004. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the Central Louisiana Aids Support Service, Inc.'s financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Central Louisiana Aids Support Service, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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 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 within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors and management of the Central Louisiana Aids Support Service, Inc., the Legislative Auditor's office of the State of Louisiana, and federal and state awarding agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Elliott & Assoc. "APAC"

Leesville, Louisiana

June 29, 2004

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

Board of Directors
Central Louisiana Aids Support Service, Inc.
Alexandria, Louisiana:

Compliance

I have audited the compliance of the Central Louisiana Aids Support Service, Inc. 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, 2003. The Central Louisiana Aids Support Service, Inc.'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 the Central Louisiana Aids Support Service, Inc.'s management. My responsibility is to express an opinion on the Central Louisiana Aids Support Service, Inc.'s compliance based on my audit.

I conducted my 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 I 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 the Central Louisiana Aids Support Service, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Central Louisiana Aids Support Service, Inc.'s compliance with those requirements.

In my opinion, the Central Louisiana Aids Support Service, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs of the year ended December 31, 2003.

Internal Control Over Compliance

The management of the Central Louisiana Aids Support Service, 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 my audit, I considered the Central Louisiana Aids Support Service, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of

expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors and management of the Central Louisiana Aids Support Service, Inc., the Legislative Auditor's office of the State of Louisiana, and federal and state awarding agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Elliott & Assoc. "APAC"

Leesville, Louisiana

June 29, 2004

Central Louisiana Aids Support Service, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 2003

I have audited the financial statements of the Central Louisiana Aids Support Service, Inc. as of and for the year ended December 31, 2003, and have issued my report thereon dated June 29, 2004. I conducted my 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. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses () Yes (X) No
Reportable Conditions () Yes (X) No

Compliance

Compliance Material to Financial
Statements () Yes (X) No

b. Federal Awards

Internal Control

Material Weaknesses () Yes (X) No () N/A
Reportable Conditions () Yes (X) No () N/A

Type of Opinion On Compliance For Major Programs

Unqualified (X) Qualified ()
Disclaimer () Adverse ()
N/A ()

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

() Yes (X) No () N/A

c. Identification of Major Programs

CFDA Number(s)

Name of Federal Program

93.917

DHHR HIV Care Formula Grants

Dollar threshold used to distinguish between Type A and Type B Programs:
\$300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?

(X) Yes () No () N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF FINANCIAL POSITION

December 31, 2003

ASSETS

Current Assets

| | |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 96,143 |
| Grants receivable | 110,614 |
| Other receivables | 1,688 |
| Prepaid expenses | <u>1,927</u> |

Total Current Assets \$ 210,372

FURNITURE AND EQUIPMENT- NET OF DEPRECIATION 10,952

OTHER ASSETS

| | |
|-----------------------------|--------------|
| Burial plots with monuments | 1,240 |
| Deposits | <u>1,496</u> |

Total other assets 2,736

TOTAL ASSETS \$ 224,060

CURRENT LIABILITIES

| | |
|---|--------------|
| Accounts payable | \$ 11,413 |
| Due to grantor | --- |
| Payroll taxes and other employee withholdings | 2,086 |
| Funds held on behalf of others | 300 |
| Deferred revenue | <u>9,383</u> |

Total current liabilities \$ 23,182

Net Assets 200,878

Unrestricted 200,878

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2003

| REVENUES, GAINS, AND OTHER SUPPORT | <u>Unrestricted</u> | Temporarily <u>Restricted</u> | <u>Total</u> |
|---|---------------------|----------------------------------|-------------------|
| Federal grants | \$ --- | \$ 607,941 | \$607,941 |
| State grants | --- | --- | --- |
| Private grants | 171 | --- | 171 |
| Interest | --- | --- | --- |
| Contributions | 262 | --- | 262 |
| Noncash contributions | --- | --- | --- |
| Fund-raising | 8,212 | --- | 8,212 |
| Net assets released from restrictions | <u>607,941</u> | <u>(607,941)</u> | --- |
| Total Unrestricted Revenues | \$ 616,586 | --- | \$616,586 |
| | | | |
| EXPENSES | | | |
| Federal grants: | | | |
| HIV Care Formula Grants | \$ 274,451 | --- | \$274,451 |
| HIV Prevention Activities | 100,909 | --- | 100,909 |
| Housing Opportunities for Persons with AIDS | 75,716 | --- | 75,716 |
| Copayment and Deductible Assistance Program | 12,645 | --- | 12,645 |
| RW Title III E.I.S. | 53,941 | --- | 53,941 |
| RW Title V - Dental | 11,254 | --- | 11,254 |
| Broadway Cares | 842 | --- | 842 |
| State grant: | | | |
| Huey P. Long | 18,499 | --- | 18,499 |
| General and Administrative | 8,762 | --- | 8,762 |
| Phillip Morris - Food Pantry | 7,092 | --- | 7,092 |
| Fund-raising | <u>1,624</u> | --- | <u>1,624</u> |
| Total Expenses | <u>565,735</u> | --- | <u>565,735</u> |
| | | | |
| CHANGE IN NET ASSETS | 50,851 | --- | 50,851 |
| | | | |
| NET ASSETS, BEGINNING OF YEAR | <u>150,027</u> | --- | <u>150,027</u> |
| | | | |
| <u>NET ASSETS, END OF YEAR</u> | <u>\$200,878</u> | --- | <u>\$ 200,878</u> |

