

RECEIVED
LEGISLATIVE AUDITOR

2000 JAN -3 AM 9:57

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK In FILE)

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
FINANCIAL STATEMENTS
JUNE 30, 1999

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 1-12-00

G E O R G E E. M C G O V E R N I I I

CERTIFIED PUBLIC ACCOUNTANT
MEMBER OF AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 7155
Shreveport, LA 71137-7155
318-222-7555

1543 Grimmert Drive
Shreveport, LA 71107
FAX 318-222-7772

George E. McGovern III C.P.A.
George A. Burton, Jr. C.P.A.

Independent Auditor's Report

November 9, 1999

To the Board of Directors
Health Access, Inc.
d/b/a Northwest Louisiana Family Crisis Center

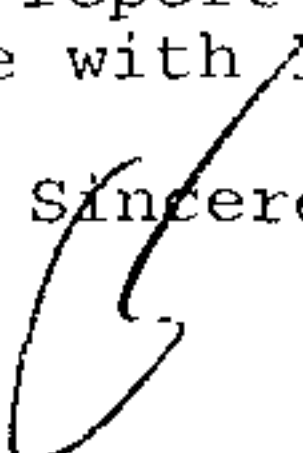
I have audited the accompanying statement of financial position of Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center (a nonprofit organization) as of June 30, 1999, and the related statements of activities, functional expenses and cash flows for the year then ended. This financial statement is the responsibility of the Organization's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *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." 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.

The data included as supplemental information on Schedule 1 is presented as additional information and does not necessarily include all of the information required by generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center as of June 30, 1999, 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*, I have also issued a report dated November 9, 1999 on my consideration of the Company's compliance with laws and regulations.

Sincerely,


George E. McGovern III
Certified Public Accountant

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 277
Accounts Receivable	
Grants	54,951
Other	<u>4,275</u>
Total Current Assets	<u>59,503</u>
Fixed Assets & Capitalized Leases	
Buildings	87,022
Building Improvements	90,216
Furniture & Fixtures	39,480
Office Equipment	33,264
Computer Equipment	44,907
Less Accumulated Depreciation & Amortization	<u>(198,862)</u>
Net Depreciable Fixed Assets	96,027
Land	<u>11,669</u>
Total Fixed Assets	<u>107,696</u>
Other Assets	
Security Deposit	<u>1,574</u>
Total Assets	<u>\$ 168,773</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Cash Deficit	\$ 23,611
Accounts Payable and Accrued Expenses	121,489
Payroll Taxes Payable	142,018
Notes Payable - Current Portion	44,513
Capital Lease Obligations	<u>3,605</u>
Total Current Liabilities	<u>335,236</u>
Long-Term Liabilities	
Long-Term Debt, Net of Current Portion	<u>31,477</u>
Total Long-Term Liabilities	<u>31,477</u>
Total Liabilities	<u>366,713</u>
Net Assets (Deficit)	
Unrestricted Net Assets (Deficit)	(197,940)
Temporarily Restricted Net Assets	0
Permanently Restricted Net Assets	<u>0</u>
Total Net Assets (Deficit)	<u>(197,940)</u>
Total Liabilities and Net Assets	<u>\$ 168,773</u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1999

Changes in Unrestricted Net Assets	
Public Support	
United Way	<u>\$ 12,700</u>
Total Public Support	<u>12,700</u>
Revenue	
Fees From Agencies	<u>723,490</u>
Total Revenue	<u>723,490</u>
Other Revenue	
Miscellaneous	<u>67,668</u>
Total Other Revenue	<u>67,668</u>
Total Public Support and Revenue	<u>\$ 803,858</u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1999

