Financial Report

East Jefferson Community Health Center, Inc.

June 30, 1999

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FINANCIAL SECTION

Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
East Jefferson Community Health Center, Inc.

We have audited the accompanying statement of financial position of East Jefferson Community Health Center, Inc. (the Health Center) (a nonprofit corporation) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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. Those standards required 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 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 East Jefferson Community Health Center, Inc. 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, we have also issued our report dated December 21, 1999, on our consideration of East Jefferson Community Health Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

1340 West Tunnel Blvd., Suite 430
P. O. Box 2168
Houma, LA 70361-2168
Phone (504) 868-0139
Fax (504) 879-1949

Certified Public
Accountants | Consultants
A Limited Liability Company

P. O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, Suite 800
Phone (504) 831-4949
Fax (504) 833-9093

504 West Second Street
P. O. Box 1205
Thibodaux, LA 70302-1205
Phone (504) 447-5243

The year 2000 supplementary information on page 18 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that East Jefferson Community Health Center, Inc. is or will become year 2000 compliant, that East Jefferson Community Health Center, Inc.'s year 2000 remediation efforts will be successful in whole or in part, or that parties with which East Jefferson Community Health Center, Inc. does business are or will become year 2000 compliant.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of East Jefferson Community Health Center, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements of East Jefferson Community Health Center, Inc. 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.

As shown in the financial statements, the Health Center incurred a $116,566 decrease in net assets during the year ended June 30, 1999, and its total liabilities exceed its current assets by $195,011. In addition, the Health Center has incurred similar decreases since its inception. Those factors, among others, as disclosed in Note 15, raised substantial doubt about the Health Center's ability to continue as a going concern. Management's plans in this regard also are described in Note 15. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, La.,
December 21, 1999.

Exhibit A

STATEMENT OF FINANCIAL POSITION

East Jefferson Community Health Center, Inc.

June 30, 1999

ASSETS

Current Assets	
Cash	$ 1,641
Accounts receivable - patient service revenue (net of allowance for doubtful accounts of $112,507)	63,452
Grant receivable - due from State of Louisiana (Note 4)	28,023
Accounts receivables - other	12,203
Total current assets	105,319
Property and Equipment	
Land	117,000
Buildings (net of accumulated depreciation of $79,504)	692,958
Furniture and equipment (net of accumulated depreciation of $110,815)	80,489
Net property and equipment	890,447
Other Assets	
Deposits	1,687
Total	$ 997,453

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	$ 57,953
Current maturities of note payable	3,031
Accrued salaries and expenses	19,430
Payroll taxes payable (Note 5):	
Taxes	147,096
Interest and penalties	62,132
Total current liabilities	289,642
Long-Term Debt (Note 6)	
Note payable, less current maturities	10,688
Total liabilities	300,330
Commitments and Contingencies (Notes 9 and 11 to 15)	-
Net Assets	
Unrestricted	182,970
Temporarily restricted (Note 3)	514,153
Total net assets	697,123
Total	$ 997,453

See notes to financial statements.

Exhibit B

STATEMENT OF ACTIVITIES

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

	Unrestricted	Temporarily Restricted	Total
Revenue and Gains			
Net patient service revenue	$ 492,525	$ -	$ 492,525
Operating grants:			
State of Louisiana	-	35,000	35,000
Jefferson Parish Council (Note 7)	125,891		125,891
Other	16,400	-	16,400
Total revenue and gains	634,816	35,000	669,816
Net Assets Released From Restrictions			
Satisfaction of purpose restrictions:			
Medical director (Note 7)	125,000	(125,000)	-
HIV/AIDS Program expenses	30,658	(30,658)	-
Satisfaction of time restriction - depreciation	24,193	(24,193)	-
Total net assets released from restrictions	179,851	(179,851)	-
Total revenues, gains, and net assets released from restrictions	814,667	(144,851)	669,816

Exhibit B
(Continued)

	Unrestricted	Temporarily Restricted	Total
Expenses			
Accounting fees	4,890	-	4,890
Bad debts	17,504	-	17,504
Consultant fees	15,000	-	15,000
Contract physicians	170,747	-	170,747
Depreciation	62,465	-	62,465
Dues and subscriptions	12,676	-	12,676
Equipment rental	20,023	-	20,023
Health insurance	13,379	-	13,379
Interest	2,353	-	2,353
Lab and pharmacy fees	17,126	-	17,126
Liability and workman's comp insurance	12,935	-	12,935
Litigation expense	4,706	-	4,706
Malpractice insurance	4,482	-	4,482
Marketing expense	1,613	-	1,613
Meals and entertainment	2,229	-	2,229
Miscellaneous	1,646	-	1,646
Office expense	14,806	-	14,806
Payroll taxes	25,309	-	25,309
Payroll taxes - interest and penalties (Note 5)	34,010	-	34,010
Postage	983	-	983
Professional fees	33,634	-	33,634
Repairs and maintenance	23,040	-	23,040
Salaries and wages	238,046	-	238,046
Supplies	13,426	-	13,426
Taxes and fees	3,312	-	3,312
Telephone	12,310	-	12,310
Transportation	9,802	-	9,802
Travel	2,167	-	2,167
Utilities	11,763	-	11,763
Total expenses	786,382	-	786,382
Increase (Decrease) In Net Assets	28,285	(144,851)	(116,566)
Net Assets			
Beginning of year	154,685	659,004	813,689
End of year	$ 182,970	$ 514,153	$ 697,123

See notes to financial statements.

