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**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**  
**ALEXANDRIA, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT ACCOUNTANT'S REPORTS**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 1999**

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 \_\_\_\_\_  
APR 12 2000

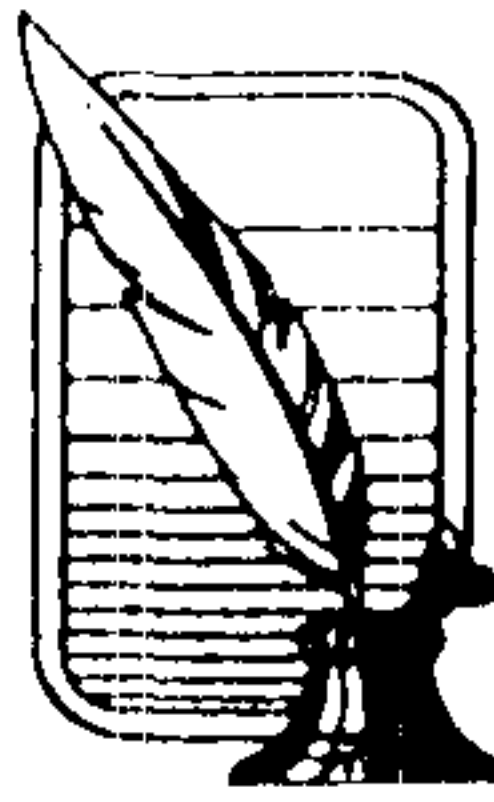
**RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
ALEXANDRIA, LOUISIANA**

**FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REPORTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

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# DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

To the Management of Rapides Primary Health Care, Inc.

We have compiled the accompanying general purpose financial statements of the Rapides Primary Health Care, Inc., as of and for the year ended September 30, 1999, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Rapides Primary Health Care, Inc. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated March 22, 2000, on the results of our agreed-upon procedures.

A handwritten signature in cursive script, appearing to read "Dautzat Beall &amp; Debevec".

Dautzat, Beall & Debevec, CPA's, APC

March 22, 2000

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
ALEXANDRIA, LOUISIANA**

**STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 1999**

	<u>Unrestricted General Fund</u>
<b>ASSETS</b>	
Cash	\$ 19,965
Patient Accounts receivable (net of estimated uncollectible amount of \$4,614)	338
Prepaid	
Property and equipment Net of accumulated depreciation	<u>1,113,766</u>
Total Assets	<u>\$ 1,134,069</u>
<b>LIABILITIES AND NET ASSETS</b>	
Accounts payable	\$ 66,811
Payroll taxes and withholding	9,394
Accrued interest payable	12,048
Note Payable- Bank One	93,019
Notes Payable - Rapides Finance Authority	<u>130,999</u>
Total liabilities	<u>312,271</u>
<b>NET ASSETS</b>	
Unrestricted	<u>821,798</u>
Total net assets	<u>821,798</u>
Total Liabilities and Net Assets	<u>\$ 1,134,069</u>

See Accompanying Notes to Financial Statements.

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
ALEXANDRIA, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

	<u>Unrestricted General Fund</u>
<b>REVENUES AND OTHER SUPPORT</b>	
Patient Service Revenue (net of contractual allowances)	\$ 30,709
Community Outreach Grant	114,765
Donations	<u>27,817</u>
Total revenues and other support	<u>173,290</u>
<b>EXPENSES</b>	
Salaries	51,957
Payroll taxes	12,490
Contract Labor-Medical	24,619
Medical Lab Services	625
Medical & Office supplies	4,441
Depreciation	33,720
Lease expense	759
Repairs & Maintenance	8,879
Insurance	2,452
Legal and Professional services	7,898
Interest	129
Bad debt expense	4,613
Office Expenses	747
Miscellaneous	1,768
Bank Charges	192
Fees	6,132
Utilities and telephone	<u>12,665</u>
Total Expenses	<u>174,086</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(796)</b>
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b><u>881,600</u></b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(59,006)</b>
<b>NET ASSETS, END OF PERIOD</b>	<b><u>\$ 821,798</u></b>

See Accompanying Notes to Financial Statements.