Expenses	
Program Services	
Family Preservation	\$ 148,939
Independent Living	31,117
Residential Treatment Facility	381,112
LCLF	<u>17,032</u>
Total Program Services	578,200
Supporting Services	
Management and General	<u>359,415</u>
Total Expenses	<u>\$ 937,615</u>
Decrease in Unrestricted Net Assets	\$(133,757)
Increase in Temporarily Restricted Net Assets	0
Increase in Permanently Restricted Net Assets	<u>0</u>
Decrease in Net Assets	(133,757)
Net Assets (Deficit) at Beginning of Year	<u>(64,183)</u>
Net Assets (Deficit) at End of Year	<u>\$ (197,940)</u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1999

	<u>Family Preservation</u>	<u>Independent Living</u>	<u>Residential Treatment Facility</u>	<u>LCLF</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 110,458	\$ 26,802	\$ 257,080	\$13,301	\$407,641	\$ 101,131	\$508,772
Payroll Taxes, Etc.	<u>17,783</u>	<u>4,315</u>	<u>41,388</u>	<u>2,141</u>	<u>65,627</u>	<u>16,281</u>	<u>81,908</u>
Total Salaries and Related Expenses	<u>128,241</u>	<u>31,117</u>	<u>298,468</u>	<u>15,442</u>	<u>473,268</u>	<u>117,412</u>	<u>590,680</u>
Professional Fees	20,698	0	46,150	1,590	68,438	80,631	149,069
Supplies	0	0	0	0	0	16,569	16,569
Telephone	0	0	0	0	0	18,075	18,075
Office	0	0	0	0	0	7,724	7,724
Occupancy	0	0	15,884	0	15,884	38,493	54,377
Interest	0	0	0	0	0	7,165	7,165
Rental and Maintenance of Equipment	0	0	1,154	0	1,154	7,021	8,175
Travel	0	0	2,016	0	2,016	9,596	11,612
Licenses	0	0	0	0	0	1,283	1,283
Postage and Printing	0	0	0	0	0	1,271	1,271
Utilities	0	0	7,788	0	7,788	0	7,788
Insurance	0	0	0	0	0	36,048	36,048
Depreciation	0	0	9,052	0	9,052	7,761	16,813
Bank Charges	0	0	0	0	0	5,923	5,923
Other	<u>0</u>	<u>0</u>	<u>600</u>	<u>0</u>	<u>600</u>	<u>4,443</u>	<u>5,043</u>
Total Expenses	<u>148,939</u>	<u>31,117</u>	<u>381,112</u>	<u>17,032</u>	<u>578,200</u>	<u>359,415</u>	<u>937,615</u>
Allocation of Management and General	<u>92,582</u>	<u>19,343</u>	<u>236,903</u>	<u>10,587</u>	<u>359,415</u>	<u>(359,415)</u>	<u>0</u>
Total Functional Expenses	<u>\$ 241,521</u>	<u>\$ 50,460</u>	<u>\$ 618,015</u>	<u>\$27,619</u>	<u>\$937,615</u>	<u>\$ 0</u>	<u>\$937,615</u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1999

Cash Flows from Operating Activities	
Changes in Net Assets	<u>\$ (133,757)</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation & Amortization	<u>16,813</u>
Total Adjustments	<u>16,813</u>
Changes in Operating Assets and Liabilities	
Accounts Receivable	10,380
Cash Deficit	6,622
Accounts Payable and Accrued Expenses	(13,184)
Payroll Taxes Payable	<u>126,771</u>
Net Changes in Operating Assets and Liabilities	<u>130,589</u>
Cash Flows from Investing Activities	
Purchase of Equipment	<u>(3,479)</u>
Net Cash (Used) By Investing Activities	<u>(3,479)</u>
Cash Flows from Financing Activities	
Borrowing Debt	15,000
Principal Payments on Current Debt	(21,115)
Principal Payments on Lease Obligations	<u>(3,956)</u>
Net Cash Provided (Used) By Financing Activities	<u>(10,071)</u>
Net Increase in Cash and Cash Equivalents	95
Cash and Cash Equivalents at Beginning of Year	<u>182</u>
Cash and Cash Equivalents at End of Year	<u>\$ 277</u>

Note: During the year, the Company paid \$7,165 in interest and \$0 for income taxes.