Exhibit C

STATEMENT OF CASH FLOWS

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

Cash Flows From Operating Activities	
Decrease in net assets	$ (116,566)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	62,465
(Increase) decrease in assets:	
Accounts receivable - patient service revenue	(34,868)
Grants receivable	122,854
Accounts receivable - other	(12,203)
Increase (decrease) in liabilities:	
Accounts payable	(78,334)
Accrued salaries and expenses	8,990
Payroll taxes payable and related interest and penalties	73,480
Net cash provided by operating activities	25,818
Cash Flows Used In Investing Activities	
Purchase of furniture and equipment	(3,223)
Cash Flows Used In Financing Activities	
Payments on line-of-credit	(23,324)
Payments on note payable	(2,867)
Net cash used in financing activities	(26,191)
Net Decrease In Cash	(3,596)
Cash	
Beginning of year	5,237
End of year	$ 1,641

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

East Jefferson Community Health Center, Inc.

June 30, 1999

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of East Jefferson Community Health Center, Inc. (the Health Center) is presented to assist in an understanding the Health Center's financial statements. The financial statements and notes are representations of the Health Center's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

a. *Nature of Activities*

The East Jefferson Community Health Center, Inc. is a nonprofit corporation, formed to provide primary health care services to under served areas in Jefferson Parish.

b. Financial Statement Presentation

The Health Center follows the reporting requirements contained in Statement of Financial Accounting Standards, (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Heath Center 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. In addition, the Health Center is required to present a statement of cash flows.

The Health Center classifies its resources into three separate classes of net assets as follows:

Unrestricted Net Assets - Receives net patient service revenue, grants and other revenue and expends funds for the general operation of the Health Center.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial Statement Presentation (Continued)

Temporarily Restricted Net Assets - Receives grants and other revenue specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - The Health Center does not have any permanently restricted net assets.

c. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Allowance for Doubtful Accounts

Services rendered to the Health Center's patients are paid either at the time of the visit or through a third party. A receivable is recorded for third-party reimbursements and patients unable to pay at the time of visit. Receivable amounts that are deemed uncollectible are written off and an allowance for doubtful accounts is recorded based on management's estimate.

e. Grants Receivable

Grants are recognized when the grantor makes a promise to give that is, in substance, unconditional. Conditional grants are recognized when the conditions on which they depend are substantially met. For the year ended June 30, 1999, all unconditional grants were recognized as assets and revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Property and Equipment

Property and equipment acquisitions are recorded at cost. Donated property is recorded at its fair market value at the date of receipt, which is then treated as cost. Depreciation is provided for each class of depreciable assets and is computed on the straight-line method using estimated useful life as shown below:

Classification	Estimated Useful Life in Years
Building	29
Furniture and equipment	5 - 10

g. Third-Party Contractual Adjustments

Retroactively calculated third-party contractual adjustments are accrued on an estimated basis in the period the related services are rendered. Net patient service revenue is adjusted as required in subsequent periods based on final settlements. No accruals were required at June 30, 1999.

h. Net Patient Service Revenues

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, Jefferson Parish Council and others for services rendered.

i. Statement of Cash Flows

For the purpose of reporting cash flows, the Health Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 1999.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Income Taxes

The Health Center has been recognized by the Internal Revenue Service (IRS) as a nonprofit corporation as described in Sec. 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Sec. 501(a) of the IRC.

Note 2 - CONCENTRATION OF CREDIT RISK

The Health Center has its principal office in River Ridge, Louisiana. Medical services are provided to patients who reside primarily in the Harahan and River Ridge area. The Health Center grants credit without collateral to its patients under third-party payor agreements.

Note 3 - RESTRICTIONS OF NET ASSETS

The Health Center classifies the following funding sources as temporarily restricted and accounts for the assets, liabilities, revenues and expenses attributable to:

- **1994 Department of Housing and Urban Development (HUD) Community Development Block Grant** - These funds were used for the acquisition of certain medical equipment along with construction cost related to the medical clinic.

- **Jefferson Parish Land Donation** - This fund accounts for the value of property donated to the Health Center for the medical clinic construction.

- **State of Louisiana - HIV/AIDS Program** - These funds are to be used for the treatment and education of the HIV/AIDS.

- ***East Jefferson General Hospital Grant*** - These funds were used for the Medical Director's salary and benefits. All funds were released as of June 30, 1999.

Note 3 - RESTRICTIONS OF NET ASSETS (Continued)

Temporarily restricted net assets are restricted by the donor for specific purposes or are available for future periods. The temporarily restricted net assets consist of receivables and certain property, equipment and land.