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
 STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2003

| | Title II HIV Care Formula <u>Grants</u> | HIV Prevention <u>Activities</u> | <u>H.O.P.W.A</u> | Copayment and Deductible Assistance <u>Program</u> |
|---|--|--|----------------------|---|
| Advertising and promotion | \$ 276 | | \$ | \$ |
| Bank charges | 219 | | | |
| CAC | 3,488 | | | |
| Child care | | | | |
| Client events | | | | |
| Consortia support | 820 | 1,990 | | |
| Dental | 19,350 | | | |
| Depreciation | 5,355 | | | |
| Direct assistance - rents/housing/utilities/ deposits | | | 1,663 | |
| Dues and subscriptions | | | | |
| Emergency assistance | | | | |
| New operational expenses | 5,457 | | | |
| Food | 7,801 | | | |
| Insurance | 3,094 | 887 | | |
| Legal and other professional | 3,975 | 1,200 | | |
| Janitorial | 1,155 | 145 | | |
| Medication | 42,988 | | | 12,645 |
| Meeting expense | 679 | | | |
| Memberships | 200 | | | |
| Miscellaneous | 310 | 100 | 4,004 | |
| Office and other supplies | 3,836 | 4,058 | | |
| Payroll tax and other employee expenses | 23,733 | 8,865 | 318 | |
| Pest control/lawn | 747 | | | |
| Postage | 1,316 | 1,158 | | |
| Printing | | 71 | | |
| Private fund distribution | | | | |
| Rent expense | 7,900 | 7,800 | 40,374 | |
| Repairs and maintenance | 787 | 689 | | |
| Salaries, wages and contract labor | 112,850 | 57,020 | 3,180 | |
| Security | 639 | | | |
| Telephone/answering service/pagers | 2,264 | | | |
| Transportation assistance | 18,980 | 2,888 | | |
| Travel | 3,192 | 7,392 | | |
| Utilities/water | 2,940 | 3,002 | 26,177 | |
| Workshops/conference | <u>100</u> | <u>3,644</u> | <u> </u> | <u> </u> |
| <u>TOTALS</u> | <u>\$274,451</u> | <u>100,909</u> | <u>75,716</u> | <u>12,645</u> |

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2003

| | Ryan White Title V <u>Dental</u> | Huey P. <u>Long</u> | General and <u>Administrative</u> | <u>Fund-raisers</u> |
|---|--|------------------------|---|---------------------|
| Advertising and promotion \$ | | \$ | \$ | |
| Bank charges | | | 74 | |
| CAC | | | | |
| Child care | | | | |
| Client events | | | | |
| Consortia support | | | | |
| Dental | | | | |
| Depreciation | | | | |
| Direct assistance - rents/housing/utilities/ deposits | | | | |
| Dues and subscriptions | | | | |
| Emergency assistance | | | | |
| New operational expenses | | | | |
| Food | | | | |
| Insurance | | | | |
| Legal and other professional | | | | |
| Janitorial | | | | |
| Medication | | | | |
| Meeting expense | | | | |
| Memberships | | | | 1,624 |
| Miscellaneous | | 140 | 2,585 | |
| Office and other supplies | 563 | | | |
| Payroll tax and other employee expenses | 432 | 1,685 | 509 | |
| Pest control/lawn | | | | |
| Postage | | | | |
| Printing | | | | |
| Private fund distribution | | | | |
| Rent expense | 1,200 | | 290 | |
| Repairs and maintenance | | | | |
| Salaries, wages and contract labor | 6,210 | 16,674 | 4,240 | |
| Security | | | | |
| Telephone/answering service/pagers | 500 | | 806 | |
| Transportation assistance | 1,001 | | | |
| Travel | 512 | | 208 | |
| Utilities/water | | | | |
| Workshops/conference | <u>836</u> | <u> </u> | <u>50</u> | <u> </u> |
| <u>TOTALS</u> | <u>11,254</u> | <u>18,499</u> | <u>8,762</u> | <u>1,624</u> |