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
ALEXANDRIA, LOUISIANA**

**STATEMENT OF CASH FLOWS  
SEPTEMBER 30, 1999**

	<u>Unrestricted General Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (Decrease) in net assets	\$ (796)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operations	
Prior Period Adjustment	(59,006)
Depreciation	33,720
Bad Debt Expense	4,613
<b>(Increase) Decrease in Operating Assets:</b>	
Accounts Receivables	69,340
Other assets	178
<b>Increase (Decrease) in Operating Liabilities:</b>	
Accounts Payable	(16,264)
Payroll taxes and withholding	(434)
Accrued interest payable	<u>-0-</u>
Net Cash from Operating Activities	<u>31,351</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Equipment and building materials	<u>(14,448)</u>
Net Cash from Investing Activities	<u>(14,448)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	
	16,903
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	
	<u>3,062</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	
	<u>\$ 19,965</u>

Supplemental Disclosure:  
Cash Paid for Interest

\$ 129

See Accompanying Notes to Financial Statements.



**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(A) NATURE OF ACTIVITIES**

Rapides Primary Health Care Center Inc., hereinafter referred to as the **Clinic**, was organized under the provisions of R.S. 1950, title 12, Chapter 2, in the Non-Profit Corporations Book of the State of Louisiana.

The **Clinic** is organized to provide efficient and effective health care through the operation of a health delivery system designed to meet the medical needs of the community, i.e., early detection diagnosis, and treatment of illnesses and injuries; to facilitate an understanding of the desirability of initiating a program of preventive medicine; and to generally improve and promote the improvement of the community, civilly and socially. The **Clinic** provides comprehensive primary health care to area residents, with particular care for the socio-economically disadvantaged. The area served is *Central Louisiana*. The services are provided through an outpatient clinic with a referral program, health education, and limited medical services for hospitalization.

Due to the Clinic's limited financial resources, the Chairman of the Board and the Treasurer of the Board have been providing gratis administrative and managerial duties on behalf of the Clinic in order to sustain its operations. As noted in Note 14, Subsequent Events, a management agreement with Rapides Healthcare System, L.L.C., will provide the needed resources to continue providing healthcare to the medically under-served in Central Louisiana.

**(B) REPORTING ENTITY**

The accompanying financial statements of the **Clinic** presents the financial position and changes in net assets of the unrestricted fund. All activities of the **Clinic** are included in these financial statements.

**Basis of Accounting**

The financial statements of the **Clinic** have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(C) FUND ACCOUNTING**

The accounts of the **Clinic** are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. In accordance with SFAS No. 117, net assets are classified on the statement of financial position as unrestricted.

**Unrestricted**

Accounts for resources that can be expended currently. This fund represents the part of net assets that have not been restricted for identified purposes by donors and grantors. Unrestricted net assets also include assets whose use is contractually limited.

**(D) BUDGETS**

A budget outlining grant awards, program revenues and expenses is submitted prior to the start of each fiscal year for approval by the Board of Directors. Budget amendments and changes in State Grant Spending are allowed by prior approval from the Board of Directors.



**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**  
**Alexandria, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**  
(continued)

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(E)      PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost for purchased assets or at fair market value on the date of any donation. Depreciation is provided in the financial statements over the estimated useful lives of the depreciable assets on the straight-line basis. The following estimated useful lives are generally used:

Building	40 years
Furniture and fixtures	5 - 20 years
Equipment	5 - 15 years

Expenses for additions, major renewals and betterments are capitalized and expenses for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposal are credited as charged to operations currently.

**(F)      COMPENSATED ABSENCES**

Rapides Primary Health Care Center's employee benefits for vacation and sick pay do not vest. Accordingly, no amounts are recorded in the financial statements.

**(H)      UNCOLLECTIBLE ACCOUNTS**

The **Clinic** estimates an allowance for uncollectible accounts receivable based on prior experience of management.

**(I)      CASH AND CASH EQUIVALENTS**

For the purpose of the financial statements, the **Clinic** considers all demand deposits and time deposits with an initial maturity of three months or less to be cash equivalents.

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(J) INCOME TAX STATUS**

The **Clinic** is exempt from federal income tax under Section 501(C) (3) of the Internal Revenue code. However, income from certain activities not directly related to the **Clinic's** tax-exempt purpose is subject to taxation as unrelated business income. In addition, the **Clinic** qualifies for the charitable contribution deduction under Section 190(b) (1) (A) and has been classified as an organization that is not a private foundation under Section 509(a) (2).

**NOTE 2 CASH**

At September 30, 1999, the Rapides Primary Health Care Center, Inc. has cash and cash equivalents (book balances) totaling \$19,965 as follows:

Demand deposits	<u>\$ 19,965</u>
-----------------	------------------

These deposits are stated at cost, which approximates market.