Temporarily restricted net assets at June 30, 1999, are available for the following purposes or periods:

1994 Department of Housing and Urban Development Community Development Block Grant - Net book value of equipment and building acquired	$379,421
Jefferson Parish Land Donation - Net book value of land donated by Jefferson Parish	117,000
State of Louisiana - HIV/AIDS Program	17,732
Total temporarily restricted net assets	$514,153

Note 4 - GRANT RECEIVABLE

A grant receivable at June 30, 1999, consists of $28,023 due from the State of Louisiana for HIV/AIDS Program expenses.

Note 5 - PAYROLL TAXES PAYABLE

Payroll taxes payable and related interest and penalties at June 30, 1999 consisted of the following:

Type	Taxes	Interest and Penalties	Total
Federal withholding and FICA	$124,122	$54,324	$178,446
State withholding	12,568	4,614	17,182
State unemployment	10,406	3,194	13,600
Totals	$147,096	$62,132	$209,228

During 1998, the Health Center entered into an installment agreement in the amount of $83,086 with the IRS for outstanding payroll taxes owed for the period December 1996 through December 1997. Monthly payments of $4,000 including interest are due until paid in full. Interest will be calculated at the applicable Federal rate. As of June 30, 1999, one monthly installment has been made under this agreement.

The above amounts include certain underpayment of payroll taxes for the period January 1998 to June 1998 and nonpayment of all payroll taxes for the period January 1999 to June 1999. The Health Center did timely deposit payroll taxes owed the IRS for the period July 1998 to December 1998.

Also, payroll taxes owed for the period July 1, 1999 to September 30, 1999 of $19,023 have not been paid. The Health Center began paying its current payroll taxes as of October 1, 1999. The Health Center is currently negotiating with the IRS and the State of Louisiana as to arrangements to pay all outstanding payroll taxes, interest and penalties for the period December 1996 to September 1999.

Note 6 - LONG-TERM DEBT

During 1998, the Health Center entered into a 13% note for the purchase of furniture in the amount of $16,992. Payments are due in sixty monthly installments of $387 including interest.

Note 6 - LONG-TERM DEBT (Continued)

Aggregate maturities of the note payable at June 30, 1999 are as follows:

Year Ending June 30,	Amount
2000	$ 3,031
2001	3,146
2002	3,890
2003	3,652
Total	$13,719

Note 7 - MAJOR FINANCIAL SUPPORT

In August 1995, the Board of Directors of the East Jefferson General Hospital agreed to fund up to one million dollars toward the following areas: $500,000 for capital costs and $500,000 for the medical director's salary and benefits to be received in four annual installments of $125,000.

The Health Center received three installments of $125,000 prior to 1999 for the medical director's salary and benefits. For the year ended June 30, 1999, the fourth and final installment for the medical director's salary of $125,000, which was accrued as of June 30, 1998, was received in July 1998. As of June 30, 1999, $500,000 had been received for capital costs.

The Jefferson Parish Council entered into a cooperative agreement with the Health Center to provide funding not to exceed $300,000 from the Parish's Department of Community Development Program for certain staffing and operation expenses at the Health Center for the year ended June 30, 1999. The Parish has agreed to pay the Health Center the funds at the rate of $74 per visit for patients not covered by private insurance or other governmental programs. For the year ended June 30, 1999, the Health Center earned $300,000 under the cooperative agreement which is included in net patient service revenue. As of June 30, 1999, the Health Center received $276,024 of the $300,000 with the remaining $23,976 collected after year end.

Note 7 - MAJOR FINANCIAL SUPPORT (Continued)

Also during the year ended June 30, 1999, the Health Center received $125,891 from the *Discretionary Funds of the Jefferson Parish Council* to assist with staffing and operation expenses.

Note 8 - FUNCTIONAL EXPENSES

Expenses have been reported on the statement of activities by natural classification for the year ended June 30, 1999. To present total expenses by functional classifications, expenses are charged to program services and supporting services (management and general expenses) on the basis of management's estimate of periodic time and expense evaluations. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Health Center.

The expenses for the year ended June 30, 1999 are allocated by function as follows:

Program services	$624,882
Supporting services:	
Management and general	161,500
Total	$786,382

Note 9 - OFFICE AND EQUIPMENT LEASES

As of June 30, 1999, the Health Center had office and equipment operating leases as follows:

- Mobile Office - Lease with Williams Scotsman in the amount of $913 a month for a period of 36 months.
- Postage Meter - Lease with Great America Leasing in the amount of $41 a month for a period of 36 months.
- *Copier - A lease with Xerox Corporation in the amount of $495 a month for a* period of 60 months.

Note 9 - **OFFICE AND EQUIPMENT LEASES (Continued)**

The following is a schedule by year of minimum lease payments under the above leases at June 30, 1999:

Year Ending June 30,	Amount
2000	$17,880
2001	12,659
2002	4,455
Total	$34,994

Total lease payments were $18,975 for the year ended June 30, 1999.

Note 10 - CASH FLOW INFORMATION

Cash payments of interest expense during the year totaled $2,353.

Note 11 - CONTINGENCY

In May 1995, the Health Center was awarded a grant of $452,000 by the Jefferson Parish Council from their Community Development Block Grant Fund. The term of the grant provides for repayment under certain conditions which generally relate to a change in ownership from a nonprofit organization to a for-profit organization or changes in uses of such assets procured with the grant funds. These terms will remain in effect until the year 2015.