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

1. Summary of Significant Accounting Policies

Description of Organization

Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center was organized as a non profit corporation without capital stock under the laws of the State of Louisiana as defined in Louisiana R.S. 12:201(7). The Organization was formed for the purpose of operating a facility for the comprehensive treatment of child abuse and neglect, and other non profit activities. The activities are limited to those that are permissible for tax-exempt corporations under Internal Revenue Code Section 501 (c)(3). On June 5, 1995, the organization changed its corporate name from Northwest Louisiana Family Crisis Center, Inc. to Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center, by an Amendment to the Articles of Incorporation which was recorded by the State of Louisiana on June 23, 1995.

Financial Statement Presentation

On July 1, 1995, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center is required to report information regarding its financial position and activities according to the three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. As permitted by this statement, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. The reclassification had no cumulative effect on the change in net assets for the year ended June 30, 1996.

Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," on July 1, 1995. In accordance with SFAS No 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The adoption had no cumulative effect on net assets at the date of the adoption. In addition, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Basis of Accounting

The accompanying financial statements of Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center have been prepared on the accrual basis of accounting. All resources for various purposes are current unrestricted funds available for operations. Therefore, the organization has no temporarily restricted net assets or permanently restricted net assets.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

1. Summary of Significant Accounting Policies (Continued)

Description of Programs

Family Preservation - Provides an intensive outpatient counseling program designed to prevent out-of-home placement of an individual. Services are provided in the home, school, or work place.

Outpatient Counseling - Counseling is provided by Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center's staff and contract counselors for parents, children, couples and entire families. Fees are generated from assistance provided by government agencies or by direct payments from the counseled individuals.

Independent Living - Provides a series of classes that are intended to teach foster care youth the skills they will need when they enter an independent living situation. The purpose of the classes is to allow individualization of the program to fit each participant's developmental and educational needs.

Residential Treatment Facility - Administers a comprehensive program of care and treatment for each foster child placed in the facility in accordance with a plan developed specifically for the child to meet physical, emotional, social, health and educational needs.

Case Management - Provides a community-based service system which addresses the needs of persons with mental illness, mental retardation and other developmental disabilities, and/or alcohol and drug abuse problems to live, work and participate in the community.

LCLF - Provides psycho-social skill training for identified children to assist them in interpersonal relationships and building self-esteem.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three (3) months or less to be cash equivalents.

Public Support and Revenue

Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center receives its grants and contracts support primarily from the State Department of Human Services and other State Agencies. Support received from those grants and contracts is recognized on a "net funded" basis whereby State Department of Human Services, Division of Mental Health Services funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees, Medicaid income, and Medicare income in determining grant funds to be recognized. Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center receives client fees, Medicaid income, and Medicare income for billable client services and recognized these fees and income when earned.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

1. Summary of Significant Accounting Policies (Continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fixed Assets

Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center records assets at cost and follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$500. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets (4-5 percent per year for building and improvements, and 20 percent for furniture and fixture).

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

Receivables and Allowance for Uncollectible Accounts

Receivables consist primarily of cost reimbursement requests outstanding at year-end related to various contracts from governmental and private agencies.

Allocation of Supporting Service Expenditures

The Organization's policy is to allocate indirect expenses of administrative overhead (supporting services) to programs based on various direct costs related to each program.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Corporation has been granted tax exempt status as provided by Section 501(c)(3) of the Internal Revenue Code. In addition, the Company has been classified as an organization described in Section 170(b)(2)(A)(vi).

Advertising

Nondirect response advertising are expensed.

Sick Pay, Vacation Pay, Retirement Benefits

The Corporation has no retirement plans nor does it compensate its employees for unused sick or vacation time.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

1. Summary of Significant Accounting Policies (Continued)

Impairment

The carrying value of property, equipment and intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future cash flows is less than book value. For the years presented, no adjustment was necessary.