At September 30, 1999, the **Clinic** has \$27,233 in deposits (collected bank balances). All deposits are secured from risk by federal deposit insurance.

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(continued)**

**NOTE 3      PROPERTY AND EQUIPMENT**

A summary of property and equipment and accumulated depreciation at September 30, 1999, is provided:

	Property and Equipment			
	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 28,039			\$ 28,039
Building	1,008,552	\$ 18,400		1,026,952
Furniture & Equip.	<u>165,451</u>	<u>1,548</u>		<u>166,999</u>
Totals	<u>\$1,202,042</u>	<u>\$ 19,948</u>	<u>\$ -0-</u>	<u>\$ 1,221,990</u>

	Accumulated Depreciation			
	Beginning Balance	Additions	Disposals	Ending Balance
Building	\$ 29,230	\$ 25,395		\$ 54,625
Furniture & Equip.	<u>45,274</u>	<u>8,325</u>		<u>53,599</u>
Totals	<u>\$ 74,504</u>	<u>\$ 33,720</u>	<u>\$ -0-</u>	<u>\$ 108,224</u>

**NOTE 4      BOARD OF DIRECTORS**

Each of the following directors served the Clinic without compensation:

- |                     |           |
|---------------------|-----------|
| Rev. Henry Booze    | President |
| Elijah Moses        | Treasurer |
| Varie Stallworth    |           |
| Charlie Bailey      |           |
| Greg Gormanous      |           |
| Ethel Freeman       |           |
| Delores Perry       |           |
| Willie Stewart      |           |
| Rev. Euell Williams |           |

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(continued)**

**NOTE 5 OPERATING LEASE**

The **Clinic** has a lease commitment for a copier as of September 30, 1999. The cost for the lease for the year ended September 30, 1999 was \$1,887.

The required minimum future rental payments are as follows:

**YEAR ENDING SEPTEMBER 30,**

2000	<u>\$ 1,714</u>
------	-----------------

**NOTE 6 NOTES PAYABLE**

The note payable obligations of the **Clinic** at September 30, 1999 are as follows:

10.50%, notes payable with Bank One; The notes were payable in full on December 16, 1997. The principal balance at September 30, 1999 is \$93,019.

The **Clinic** also has a note to the Rapides Finance Authority, which is payable in full as of August 5, 1998, in the amount of \$130,999.

**NOTE 7 REVENUES**

The **Clinic** operates principally from grants awarded by state government and generates revenues through patient fee charges. The patient fee charges consisted of the following:

Medicare	\$ 13,296
Medicaid	9,655
Self Pay	7,102
Private Insurance	<u>656</u>
Total	<u>\$ 30,709</u>

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(continued)**

**NOTE 8 FUNCTIONAL EXPENSE CLASSIFICATION**

In accordance with (FASB) NO. 117, the following column depicts all the expenses for the year ended September 30, 1999 in their functional categories.

	<b>UNRESTRICTED GENERAL <u>FUND</u></b>
Program Services	\$ 97,488
Administrative	<u>76,598</u>
Total	<u>\$ 174,086</u>

**NOTE 9 PATIENT ACCOUNTS RECEIVABLE**

Accounts receivable at September 30, 1999 consisted of the following:

Self Pay	\$ 4,855
Medicaid	97
Less: Allowance for Uncollectibles	<u>(4,614)</u>
Total	<u>\$ 338</u>

**NOTE 10 RELATED PARTY TRANSACTIONS**

During the year, Rev. Henry Booze loaned the organization \$5,000. Prior to year end, all amounts were paid and no amounts are due to or from him.

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(continued)**

**NOTE 11 CONTINGENCIES**

The Rapides Primary Health Care Center, Inc. evaluates contingencies based upon the best available evidence. The **Clinic** believes that no allowance for loss contingencies is considered necessary.

The principal contingencies are described below:

**Grant Awards**

The ability of the **Clinic's** continued operations is contingent upon continued funding from the State of Louisiana.

**Grantor Agencies**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the State of Louisiana. Any disallowed expenses, including amounts already collected, may constitute a liability. The amount, if any, of expenses which may be disallowed cannot be determined at this time.

**NOTE 12 LITIGATION AND CLAIMS**

**Notes Payable**

The **Clinic** was in default as of September 30, 1998 on the notes to Bank One and to the Rapides Finance Authority. Legal judgment was rendered in favor of the Finance Authority as of August 5, 1998.