Note 12 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

Management believes there is no material litigation pending against the Health Center at June 30, 1999.

The Health Center receives funding from various federal and local government programs which are subject to final review and approval as to allowable expenses by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the year in which agreed upon by the agency and the Health Center. Also,

Note 12 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES (Continued)

it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Health Center's financial position.

Note 13 - ECONOMIC DEPENDENCY

The Health Center receives the majority of its revenue from funds provided through a cooperative agreement with the Jefferson Parish Community Development Department. The amounts are appropriated each year by the Jefferson Parish Council. If significant budget cuts are made by the Parish, the funds that the Health Center receives could be reduced significantly and have an adverse impact on its operations. The Health Center has been approved to receive federal funding not to exceed $300,000 from the Jefferson Parish Community Development Department through its 1998 Community Development Block Grant under a cooperative agreement for the period July 1, 1999 to June 30, 2000.

Note 14 - RISK MANAGEMENT

The Health Center is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the two preceding years.

Note 15 - GOING CONCERN

The Health Center incurred a decrease in net assets of $116,566 for the year ended June 30, 1999. The Health Center's total liabilities exceed its current assets by $195,011 at June 30, 1999. This working capital deficit resulted in the Health Center not meeting its current obligations to remit employer and employees' payroll taxes.

On June 30, 1998, the Health Center incurred a decrease in net assets of $434,931. In comparison from 1998-1999, the decrease in net assets improved from the $434,931 deficit for the year ended June 30, 1998 to a $116,566 deficit for the year ended June 30, 1999, a difference of $318,365. The Health Center's liabilities of $289,642, which 72% is payroll taxes will be absorbed by funding allocated to the Health Center in February 2000. The Board of Directors and management are working with the IRS to have 100% of the trust fund paid and abatement of interest and penalties before the year ending June 30, 2000.

Note 15 - GOING CONCERN (Continued)

Through additional grants, Enrollment in HMO's, PPO's, managed care organizations and the increase of funding provided from collections of patient accounts receivables, current management will ensure that the Health Center continues to increase its net assets and keep its liabilities current (including payroll taxes).

GASB REQUIRED SUPPLEMENTARY INFORMATION SECTION

Exhibit E

YEAR 2000 SUPPLEMENTARY INFORMATION

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

(Unaudited)

The year 2000 issue is the result of shortcomings in many data processing systems and other electronic equipment that may adversely affect the Health Center's operations.

East Jefferson Community Health Center, Inc. has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that is necessary to conducting the Health Center's operations. The Health Center updated some of its computer systems during the year ended June 30, 1999 and is confident that all other computer systems are year 2000 compliant. The Health Center does not plan to purchase any additional equipment during the remainder of the year.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Health Center is or will be year 2000 ready, that the Health Center's remediation efforts will be successful in whole or in part, or that parties with whom the Health Center does business will be year 2000 ready.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

Bourgeois Bennett

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,
East Jefferson Community Health Center, Inc.

We have audited the financial statements of East Jefferson Community Health Center, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated December 21, 1999. We conducted our 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 East Jefferson Community Health Center, Inc.'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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Jefferson Community Health Center, Inc.'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions.

1340 West Tunnel Blvd., Suite 430
P. O. Box 2168
Houma, LA 70361-2168
Phone (504) 868-0139
Fax (504) 879-1949

Certified Public
Accountants | Consultants
A Limited Liability Company

P. O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, Suite 800
Phone (504) 831-4949
Fax (504) 833-9093

504 West Second Street
P. O. Box 1205
Thibodaux, LA 70302-1205
Phone (504) 447-5243

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 judgement, could adversely affect East Jefferson Community Health Center, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1 through 99-7.

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. However, of the reported conditions described above, we consider items 99-1, 99-2, 99-4 and 99-5, to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor for the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, La.,
December 21, 1999.

Bourgeois Bennett

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

To the Board of Directors,
East Jefferson Community Health Center, Inc.

Compliance

We have audited the compliance of East Jefferson Community Health Center, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that is applicable to its major federal program for the year ended June 30, 1999. East Jefferson Community Health Center, Inc.'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 East Jefferson Community Health Center, Inc.'s management. Our responsibility is to express an opinion on East Jefferson Community Health Center, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits 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 East Jefferson Community Health Center, Inc.'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 of East Jefferson Community Health Center, Inc.'s compliance with those requirements.

1340 West Tunnel Blvd., Suite 430
P. O. Box 2168
Houma, LA 70361-2168
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P. O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, Suite 800
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504 West Second Street
P. O. Box 1205
Thibodaux, LA 70302-1205
Phone (504) 447-5243

In our opinion, East Jefferson Community Health Center, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

The management of East Jefferson Community Health Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered East Jefferson Community Health Center, Inc.'s internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation 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 compliance that, in our judgment, could adversely affect East Jefferson Community Health Center, Inc.'s ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-8.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to material weakness. However, we consider item 99-10 to be a material weakness.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor for the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, La.,
December 21, 1999.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Federal Expenditures
Department of Housing and Urban Development:		
Jefferson Parish Community Development Department:		
Community Development Block Grant	14.218	$300,000

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the East Jefferson Community Health Center, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs noted during the audit of the financial statements for the year ended June 30, 1999.