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2003

| | Ryan White Title III HRSA Planning <u>Grant</u> | Broadway <u>Cares</u> | Philip <u>Morris</u> | <u>Total</u> |
|---|---|--------------------------|-------------------------|----------------|
| Advertising and promotion \$ | | \$ | \$ | \$ 276 |
| Bank charges | | | | 74 |
| CAC | | | | 3,488 |
| Child care | | | | |
| Client events | | | | |
| Consortia support | | | | 2,810 |
| Dental | | | | 9,350 |
| Depreciation | | | | 5,355 |
| Direct assistance - rents/housing/utilities/ deposits | | | | |
| Dues and subscriptions | | | | 1,663 |
| Emergency assistance | | | | |
| New operational expenses | | | | 5,457 |
| Food | | | 7,092 | 14,893 |
| Insurance | | | | 3,951 |
| Legal and other professional | | | | 5,175 |
| Janitorial | | | | 1,300 |
| Medication | | | | 55,633 |
| Meeting expense | | | | 679 |
| Memberships | | | | 4,746 |
| Miscellaneous | 1,839 | | | 8,978 |
| Office and other supplies | 370 | 124 | | 8,951 |
| Payroll tax and other employee expenses | 3,179 | | | 38,721 |
| Pest control/lawn | | | | 747 |
| Postage | | | | 2,474 |
| Printing | | | | 71 |
| Private fund distribution | | 718 | | 718 |
| Rent expense | | | | 57,564 |
| Repairs and maintenance | | | | 1,476 |
| Salaries, wages and contract labor | 37,228 | | | 237,402 |
| Security | | | | |
| Telephone/answering service/pagers | | | | 639 |
| Transportation assistance | 7,070 | | | 570 |
| Travel | 3,193 | | | 29,939 |
| Utilities/water | | | | 14,497 |
| Workshops/conference | <u>1,062</u> | _____ | _____ | <u>32,119</u> |
| <u>TOTALS</u> | <u>53,941</u> | <u>842</u> | <u>7,092</u> | <u>565,735</u> |

Central Louisiana Aids Support Service, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|------------------|
| Change in net assets | <u>50,851</u> |
| Adjustment to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 5,355 |
| Changes in operating assets and liabilities: | |
| Grants receivable | (31,541) |
| Other current assets | (1,750) |
| Accounts payable | 3,655 |
| Other Current liabilities | (137) |
| Deferred Revenue | <u>2,066</u> |
| NET CASH PROVIDED FROM OPERATING ACTIVITIES | <u>28,499</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of property and equipment | <u>(4,425)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>----</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Interest income | <u>---</u> |
| NET CASH PROVIDED FROM INVESTING ACTIVITIES | <u>---</u> |
| INCREASE IN CASH AND CASH EQUIVALENTS | <u>24,074</u> |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>72,069</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 96,143</u> |

ADDITIONAL REQUIRED DISCLOSURES:

1. Management considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. No interest was paid for the year ended December 31, 2003.
3. No income taxes were paid for the year ended December 31, 2003.
4. There were no material noncash investing or financing activities during 2002 that affected recognized assets or liabilities.

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

Central Louisiana Aids Support Service, Inc. (CLASS) is a nonprofit corporation formed to provide support services and education to promote and encourage the development, advancement, and exchange of information in all aspects of prevention, research, diagnosis, and treatment of HIV/AIDS.

CLASS qualifies as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and comparable Louisiana law, and contributions to it are tax deductible within the limitations prescribed by the Code. Accordingly, no provision for income tax has been made in the accompanying financial statements. In addition, the organization has been determined not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of *Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no temporarily or permanently restricted net assets at December 31, 2003.

Furniture and Equipment

Furniture and equipment are stated at cost for assets purchased and at market value for assets acquired by gift. Depreciation is computed on the straight line method over the estimated useful lives of the assets generally as follows:

| | |
|-------------------------|-----------|
| Furniture and equipment | 5-7 years |
|-------------------------|-----------|

Central Louisiana Aids Support Service, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2003:

| | |
|--|------------------|
| Interest bearing checking accounts | \$ 79,952 |
| Non-interest bearing checking accounts | 2,330 |
| Money market funds | <u>13,857</u> |
| | <u>\$ 96,141</u> |

Note 3 - Grants Receivable

Grants receivable consisted of amounts due from state agencies and various federal agencies passed through the State of Louisiana, Department of Health and Hospitals.