**NOTE 13 PRIOR PERIOD ADJUSTMENT TO ACCOUNTS RECEIVABLE**

Accounts receivable as of September 30, 1998, were overstated by \$59,006 which were deemed uncollectible at that date.

Accordingly an adjustment to the September 30, 1998's financial statements was made to reduce the accounts receivable and also to reduce unrestricted net assets by \$59,006.



**RAPIDES PRIMARY HEALTH CARE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(continued)**

**NOTE 14 SUBSEQUENT EVENTS**

The Clinic and the Louisiana State University - Shreveport Medical School's Family Practice Unit had an agreement effective August 2, 1999, for the Family Practice Unit to take over the administration and operations of the Clinic. Effectively, the Family Practice Unit would supply the physicians and all related support with the Clinic providing the facility. This arrangement would have mitigated the financial problems the Clinic previously has encountered with the medical school providing both the financial and technical resources to enable the Clinic to continue providing medical services to the under-served in Central Louisiana. However, on October 31, 1999, by mutual agreement both parties terminated this arrangement.

In January 2000, the Clinic and Rapides Healthcare System, L.L.C., entered into a management agreement whereby Rapides Healthcare would supply the management and financial support to enable the Clinic to continue serving the medical needs of the under served population. Under this agreement, Rapides Healthcare will manage the Clinic's operations and development, provide human resource management services, accounting and related financial support services, and provide billing and collection services.



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# DAUZAT, BEALL & DEBEVEC, CPAs

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Management of Rapides Primary Health Care, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Rapides Primary Health Care, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Rapides Primary Health Care, Inc.'s compliance with certain laws and regulations during the year ended September 30, 1999, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Rapides Primary Health Care, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
--------------------	------------	----------	--------

No Federal Award Expenditures

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All six payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from a Board member and the Chairman of the Board.

6. For the items selected in procedure 2: For federal awards, we determine whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, we determined the disbursements complied with the grant agreements, relating to:

Activities allowed or unallowed: N/A

Eligibility: N/A

Reporting: N/A

7. For the programs selected for testing in item (2) that were no programs closed out during the period under review.

### **Meetings**

8. We examine evidence indicating that agendas for meeting recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Rapides Primary Health Care, Inc. is not a "Public body" as defined by LSA-RS 42:2 and is not subject to the open meetings law.

## Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Rapides Primary Health Care, Inc. prepared a comprehensive budget to the applicable state grantor agencies for the programs mentioned previously.

## Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved. Refer to the Summary Schedule of Prior Audit Findings and Questioned Costs for details.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Rapides Primary Health Care, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Dautat, Beall & Debevec, CPA's, APC

March 22, 2000

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 1999**

We were engaged to compile the financial statements of Rapides Primary Health Care Center, Inc. as of and for the year ended September 30, 1999 and have issued our report thereon dated March 22, 2000.

**Section I - Summary of Independent Accountant's Reports**

***Financial Statements***

Type of report issued:	Compilation/Attestation
Internal control over financial reporting:	
Material weakness(es) identified?	___ <input checked="" type="checkbox"/> ___yes ___no
Reportable condition(s) identified not considered to be material weaknesses?	___ <input checked="" type="checkbox"/> ___yes ___none reported
Noncompliance material to financial statements noted?	___ <input checked="" type="checkbox"/> ___yes ___no

**Section II - Financial Statement Findings**

***Reportable Conditions - Material Weaknesses***

**99-1 BANK RECONCILIATIONS**

**Condition:** Bank reconciliations were not performed on a regular monthly basis or agreed to the general ledger cash accounts. Several bank statements and cancelled checks were also not retained on file by the Clinic. This is a repeat finding from the prior year.

**Criteria:** Proper accounting controls require that monthly bank reconciliations be performed.

**Effect:** The organization could have misappropriated funds and not be aware of the problem in a timely manner.

**Recommendation:** All bank accounts should be reconciled monthly with their corresponding bank statements and should be compared to the books to insure that they agree.



## 99-2 FINANCIAL STATEMENTS

**Condition:** The financial transactions for the year ended September 30, 1999 were not posted to the financial statements in a timely manner. This is a repeat finding from the prior year.

**Criteria:** All accounting transactions should be posted to the books on a regular and frequent basis.

**Effect:** Irregularities could occur as a result of not having an accounting system which reports financial transactions in a timely manner.

**Recommendation:** In order to reduce the risk of errors or irregularities, the accounting system should record all financial transactions in the books in a timely manner.

