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# CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.

## ALEXANDRIA, LOUISIANA

### DECEMBER 31, 2000

Under provisions of state law, this report is a public document. A copy of this 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 7-11-01

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.

DECEMBER 31, 2000

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report .....		1-2
Financial Statements		
Statement of Financial Position .....	A	3
Statement of Activities .....	B	4
Statement of Functional Expenses .....	C	5-6
Statement of Cash Flows .....	D	7
Notes to Financial Statements .....		8-11
Additional Information .....		12
	<u>SCHEDULE</u>	
Schedule of Expenditures of Federal Awards .....	1	13
Other Reports Required by <i>Government Auditing</i> <i>Standards</i> and OMB Circular A-133 .....		14
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....		15-17
Report on Compliance with Requirements Applicable to the Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....		18-21
Schedule of Findings and Questioned Costs .....		22-23
Management's Corrective Action Plan .....		24
Schedule of Prior Year Findings .....		25-26



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Central Louisiana AIDS Support Service, Inc.

We have audited the accompanying statement of financial position of Central Louisiana AIDS Support Service, Inc. (a nonprofit organization) as of December 31, 2000, 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 the 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 Central Louisiana AIDS Support Service, Inc. as of December 31, 2000, 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 May 11, 2001, on our consideration of Central Louisiana AIDS Support Service, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of 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.

MARVIN A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A.
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.
ROBERT W. DVORAK, C.P.A.

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JUNEAU, C.P.A.

L. PAUL HARR, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

The Board of Directors  
Central Louisiana AIDS Support Service, Inc.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Central Louisiana AIDS Support Service, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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.

*Payne Moore & Herrington, LLP*  
Certified Public Accountants

May 11, 2001

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2000

EXHIBIT A

ASSETS		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		\$ 94,021
Grants receivable		69,687
Other receivables		5,670
Prepaid expenses		<u>3,032</u>
Total Current Assets		172,410
FURNITURE AND EQUIPMENT - NET OF DEPRECIATION		16,957
<b>OTHER ASSETS</b>		
Deposits		<u>1,496</u>
<b><u>TOTAL ASSETS</u></b>		<b><u>\$ 190,863</u></b>
LIABILITIES AND NET ASSETS		
<b>CURRENT LIABILITIES</b>		
Accounts payable		\$ 6,611
Due to grantor		300
Payroll taxes and other employee withholdings		1,890
Funds held on behalf of others		<u>138</u>
Total Current Liabilities		8,939
<b>NET ASSETS</b>		
Unrestricted		<u>181,924</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>		<b><u>\$ 190,863</u></b>

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

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2000

EXHIBIT B

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Federal grants	\$	\$438,689	\$438,689
State grant		58,190	58,190
Private grants	2,500		2,500
Interest	681		681
Contributions	1,183		1,183
Fundraising	1,155		1,155
Miscellaneous	404		404
Net assets released from restrictions	<u>496,879</u>	<u>(496,879)</u>	<u>(0)</u>
Total Revenues, Gains, and Other Support	502,802	-	502,802
<b>EXPENSES</b>			
Federal grants:			
HIV Care Formula Grants	271,583		271,583
HIV Prevention Activities	101,878		101,878
Maternal and Child Health Services	7,219		7,219
Housing Opportunities for Persons with AIDS	88,506		88,506
Copayment and Deductible Assistance Program	3,102		3,102
HRSA Planning Grant	2,989		2,989
State grant:			
Huey P. Long	33,350		33,350
General and Administrative	21,092		21,092
Fundraising	<u>1,432</u>		<u>1,432</u>
Total Expenses	<u>531,151</u>	<u>-</u>	<u>531,151</u>
<b>CHANGE IN NET ASSETS</b>	(28,349)	-	(28,349)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>210,273</u>	<u>-</u>	<u>210,273</u>
<b><u>NET ASSETS, END OF YEAR</u></b>	<u>\$181,924</u>	<u>\$ -</u>	<u>\$181,924</u>

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

CENTRAL LOUISIANA AIDS SUPPORT SERVICES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2000

EXHIBIT C  
(Continued)