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

• Material weakness(es) identified?	X yes ___ no
• Reportable condition(s) identified that are not considered to be material weakness	X yes ___ none reported
Noncompliance material to financial statements noted?	___ yes X no

b) Federal Awards

Internal control over major program:

• Material weakness(es) identified?	X yes ___ no
• Reportable condition(s) identified that are not considered to be material weakness	___ yes X none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	X yes ___ no

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Program:

CFDA Number(s)	Name of Federal Program (or Cluster)
14.218	Community Development Block Grant

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

Auditee qualified as a low-risk auditee? ___ yes _X_ no

Section II - Financial Statement Findings

Internal Control

99-1 **Criteria** - Cash disbursements should be supported by invoices, all canceled checks should be kept and invoices should contain documentation of general ledger distribution.

Condition - During the testing of cash disbursements the following was noted:

- Some disbursements were not properly supported by an invoice.
- Some canceled checks could not be located.
- Some invoices did not contain documentation as to which general ledger account the expense was charged.

Questioned Costs - None noted.

Context - This condition was reported in the previous audit.

Effect - Invoices being paid more than once, checks could be written to the incorrect person and invoices could be coded to the incorrect general ledger expense account.

Cause - Some invoices and canceled checks were lost or discarded and some invoices did not contain documentation as to which general ledger account the expenses were charged.

Section II - Financial Statement Findings (Continued)

Internal Control (Continued)

99-1 (Continued)

Recommendations - Steps should be taken to ensure that invoices and canceled checks are retained to support all disbursements. Steps should also be taken to ensure the invoices contain the appropriate documentation with respect to general ledger expense distribution.

Views of Responsible Officials of the Auditee When There is a Disagreement With Findings, to the Extent Practical - None.

99-2 **Criteria** - There should be a reconciliation of the accounts receivable subledger to the general ledger control account.

Condition - Patient service revenue accounts receivable subsidiary ledger is not reconciled to the general ledger control account on a monthly basis.

Questioned Costs - None noted.

Context - This condition was reported in the previous audit.

Effect - Erroneous receivables were reported to the funding agencies, incorrect billing to patients and third parties.

Cause - There was no reconciliation between the accounts receivable subledger and the general ledger control account

Recommendations - Patient service revenue accounts receivable subsidiary ledger should be reconciled to the general ledger control account on a monthly basis.

Views of Responsible Officials of the Auditee When There is a Disagreement With Findings, to the Extent Practical - None.

99-3 **Criteria** - General ledger salary accounts should be reconciled to IRS Forms 941 on a quarterly basis and Forms 941 should be reconciled to IRS Form W-3 at year end. Payroll taxes should be paid on a current basis.

Section II - Financial Statement Findings (Continued)

Internal Control (Continued)

99-3 (Continued)

Condition - Reconciliations of Forms 941 and general ledger salary accounts are not performed. Reconciliations of Forms 941 to the W-3 are not performed. Also, during the year, the Health Center had unfiled payroll tax returns. As of June 30, 1999, the Health Center had unpaid payroll taxes and related penalties and interest for payroll periods ending through June 30, 1999.

Questioned Costs - None noted.

Context - *This condition was reported in the previous audit.*

Effect - Accumulation of penalties and interest due to the nonpayment of payroll taxes, errors in the general ledger, Forms 941, W-3 and other payroll tax returns due to reconciliations not being completed.

Cause - Limited cash flow prevented proper payment of payroll taxes. The client did not reconcile Forms 941 to general ledger or Forms 941 to W-3.

Recommendations - All unpaid payroll taxes and associated penalties and interest should be paid immediately. General ledger should be reconciled to Forms 941 and Forms 941 should be reconciled to W-3.

Views of Responsible Officials of the Auditee When There is a Disagreement With Findings, to the Extent Practical - None.

99-4 **Criteria** - As discussed in finding 99-8, the Health Center does not have an appropriate segregation of duties.

99-5 **Criteria** - Collections from all patients and third parties should be actively pursued.

Condition - The Health Center does not submit request from patients and third-party payors reimbursement on a timely basis. The Health Center does not effectively pursue collections from patients or third-party payors.

Questioned Costs - None noted.

Section II - Financial Statement Findings (Continued)

Internal Control (Continued)

99-5 (Continued)

Context - This condition was reported in the previous audit.

Effect - Possible unrecovery of funds which were not filed in a timely matter.

Cause - Bills for patients are not sent on a monthly basis and third party billings are not rebilled in a timely matter.

Recommendations - To improve cash flow, the Health Center must implement a system for collection from patients and third-party payors.

Views of Responsible Officials of the Auditee When There is a Disagreement With Findings, to the Extent Practical - None.

99-6 Criteria - Cash receipts based on daily reports should be reconciled to bank deposits and support for deposits should be kept with the deposit slips.

Condition - Deposits include several days of activity without a reconciliation to daily batch sheets and support is not kept with the deposits.

Questioned Costs - None noted.