Note 4 - Furniture

The following is a summary of furniture and equipment:

| | <u>Cost</u> | <u>Accumulated Depreciation</u> | <u>Net</u> |
|---------------------------------|------------------|-------------------------------------|------------------|
| Furniture & Office equipment | <u>\$ 66,014</u> | <u>\$ 55,061</u> | <u>\$ 10,972</u> |

The depreciation provision for the year ended December 31, 2002, amounted to \$5,355.

Note 5 - Leases

The organization leases a building and land located in Alexandria, Louisiana, from an unrelated third party, under an operating lease expiring August 1, 2005. Under this lease, CLASS made rental payments amounting to \$15,600 for the year ended December 31, 2003 and the payments were comprised solely of minimum rentals.

Minimum future rental payments under the lease for the year ending after December 31, 2003 as follows:

| | |
|------|---------------|
| 2004 | \$ 15,600 |
| 2005 | <u>15,600</u> |
| | \$ 31,200 |

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

Note 6 - Concentrations of Revenue and Significant Funding Source

CLASS receives the majority of its revenue from funds provided by the federal government and administered by the Louisiana Department of Health and Hospitals, Office of Public Health. The amount of funds received is appropriated each year by the government. If significant budget cuts are made, the amount of the funds that CLASS receives could be reduced significantly, resulting in an adverse impact on its operations. Management is not aware of any actions that would adversely affect the amount of funds the Organization will receive in the next year.

Note 7 - Net Assets Released From Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the grants. There were no temporarily or permanently restricted net assets at December 31, 2003.

Central Louisiana Aids Support Service, Inc.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2003

| FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ <u>PROGRAM TITLE</u> | Federal CFDA <u>Number</u> | <u>Expended</u> |
|---|--------------------------------------|-----------------------------------|
| Department of Health and Human Resources Passed-through the State of Louisiana Department of Health and Hospitals Office of Public Health HIV Care Formula Grants (Ryan White) 4/1/02-3/3/03 4/1/03-3/3/04 | 93.917 | 274,451 |
| HIV Prevention Activities-Health Department Based (HAP) 1/1/03-12/31/03 | 93.940 | 100,909 |
| Ryan White Title II Copayment and Deductible Assistance Program (CDAP) Ryan White Title III EIS Ryan White Title V | 93.915 | 12,645 53,941 <u>11,254</u> |
| Total Expenditures-Department of Health and Human Resources | | <u>453,200</u> |
| Department of Housing and Urban Development Passed-through the State of Louisiana Department of Health and Hospitals Office of Public Health Housing Opportunities for Persons with AIDS 4/1/02- 3/3/03 4/1/03- 3/3/04 | 14.241 | <u>75,716</u> |
| Total Expenditures- Department of Housing and Urban Development | | \$ <u>75,716</u> |
| <u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u> | | <u>\$ 528,916</u> |

Notes:

Expenditures for the above grants are reported on the accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Organization's accounting policies.

No federal funds were awarded to subrecipients during the year ended December 31, 2003.

See independent auditor's report.

Central Louisiana Aids Support Service, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 2003

PART 1- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|---------------------------------------|
| Type of auditor's report issued: | Unqualified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | _____ yes <u> x </u> no |
| Reportable conditions identified that are not considered to be material weaknesses? | _____ yes <u> x </u> None reported |
| Noncompliance material to financial statements noted? | _____ yes <u> x </u> no |
| Prior year audit findings | Attached |
| Management's Corrective Action Plan | Attached |
| Memorandum of Other Comments and Recommendations | None |

Federal Awards

| | |
|---|------------------------------------|
| Internal control over major program: | |
| Material weakness(es) identified? | _____ Yes <u> X </u> No |
| Reportable conditions identified not considered to be material weaknesses? | _____ Yes <u> X </u> None reported |
| Type of auditor's report issued on compliance for major program: | Qualified |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510 (a)? | _____ Yes <u> X </u> No |

Central Louisiana Aids Support Service, Inc.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 2003

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no prior year findings relating to internal control and compliance material to the financial statements.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FED-
ERAL AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

See independent auditor's report.

Central Louisiana Aids Support Service, Inc.
COMPENSATION FOR BOARD MEMBERS

For the Year Ended December 31, 2003

During the year ended December 31, 2003, no per diem payments or other compensation payments were made to board members.