## 99-3 RESULTS OF OPERATION

**Condition:** The financial position of the organization is not compared to the budget on a regular basis. This is a repeat finding from the prior year.

**Criteria:** Proper accounting controls require comparing actual results of operations to budget on a regular basis.

**Effect:** The organization will be unable to properly manage grant results.

**Recommendation:** The financial statements should be compared to the budget on a regular basis.

## 99-4 PROPERTY TAGS

**Condition:** The fixed assets do not have property control tags. This is a repeat finding from the prior year.

**Criteria:** Proper controls require that all assets be tagged.

**Effect:** Without the assets being tagged, it will not be readily possible to know which assets belong to the corporation.

**Recommendation:** The items purchased, which meet requirements established by the board for fixed assets, should have an identifying sticker or decal affixed to it. The sticker should have an identifying property number and it should also state that the asset is property of the Rapides Primary Health Care Center, Inc.



**99-5 ASSET INVENTORY LIST**

**Condition:** The inventory list, which serves to control all fixed assets, does not adequately identify the assets owned by the Rapides Primary Health Care Center, Inc. This is a repeat finding from the prior year.

**Criteria:** Proper controls require that all tagged assets be placed on the inventory list.

**Effect:** Without all assets being recorded on the asset list, the organization will not be able to adequately safeguard all assets.

**Recommendation:** All assets recorded on the asset inventory list should be identified by a serial number when possible and a tag ID number.

**99-6 ACCOUNTS PAYABLE**

**Condition:** The accounts payable subsidiary journal is not maintained on a daily basis and does not agree to the general ledger. This is a repeat finding from the prior year.

**Criteria:** A subsidiary journal of accounts payable should be maintained.

**Effect:** The organization will not be able to properly analyze their financial position.

**Recommendation:** Steps should be taken to ensure that all accounts payable outstanding are recorded on the books and are listed on the subsidiary journal by vendor and amount.

**99-7 ACCOUNTS RECEIVABLE**

**Condition:** The accounts receivable subsidiary journal is not maintained on a daily basis and does not agree to the general ledger. This is repeat finding from the prior year.

**Criteria:** A subsidiary journal of accounts receivable should be maintained.

**Effect:** The organization will not be able to properly analyze their financial position.

**Recommendation:** Steps should be taken to ensure that all accounts receivable outstanding are recorded on the books and are listed on the subsidiary journal by vendor and amount.

## 99-8 STATE WITHHOLDING TAX

**Condition:** The state withholding payroll tax returns were not filed or paid on time. This is a repeat finding from the prior year.

**Criteria:** The organization is required to file and pay the aforementioned taxes by the state due date.

**Effect:** Due to the failure to file and pay, the organization will be subjected to unnecessary penalties and interest.

**Recommendation:** All tax filing and paying deadlines should be strictly adhered to.

**RAPIDES PRIMARY HEALTH CARE, NC.  
ALEXANDRIA, LOUISIANA**

**Summary Schedule of Prior Audit Findings and Questioned Costs**

Auditor Reference

<u>Number</u>	<u>Status</u>
98-1 Bank Reconciliations	Not Corrected
98-3 Financial Statements	Not Corrected
98-4 Results of Operations	Not Corrected
98-6 Property Tags	Not Corrected
98-7 Asset Inventory List	Not Corrected
98-10 Accounts Payable	Not Corrected
98-11 Accounts Receivable	Not Corrected
98-14 State Withholding Taxes	Not Corrected

**RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
ALEXANDRIA, LOUISIANA**

**CORRECTIVE ACTION PLAN**

AUDITOR REF NUMBER

- |      |  |
|------|--|
| 99-1 | In the future, all bank reconciliations will be performed on a monthly basis. Rapides Regional Medical Center will provide the assistance to complete this task. |
| 99-2 | All transactions in the future will be posted to the books in a timely manner.   |
| 99-3 | Actual results of operations and budget will be compared on a regular basis.   |
| 99-4 | All property will be tagged.   |
| 99-5 | All tagged property will be placed on the asset inventory list.  |
| 99-6 | All accounts payable will be maintained in a subsidiary journal which agrees to the books.   |
| 99-7 | All accounts receivable will be maintained in a subsidiary journal which agrees to the books.  |
| 99-8 | The state withholding tax will be paid in a timely manner and filed on the tax form according to the state regulations.  |

Name of contact person: Rev. Henry Booze

Date: March 22, 2000