2. Accounts Receivable

Accounts receivable consists of the following:

Independent Living	\$ 14,624
Officer of Community Service	34,750
Other	<u>5,577</u>
	<u>\$ 54,951</u>

These accounts receivable are pledged to secure the notes at Hibernia National Bank.

3. Notes Payable and Long-Term Debt

The Organization's obligation under notes payable consist of the following:

	<u>Total</u>	<u>Current</u>
Note payable to Hibernia National Bank, in monthly installments of \$690.47, including interest at 10.5%, secured by deposits on account and real estate, final payment due October, 2002.	\$ 26,024	\$ 5,827
Note dated September 16, 1996, payable to Minden Bank & Trust, in monthly installments of \$985, including interest at 11%, secured by deposits on account and all equipment, final payment due September 25, 1999.	4,234	4,234
Note dated January 29, 1997, payable to Minden Bank & Trust, in monthly installments of \$660, including interest at 11%, secured by deposits on account, final payment due January 25, 2000.	17,126	5,846
Note dated 5/99, payable to Minden Bank & Trust, interest at 11%, due 12/99.	15,000	15,000
Short term note, interest payable quarterly, line of credit, payable Citizens Bank & Trust, secured by certificate of deposit of Board Member	<u>13,606</u>	<u>13,606</u>
Total Notes Payable and Long-Term Debt	75,990	<u>\$44,513</u>
Less: Notes Payable - Current Portion	<u>(44,513)</u>	
Total Long-Term Debt	<u>\$ 31,477</u>	

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

3. Notes Payable and Long-Term Debt (Continued)

<u>Maturities of Long-Term Debt</u> <u>Fiscal Year Ended</u>	<u>Principal</u>
2000	\$ 44,513
2001	13,555
2002	11,378
2003	<u>6,544</u>
Total	75,990
Less: Current Portion	<u>(44,513)</u>
Total Long-Term Debt	<u>\$ 31,477</u>

4. Capital Lease Obligations

The Organization leases certain office equipment under various agreements which are classified as capital leases. As of June 30, 1999, office equipment purchased under capital leases has a cost of \$22,611 and accumulated amortization of \$19,451 and amortization expense of \$4,523 which is included in office equipment and amortization expense respectively.

As of June 30, 1999, approximate future minimum lease payments under capital leases are as follows:

<u>Fiscal Year Ended</u>	
2000	<u>\$ 4,004</u>
Total Future Minimum Lease Payments	4,004
Less: Amount Representing Interest	<u>(399)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 3,605</u>

5. Operating Leases

As of June 30, 1999, the Organization was obligated under cancelable operating leases for office space and residential housing. The leases have a 30 day out clause. Rent expense under operating leases totaled \$38,493.

Beginning February 27, 1995, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center has been paying for the Organization's CEO's obligation under a cancelable operating lease for an automobile. Vehicle expense under operating leases totalled \$6,039.

6. Statement of Cash Flows

Total interest paid for the year was \$7,165, none of which was capitalized.

7. Subsequent Events/Contingent Liabilities/Legal Matters

Legal Matters

This Organization is the defendant in various lawsuits arising principally in normal course of operations. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

	<u>\$ 4,275</u>
Ending Balance	<u>\$ 4,275</u>

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

8. Contributions

Total contributions include \$0 of in-kind contributions for various fund-raising activities.

9. Economic Dependency

The Organization receives the majority of its revenue from Medicaid, Medicare, and state revenues which include federal pass-through monies.

If significant budget cuts are made at the federal and/or state level, the amount of the funds of the Organization could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

10. Contingencies

The Company is currently seeking recoupment of loss of revenue and recoupment of expenses from employees/vendors which rendered professional services in the past. The amount of expected recoupment is not recorded in these financial statements.