Context - This condition was not reported in the previous audit.

Effect - Deposits cannot be traced to support to determine if amounts being deposited are complete.

Cause - Reconciliations to the batch reports are not completed and support is not kept with the deposit slips.

Recommendations - Reconciliations to daily batch sheet should be completed when a deposit is prepared and check copies and batch report totals should be stapled to the deposit slip and filed by date.

Section II - Financial Statement Findings (Continued)

Internal Control (Continued)

99-6 (Continued)

Views of Responsible Officials of the Auditee When There is a Disagreement With Findings, to the Extent Practical - None.

99-7 **Criteria** - IRS Forms 1099 should be filed for any independent contractor in which fees exceed $600.

Conditions - Not all independent contractors who earned more than $600 received Forms 1099.

Questioned Cost - None noted.

Context - This condition was not reported in the previous audit.

Effect - Independent contractor may not report earnings on their tax return and the Health Center may be penalized for non-filing of Forms 1099.

Cause - Incomplete records at the end of 1998.

Recommendations - All information should be obtained from independent contractors prior to payment and Forms 1099 should be issued to all independent contractors paid more than $600.

Section III - Federal Award Findings and Questioned Costs

Internal Control

99-8 **Criteria** - There should be segregation of duties for the review of invoices, coding invoices, processing invoices for payment and having checks signed.

Condition - One person is responsible for reviewing invoices, coding invoices to the program, processing invoices for payment, signing checks, and requesting funds from Jefferson Parish for payment of invoices. On occasion, the person who is responsible for reconciling bank statements and posting receipts and disbursements to the general ledger performs the previously mentioned duties.

Section III - Federal Award Findings and Questioned Costs (Continued)

Internal Control (Continued)

99-8 **(Continued)**

Questioned Costs - None noted.

Context - This condition was reported in the previous audit.

Effect - The possibility of fraud or collusion exists.

Cause - There is a limited number of personnel available to handle different functions.

Recommendations - The Health Center should assign someone independent of the review, approval and processing of cash disbursements to receive the unopened bank statements and review the canceled checks and statements for unusual items.

Views of Responsible Officials of the Auditee When There is a Disagreement With Findings, to the Extent Practical - None.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

98-1 **Recommendation** - Steps should be taken to ensure that invoices contain the appropriate documentation with respect to approval, payment and general ledger expense distribution and invoices and canceled checks be retained to support all disbursements. Additionally, advances for per diem travel costs should be subsequently documented with actual invoices.

Management's Response - As of July 1998, new management has tried to ensure that all invoices contained documentation, including which general ledger account, the expense was charged. Unresolved, see finding 99-1, in the accompanying Schedule of Findings and Questioned Costs.

98-2 **Recommendation** - Patient service revenue accounts receivable and accounts payable subsidiary ledgers and general ledger cash accounts should be reconciled to the general ledger control account on a monthly basis.

Management's Response - Patient service revenue accounts receivable and accounts payable subsidiary ledgers and general ledger cash accounts are to be reconciled to the general ledger. Unresolved, see finding 99-2, in the accompanying Schedule of Findings and Questioned Costs.

98-3 **Recommendation** - Reconciliations should be prepared quarterly between the Federal Forms 941 and general ledger salary accounts to ensure accurate reporting on Form 941. Unfiled payroll tax returns should be filed and current payroll tax returns should be filed by the required due date. All unpaid payroll taxes and associated penalties and interest should be paid immediately.

Management's Response - Reconciliation's of Federal payroll form 941 and general ledger salary account was preformed on a monthly basis. Unpaid payroll taxes and related penalties and interest for payroll periods ended through June 30, 1998 was not

Section I - Internal Control and Compliance Material to the Financial Statements (Continued)

Internal Control (Continued)

98-3 (Continued)

Management's Response (Continued) - paid in accordance with the IRS agreement on April 1998. On October 1999, Mr. David Ramey with the IRS, met with the Board of Directors. Mr. Ramey and the Board of Directors are in the process of formulating a new agreement with the Internal Revenue Service in which East Jefferson Community Health Center can make affordable payments or the Board will make arrangements that will pay the balance due in full or pay the trust fund, providing penalties and interest are waived. Unresolved, see finding 99-3, in the accompanying Schedule of Findings and Questioned Costs.

98-4 **Recommendation** - Supporting documentation, calculations and explanations should be attached to all journal entries prior to being entered into the general ledger. All journal entries should be retained.

Management's Response - Resolved, an independent accountant was retained to ensure all adjusting journal entries recorded have supporting documentation, calculations and/or explanations for journal entries.

98-5 **Recommendation** - Consideration should be given to having the expense reports of the Executive Director approved by one of the Members of the Board of Directors prior to being paid.

Management's Response - Resolved, the Board of Directors implemented a policy that any check to the Executive Director for expenses, salary increase, the Board Chairman sign etc., more than $3,000.

98-6 **Recommendation** - As discussed in Item 98-12 the Health Center should maintain an updated listing of fixed assets.

Management's Response - Resolved, a listing of the fixed assets is maintained by the Health Center.