	HIV Care Formula Grants	HIV Prevention Activities	Maternal and Child Health Services	Housing Opportunities For Persons with AIDS	Copayment and Deductible Assistance Program
Advertising and promotion	\$ 142	\$ 223	\$	\$	\$
Bank charges	69				
CAC	3,087				
Client events					
Consortia support	118				
Dental	9,029				
Depreciation	7,034				
Direct assistance -					
rents/housing/utilities/deposits	234			88,506	
Dues and subscriptions	100	100			
Emergency assistance					
Fundraising supplies and expenses					
Food	10,711				
Insurance	2,934	143			
Legal and other professional	12,765	1,067			
Janitorial	2,428	1,798			
Medication	54,409				3,102
Meeting expense	4,695				
Miscellaneous	1,640	26			
Office and other supplies	3,242	5,349			
Payroll tax and other					
employee expenses	16,524	10,427			
Pest control/lawn	580	535			
Postage	1,563	944			
Printing	116	153			
Private fund distribution					
Rent expense	7,850	7,800			
Repairs and maintenance	483	329			
Salaries, wages, and					
contract labor	116,317	59,550	7,219		
Security	438	60			
Telephone/answering					
service/pagers	3,368	2,997			
Transportation assistance	7,754				
Travel	250	6,878			
Utilities/water	3,703	3,096			
Workshops/conference		403			
<b><u>TOTALS</u></b>	<b><u>\$ 271,583</u></b>	<b><u>\$ 101,878</u></b>	<b><u>\$ 7,219</u></b>	<b><u>\$ 88,506</u></b>	<b><u>\$ 3,102</u></b>

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

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2000

EXHIBIT C  
(Concluded)

	<u>HRSA Planning Grant</u>	<u>Huey P. Long</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and promotion	\$	\$	311	\$	\$ 676
Bank charges					69
CAC					3,087
Client events		5,028			5,028
Consortia support					118
Dental		668			9,697
Depreciation					7,034
Direct assistance - rents/housing					88,740
Dues and subscriptions			80		280
Emergency assistance		4,805			4,805
Fundraising supplies and expenses				1,432	1,432
Food		2,960			13,671
Insurance					3,077
Legal and other professional		542			14,374
Janitorial			30		4,256
Medication		4,576			62,087
Meeting expense					4,695
Miscellaneous	20	828	1,109		3,623
Office and other supplies		719	175		9,485
Payroll tax and other employee expenses	172	191	301		27,615
Pest control/lawn					1,115
Postage			24		2,531
Printing			49		318
Private fund distribution		4,745	42		4,787
Rent expense			735		16,385
Repairs and maintenance			69		881
Salaries, wages, and contract labor	2,250	3,842	16,537		205,715
Security			174		672
Telephone/answering service/pagers			230		6,595
Transportation assistance		2,117			9,871
Travel	547	2,202	1,226		11,103
Utilities/water		127			6,926
Workshops/conference					403
<b><u>TOTALS</u></b>	<b><u>\$ 2,989</u></b>	<b><u>\$ 33,350</u></b>	<b><u>\$ 21,092</u></b>	<b><u>\$ 1,432</u></b>	<b><u>\$ 531,151</u></b>

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

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2000

EXHIBIT D

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$(28,349)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	7,034
Changes in operating assets and liabilities:	
Grants receivable	80,532
Other receivables	(5,670)
Prepaid expenses	(1,241)
Accounts payable	6,611
Due to grantor	300
Payroll taxes and other employee withholdings	(185)
Funds held on behalf of others	138
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>59,170</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(3,483)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(3,483)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
	<u>-0-</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	55,687
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>38,334</u>
<b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>	<u>\$ 94,021</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, 2000.
3. No income taxes were paid for the year ended December 31, 2000.
4. There were no material noncash investing or financing transactions during 2000 that affected recognized assets or liabilities.

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

**CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.**

**DECEMBER 31, 2000**

**NOTES TO FINANCIAL STATEMENTS**

**1. NATURE OF ACTIVITIES AND 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 taxes 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, 2000.

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.

DECEMBER 31, 2000

NOTES TO FINANCIAL STATEMENTS

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
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Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

No amounts have been reflected in the financial statements for contributed services. CLASS pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist CLASS with specific assistance programs, solicitations, and various committee assignments.

Compensated Absences

Vacation and sick leave not used within the year do not accrue; therefore, no liability for compensated absences is reflected in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.

DECEMBER 31, 2000

NOTES TO FINANCIAL STATEMENTS

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of the following at December 31, 2000:

Non-interest bearing checking accounts	\$ 80,826
Money market funds	<u>13,195</u>
	\$ 94,021

**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.

**4. FURNITURE AND EQUIPMENT**

The following is a summary of furniture and equipment:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and fixtures	\$ 12,663	\$ 7,526	\$ 5,137
Office equipment	<u>40,466</u>	<u>28,646</u>	<u>11,820</u>
	\$ 53,129	\$ 36,172	\$ 16,957

The depreciation provision for the year ended December 31, 2000, amounted to \$7,034.

**5. LEASES**

The Organization leases a building and land located in Alexandria, Louisiana, from an unrelated third party, under an operating lease expiring August 31, 2003. Under this lease, CLASS made rental payments amounting to \$15,650 for the year ended December 31, 2000, and the payments were comprised solely of minimum rentals.

**CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.**

**DECEMBER 31, 2000**

**NOTES TO FINANCIAL STATEMENTS**

Minimum future rental payments under the lease for the three years ending after December 31, 2000, are as follows:

2001	\$ 15,600
2002	15,600
2003	<u>10,400</u>
	\$ 41,600

**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.

**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, 2000.

**ADDITIONAL INFORMATION**

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2000

SCHEDULE 1

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ <u>PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Grant Number</u>	<u>Award Amount</u>	<u>Amount 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)	93.917	557582		
4/1/99 - 3/31/00			\$241,311	\$ 44,403
4/1/00 - 3/31/01			252,594	<u>195,061</u>
				239,464
HIV Prevention Activities - Health				
Department Based (HAP)	93.940	553755		
1/1/00 - 12/31/00			92,500	92,491
Maternal and Child Health Services				
Block Grant to the States	93.994	543248		
3/1/99 - 2/28/00			60,500	6,213
Ryan White Title II				
Copayment and Deductible	93.915	557897		
Assistance Program(CDAP)				3,304
HIV/AIDS Bureau, Health Resources and Services				
Administration(HRSA)	93.918C	1 PO6 HA 00255-01		
Title III HIV Planning Grant			50,000	<u>2,989</u>
9/1/00 - 8/30/01				
Total Expenditures - Department of Health and Human Resources				344,461
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	14.241	558427		
4/1/99 - 3/31/00			84,014	23,067
4/1/00 - 3/31/01			63,016	<u>71,161</u>
Total Expenditures - Department of Housing and Urban Development				<u>94,228</u>
<b><u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u></b>				<b><u>\$ 438,689</u></b>

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, 2000.

See independent auditor's report.

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND OMB CIRCULAR A-133**

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

The Board of Directors
Central Louisiana AIDS Support Service, Inc.

We have audited the financial statements of Central Louisiana AIDS Support Service, Inc. (a nonprofit organization) as of and for the year ended December 31, 2000, and have issued our report thereon dated May 11, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether the Organization's 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

MARVIN A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

The Board of Directors  
Central Louisiana AIDS Support Service, Inc.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization'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 assurance on the internal control over financial reporting. We noted no matters involving the internal control over financial reporting and its operations that we consider to be a reportable condition. 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 the Organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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. 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.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Payne, Moore & Herrington, LLP*  
Certified Public Accountants

May 11, 2001

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

The Board of Directors
Central Louisiana AIDS Support Service, Inc.

Compliance

We have audited the compliance of 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 its major federal program for the year ended December 31, 2000. The Organization's major federal program is 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 its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization'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 the Organization'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 on the Organization's compliance with those requirements.

MARVIN A. JONEAU, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

The Board of Directors  
Central Louisiana AIDS Support Service, Inc.

As described in item 00-01 in the accompanying schedule of findings and questioned costs, Central Louisiana AIDS Support Service, Inc. did not comply with requirements regarding allowable medication expenses in accordance with the HIV Care Formula Grant (Ryan White). Compliance with such requirements is necessary, in our opinion, for Central Louisiana AIDS Support Service, Inc. to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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 for the year ended December 31, 2000.

#### Internal Control Over Compliance

The management of Central Louisiana AIDS Support Service, Inc. 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 the Organization'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 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 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. We noted no matters involving internal control over compliance and its operations that we consider to be material weaknesses.



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PAYNE, MOORE & HERRINGTON, LLP

The Board of Directors  
Central Louisiana AIDS Support Service, Inc.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Payne, Moore & Herrington, LLP*  
Certified Public Accountants

May 11, 2001

**CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2000**

**PART I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u>  x  </u> No
Reportable condition(s) identified not considered to be material weaknesses?	_____ Yes <u>  x  </u> None reported
Noncompliance material to the 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(s) 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)?	<u>  x  </u> Yes    _____ No

**CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2000**

Identification of major program:

CFDA # 93.917 HIV Care Formula Grants (Ryan White)

Dollar threshold used to distinguish between

Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ Yes   x   No

**PART II - FINANCIAL STATEMENT AUDIT – NO FINDINGS**

**PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**FINDING 00-01 – DISALLOWED MEDICATION EXPENDITURES**

Criteria: Medication expenses allowed under the HIV Care Formula Grant (Ryan White) include FDA approved prescription medicines.

Condition: Payments to assist clients in obtaining prescription eyeglasses were submitted for reimbursement as medication expenses.

Effect: CLASS received reimbursement under the HIV Care Formula Grant (Ryan White) for costs that failed to meet the criteria defined in the grant documents for allowed medication expenses. Total questioned costs related to this deficiency is \$451.25.

Cause: The criteria for allowed medication expenses was not met because prescription eyeglasses are not FDA approved prescription medicines.

Recommendation: We recommend that only expenses for FDA approved medications purchased for clients be submitted for reimbursement under the HIV Care Formula Grant (Ryan White).

Management's Response: See Management's Corrective Action Plan.



**SCHEDULE OF PRIOR YEAR FINDINGS**

**CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2000**

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

**FINDING 99-01 Bonded personnel**

Resolved

**FINDING 99-02 Understanding of Grant Provisions**

Resolved