11. Related Party

During the year, the following transpired between the Company's CEO and the Company:

Beginning Balance of Non Interest Bearing Receivable	\$ <u>4,275</u>
Ending Balance	\$ <u>4,275</u>

12. Depreciation Expense & Equipment

During the year, there was \$16,813 of depreciation expense.

<u>Life</u>	<u>Balance</u> <u>6/30/98</u>	<u>Additions</u>	<u>Balance</u> <u>6/30/99</u>
25 yrs. Buildings	\$ 87,022	\$ 0	\$ 87,022
25 yrs. Building Improvements	90,216	0	90,216
5 yrs. Furniture & Fixtures	39,480	0	39,480
5 yrs. Office Equipment	33,264	0	33,264
5 yrs. Computer Equipment	<u>41,428</u>	<u>3,479</u>	<u>44,907</u>
	291,410	3,479	294,889
Less Accumulated Depreciation & Amortization	<u>(182,049)</u>	<u>(16,813)</u>	<u>(198,862)</u>
	<u>\$ 109,361</u>	<u>\$ (13,334)</u>	<u>\$ 96,027</u>

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

13. Insurance

The Company maintains the following:

	<u>Carrier</u>	<u>Limits</u>	<u>Policy Period</u>	<u>Policy Number</u>
General Liability	United National	\$3,000,000	8/01/98-7/31/99	GA721548
Auto	Safeco	\$1,000,000	8/01/98-7/31/99	GA721548
LA Workers Comp.	Clarendon			
Prof. Liability	United National	\$1,000,000	8/1/98-7/31/99	GA721548

14. Going Concern

The Company experienced cash flow shortage in the year ended 6/30/99 and failed to pay some payroll taxes. The following summarizes the liability @ 6/30/99:

Department of Labor - Louisiana (Unemployment)	\$ 43,643
Department of Revenue - Louisiana (Withholding)	7,351
Federal Government	<u>91,024</u>
	<u>\$142,018</u>

The CEO has met with the federal government and is currently meeting with the state agencies to devise a payment plan. Failure to increase cash flows or devise a payment plan could prove to be threatening to the agency's ability to continue.

15. Accounts Payable & Accrued Expenses

Accounts payable & accrued expenses consist of the following:

Trade (vendors)	\$ 68,285
Clothing allowance	3,057
Labor	34,147
Accrued expense due to lawsuit (note 7)	<u>16,000</u>
	<u>\$121,489</u>

G E O R G E E . M C G O V E R N I I I

CERTIFIED PUBLIC ACCOUNTANT
MEMBER OF AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 7155
Shreveport, LA 71137-7155
318-222-7555

1543 Grimmert Drive
Shreveport, LA 71107
FAX 318-222-7772

George E. McGovern III C.P.A.
George A. Burton, Jr. C.P.A.

November 9, 1999

Independent Auditor's Report on Compliance and on
Internal Control over Financial Reporting
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards

To the Board of Directors
Health Access, Inc.
d/b/a Northwest Louisiana Family Crisis Center

I have audited the financial statements of Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued my report thereon dated November 9, 1999. I conducted my audit in accordance with generally accepted auditing standards 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 Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center'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 are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center'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 over financial reporting 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 statement being audited may occur and

To the Board of Directors
Health Access, Inc.
d/b/a Northwest Louisiana Family Crisis Center
November 9, 1999
Page 2

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 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.

Sincerely,

George E. McGovern III
Certified Public Accountant

G E O R G E E. M C G O V E R N I I I

CERTIFIED PUBLIC ACCOUNTANT
MEMBER OF AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 7155
Shreveport, LA 71137-7155
318-222-7555

1543 Grimmatt Drive
Shreveport, LA 71107

George E. McGovern III C.P.A.
George A. Burton, Jr. C.P.A.