Section I - Internal Control and Compliance Material to the Financial Statements (Continued)

Internal Control (Continued)

98-7 **Recommendation** - Balanced general ledgers should be maintained for all months during the year as well as a complete year-to-date general ledger for the Heath Center's fiscal year. Complete payroll accounting records should be retained as support for all transactions.

Management's Response - Resolved, balance general ledgers are maintained for all months during the year as well as a complete year-to-date general ledger for the Health Center's fiscal year.

98-8 **Recommendation** - All salaries should be approved by the Board of Directors and included on the employee's W-2 at the end of the year.

Management's Response - Resolved, the Past Executive Director's W-2 was not amended by Paychex to reflect the unauthorized bonus. The unauthorized bonus is in process of review.

98-9 **Recommendation** - As discussed in Item 98-17, the Health Center should have an appropriate segregation of duties.

Management's Response - As of July 1998, the Health Center has tried to achieve an appropriate segregation of duties. Those accounting duties are segregated between four office personnel. Unresolved, see finding 99-4, in the accompanying Schedule of Findings and Questioned Costs.

98-10 **Recommendation** - To improve cash flow, the Health Center must implement a system for timely billing and collection from patients and third parties.

Management's Response - The Health Center has chosen to upgrade the billing and accounting system by purchasing software from Health Pro Solutions which is a system designed specifically for community health centers. For Medicare patients, who could not afford to pay, their account was noted and a medicare bad debt cost report was filed. Unresolved, see finding 99-5, in the accompanying Schedule of Findings and Questioned Costs.

Section I - Internal Control and Compliance Material to the Financial Statements (Continued)

Compliance

98-11 **Recommendation** - In the future, steps need to be taken to ensure that the financial statements are within six months of year end completed and audited.

Management's Response - Resolved, the Health Center retained the services of an independent accountant to ensure financial statements are filed in a timely manner.

Section II - Compliance and Internal Control Material To Federal Award

Compliance

98-12 **Recommendation** - The Health Center should maintain a fixed asset listing in accordance with the property management standards included in OMB Circular A-110 as follows:

- A description of the equipment.
- Manufacturer's serial number, model number, or other identification number.
- Source of equipment, including the award number.
- Whether title vests in the recipient or the Federal Government.
- Acquisition date and cost.
- Information from which one can calculate the percentage of Federal participation in the cost of the equipment.
- Location and condition of the equipment and the date the information was reported.
- Unit acquisition cost.
- Ultimate disposition data, including date of disposal and sales price.

Management's Response - Resolved, the Health Center maintains a fixed asset listing in accordance with property management standards included in OMB Circular A-110.

98-13 **Recommendation** - The Health Center should begin submitting accurate monthly internal financial statements to the Jefferson Parish Department of Community Development.

Section II - Compliance and Internal Material To Federal Award (Continued)

Compliance (Continued)

98-13 (Continued)

Management's Response - Resolved, as of July 1998, the Health Center submitted monthly balance sheets to the Jefferson Parish department of community development.

98-14 Recommendation - We suggest the Health Center obtain short term financing to pay unremitted payroll taxes as soon as possible. Additionally, a meeting with the Parish should be held immediately to discuss the Health Center's use of funds.

Management's Response - Resolved, as of July 1998, expense totaling approximately $42,000 were paid. Effective July 1998, the method of reimbursement was changed to $74 per visit. This method of reimbursement would help the Health Center meet the eligibility income requirement and would help eliminate cash flow problems. As of June 1999, the grant will continue to be reimbursed at $74 per encounter as agreed between the CDBG department and the Health Center.

98-15 Recommendation - The Health Center should follow the recommendations of the Jefferson Parish Department of Community Development and complete the agreed-upon eligibility form for all patients receiving services at the Health Center.

Management's Response - Resolved, as of July 1998, the policy changed. The Health Center is required to maintain documentation regarding the income qualifications on only the patients that seek payment by CDBG. The Health Center will try to maintain and continue to maintain income qualifications on only the patients seeking health care assistance through the community development grant.

Internal Control

98-16 Recommendation - Documentation of calculations regarding program income should be retained in order to support the amounts reported to the granting agency.

Management's Response - Resolved, as of July 1998, the Health center has documentation to support calculations of program income generated by CDBG funding.

Section II - Compliance and Internal Material To Federal Award (Continued)

Internal Control (Continued)

98-17 **Recommendation** - The Health Center should assign someone independent of the review, approval and processing of cash disbursements to receive the unopened bank statements and review the canceled checks and statements for unusual items.

Management's Response - As of July 1998, there is to be segregation of duties for the review of invoices, coding invoices, processing invoices for payment and check signing. These duties are currently the responsibility of three office staff and the independent account. Unresolved, see finding 99-8, in the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S CORRECTIVE ACTION PLAN ON CURRENT YEAR FINDINGS

East Jefferson Community Health Center, Inc.

For the year ended June 30, 1999

Section I - Compliance and Internal Control Material to the Financial Statements

Compliance

No compliance findings material to the financial statements were noted during the audit of the financial statements for the year ended June 30, 1999.

Internal Control

99-1 Recommendations - Steps should be taken to ensure that invoices and canceled checks are retained to support all disbursements. Steps should also be taken to ensure the invoices contain the appropriate documentation with respect to general ledger expense distribution.

Management's Corrective Action - During the June 30, 1998 the audit had taken place from January 1999 through March 1999, a few invoices were co-mingled during the fieldwork. Duplicate copies have been requested.

The independent accountant will provide management with a chart of accounts to ensure that all invoices contain documentation of the general ledger distribution.

To ensure cash disbursements are supported with invoices and canceled checks, copies of cash disbursements, invoices and canceled checks will be issued to the independent accountant. *Management will maintain the original invoices and canceled checks.*

99-2 Recommendations - Patient service revenue accounts receivable subsidiary ledger should be reconciled to the general ledger control account on a monthly basis.

Management's Corrective Action - Patient service revenue accounts receivable subsidiary ledger will be reconciled to the general ledger control account on a monthly basis. The independent accountant is responsible for the monthly reconciliation. The independent accountant will have supportive staff at the Health Center for two eight-hour days per week to ensure compliance. The independent accountant will have the following training and/or information: 1) how to read and interpret the reports printed

Section I - Compliance and Internal Control Material to the Financial Statements (Continued)

Internal Control (Continued)

99-2 (Continued)

from Medtron computer system, 2) have a copy of all contractual agreements between payors and third-party payors, 3) be provided a copy of the Parish and federal guidelines for sliding fee patients and 4) understanding of the adjustments and write-off that are generated at the Health center.

99-3 Recommendations - All unpaid payroll taxes and associated penalties and interest should be paid immediately. General ledger should be reconciled to Forms 941 and Forms 941 should be reconciled to W-3.

Management's Corrective Action - The general ledger salary account will be reconciled to the IRS Forms 941 on a quarterly basis and IRS Forms 941 will be reconciled to IRS Form W-3 at year end by the independent accountant. The Board of Directors has retained the independent accountant through December 2000. The Executive Director will be responsible for ensuring that the independent accountant reconciles the general ledger salary account.

99-4 Recommendations - As discussed in finding 99-8, the Health Center does not have an appropriate segregation of duties.

99-5 Recommendations - To improve cash flow, the Health Center must implement a system for collection from patients and third-party payors.

Management's Corrective Action - Effective February 2000 the Health Center will actively pursue collections from all patients and third-party payors. For the period July 1998 to current, the Health Center staff had to refile unfiled insurance claims. To determine what claims were outstanding a staff member had to review the claims patient by patient. Payments and adjustments had to be posted to the computer system and monthly statements mailed before we are able to determine what was due from patients or third-party payors. There are more than 6,000 accounts that had to be reviewed independently. As of February 2000, this process should be complete. Collections will be actively pursued; patients' monthly statements will be processed and mailed. Currently, all patients are responsible for payment of their co-payment prior to services

Section I - Compliance and Internal Control Material to the Financial Statements (Continued)

Internal Control (Continued)

99-5 (Continued)

being rendered by the Health Center. Funds due from patients are not allowed to exceed $200. All monies will be collected before services are rendered. If the patient has no funds, the patient will be referred to the Medial Center of New Orleans.

99-6 **Recommendations** - Reconciliations to daily batch sheet should be completed when a deposit is prepared and check copies and batch report totals should be stapled to the deposit slip and filed by date.

Management's Corrective Action - Cash receipts based on daily repots and supports for deposits are maintained by the office manager. The independent accountant will reconcile cash receipts to the bank deposits. The office manager will be responsible for providing the independent accountant with a copy of all cash receipts and daily reports. A meeting will be scheduled with the office manager, the independent accountant and the auditor to establish criteria for posting and managing cash receipts and deposits agreeable to all parties involved.

99-7 **Recommendations** - All information should be obtained from independent contractors prior to payment and Forms 1099 should be issued to all independent contractors paid more than $600.

Management's Corrective Action - The IRS Forms 1099 will be filed for any independent constructor for which payments exceeded $600 during the fiscal year ending December 1999. An amendment will be processed through paychex for the two Forms 1099 that needed to be issued for the year ended December 1998. The independent accountant will amend tax reports for the year ended December 1998.

Section I - Compliance and Internal Control Material to the Financial Statements (Continued)

Internal Control (Continued)

99-8 Recommendations - The Health Center should assign someone independent of the review, approval and processing of cash disbursements to receive the unopened bank statements and review the canceled checks and statements for unusual items.

Management's Corrective Action - Effective May 1999, a contractual agreement was ongoing with the Board of Directors and the independent accountant. After awarding of the contract, segregation of duties was implemented by the Executive Director to review all invoices, coding of invoices, processing invoices for payment and having checks signed. The current process in place is as follows: 1) the invoices arrived by mail and distributed to an account payable clerk (in the past it was management and the independent accountant), 2) the accountants payable clerk will review the invoice, match the invoice with a purchase order and a voucher for payments, 3) the voucher will contain information such as the invoice number, date of invoice, date due, general account numbers, etc., 4) after invoices have been vouchered the independent accountant will enter the invoice and necessary information into Peach Tree Accounting system and the independent accountant will process checks to be signed by the Executive Director. The office manager will maintain all original invoices and the independent accountant will retain copies.