November 9, 1999

Independent Auditor's Report on Supplementary Information

Schedule of Federal Financial Assistance

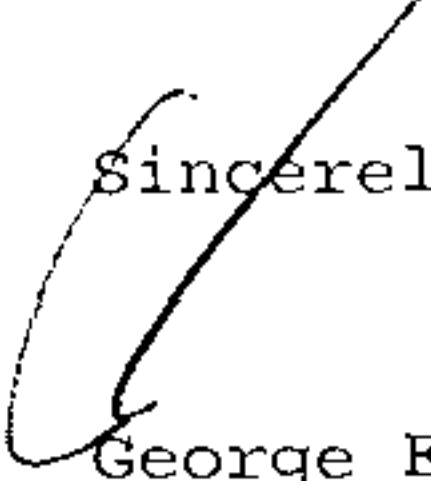
To the Board of Directors
Health Access, Inc.
d/b/a Northwest Louisiana Family Crisis Center
Shreveport, LA

I have audited the financial statements of Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center (a nonprofit corporation), as of and for the year ended June 30, 1999, and have issued my report thereon dated November 9, 1999. These financial statements are the responsibility of Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB A-133. Those standards and OMB A-133 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.

My audit was made for the purpose of forming an opinion on the financial statements of Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center, taken as a whole. The accompanying schedule of federal financial assistance and schedule of Board of Directors is presented for purposes of additional analysis and is not a required part of the financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Sincerely,


George E. McGovern III
Certified Public Accountant

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 1999

<u>Non Major Programs</u>	<u>Contract Description</u>	<u>Terms of Contract (Description)</u>	<u>Contract</u>	<u>Amount Received FYE 6/30/99</u>	<u>Amount Due @ 6/30/99</u>	<u>Matching Required</u>	<u>Revenue FYE 6/30/99</u>
State of Louisiana	Office of Youth Dev.	1/1/94-12/31/98	\$555,055	\$ 49,370	\$ 3,751	No	\$ 43,996
State of Louisiana	Office of Comm. Serv.	Res'd Living 9/1/98-6/30/99	0	445,230	34,750	No	443,844
State of Louisiana	Office of Comm. Serv.	Independent Liv.	0	66,919	14,624	Yes	64,554
State of Louisiana	Outpatient Counseling	(Medicaid)	0	127,143	768	No	120,386
State of Louisiana	Office of Youth Dev.		0	19,040	0	No	19,040
State of Louisiana	Louisiana Commission Of Law Enforcement		0	<u>31,670</u>	<u>0</u>	No	<u>31,670</u>
	Subtotal			<u>739,372</u>	<u>53,893</u>		<u>723,490</u>
Caddo Parish Juv. Court	SWIFT		0	5,460	0	No	1,140
United Way		Independent Liv. (Match)	0	12,700	1,058	No	12,700
Caddo Parish School Board		Res'd Living	0	25,000	0	No	25,000
Other				<u>41,078</u>	<u>0</u>	No	<u>41,528</u>
				<u>\$ 823,610</u>	<u>\$ 54,951</u>		<u>\$ 803,858</u>

Note: All revenues were pass through from the above and there were no direct federal funds received.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
SUPPLEMENTARY INFORMATION
BOARD OF DIRECTORS
JUNE 30, 1999

TERM EXPIRES

John Gianforte, President
2835 Hollywood
Shreveport, LA 71108
Phone (318) 631-1122

N/A

George Baker, Chairman
9429 Amity Way
Shreveport, LA 71103
Phone (318) 687-4866

January 1, 2000

Father Ron Mathews
St. Paul Catholic Church
P. O. Box 799
Minden, LA 71058
Phone (318) 377-5364

January 1, 2000

Dr. Phyllis Leone
9000 W. Wilderness Drive
Apt. 257
Shreveport, LA
Phone (318) 219-0191

January 1, 2000

Dr. Norma Jean Paris
4406 Panther Drive
Bossier City, LA 71111
Phone (318) 742-4646

January 1, 2000