



 For the Year Ended Kay 31, 1986

FINANCIAL STATEMENTS
With

and

INDEPENDENT AUDITORS' REDCOATS ON FEDERAL



## C口N_TRM.T3

rags

THDEATEMDEAT AUJTTDAS' REPORI $1-2$
FIRNNE121. STATENENFS ..... 3
Bslance shent ..... 4
Statenent of opesazhoos aruct ehanger in Bet asmeta
Statenent of opesazhoos aruct ehanger in Bet asmeta ..... 5
Statechent of cerh flantu ..... s-10
Noten to the Einamezal atsternnid
Supplementary inforaation ..... 17
Finoncini SCDtum Report (Ese)

KHE CTMP TBMC8 BKCT108
EEDERRL NAMRDE 2 mbependent auditores raport on achedule of federal ..... 12 owards
schedule of fioderal manade ..... 13
INTERHNL. CCNTSPOL$14-16$ridependent audjtariar report on inturnaloontrol ptructure hpasu on sn audit of hwade4imbnosna atstemente perfarved in accotdance
Bater1as veaknesa ..... $77-18$
Indepontiont auditors ${ }^{\prime \prime}$ Eeport on internà eanzrol ..... 19-21 seructore uaed In adrinistnrimg Iederal amerds
COMPZIJNCE ..... $22-23$
tnolependent suditors' repert on cisernlisnce24
Iten af Moncovapliancen$25-26$Indepencient suditak' ${ }^{\prime}$ repart on conpilance with apecific requimements opplicable to rajor sutberal matard procirans
Independent anciltorE' Eeport on eurplisnen 23-2a with the general requirenenti applicnble Do feders1 awardn ptograraz

TINANCTAL, IMYORMATZOD SECTION
ancirlad mithy duc finilata

## 

Board of piretetors
Techn action Board, IBO.
FYanklis, 1ooviolans

We bsue sudited the accompailying bblance ebeet of Teche Aotion Bonrs, Ine. (a momprofit organiantlon) an of May 31, 19\%6, and the related atsterente of operations, and cabh flowa for the year then onfed. Thwie financial whatesents ore the respoopibslity of
 exprecs an opinion on thesen firameial atatenanta baword on our Budit,

We conducted bux abdit in acoordanos with geessialiy seemptend
 the Comptroller General of the United statesj ond the provisions of office of Managesent and Budget Circular A-133, "hudite of Tbetitatimes of Highor Eforntion nint Other Monprofit
 that ve plan and perforn the avait 10 obtain reasonable ossurobce about vacher the ilmancias stataments se free of nsterial nisstatevent. An sudit includea exanspingr on a test basis, evidence expporting the arounts and digelosures in the financial neaterxetin, An asdit aino includer snimeneing the acoounting primeiplen used and alquificant ebtivates sucte by managunent, un well as evaluating the overall fimsnclal statement preobitation. We benlieve that our audit piraviden a reamonable bssin for aur epinios.

Th ouk opinion, the ifmaneial miatermata raforrad so above presest fairly, in all naterial rerpeota, the finamcial powition of Teche Actian hoard, Inc., al of Muy 31, 1996, ond the reoulto of its operations, and casth flobz for zhe year then ended, in confornty with generally scoepted accouncling pzimeipleb.

As dincunsed in Note 10 to the Iinancial itstennents, during the corzent year, the Bourd cbrnged ita rethod of accounting for cositilbutione and ita method of finanoiol reporting and tinancini ststement presebtation oi pleweribnd by st-steneots of finonelal Accounting standards So, 116; Nceaunting for Contributione Received and Contributiopes Hsole" and Mo. 117, "Financisi Scatemente of Not-foz-Prajic Organizations",

In sccordance with Grnworment boditiba bthatatis, wn brye olso ibnued a ruport dated Auguat 34,1998 on out consideration of Teche Action Beard, ine's intarnal coptrol strocture and a report dated hagust 14. 1996 on ika eorpliance vith lave and regulations.

Our sudit was conducted tor the purpone of forming an colndout on the basie finsnchal statements zaken aw a whole. The aupplessutary informathon, Finonclal Status meport [YSR], is presionted foy purpasesi of sdditionsl anslyose shd is fort a required part of the basic finencial stacenencs of Feche action Honrd, Ino. Buch Lnformstion has been mubjected to the sudlting proesdures applind in the audst of the basic flnbacial ztatements and, in our apinion, Lx inixly etated in all material respocta in relacion to the bavic financial meatenenta takos o wholea

Kuçuat: 14, 1996


CEST1FIED PUBLIC ACCDCOMNNT:

TECUS ACFICN LOARD, INC,
STAFROMENT OF OPERATICOSS AND CERMOES TM MES ABSETS
For the Year Ended INay 31, 1996

Rexults of aperationes

| Net patient secwica ravenue | \$ 1, 032,392 |
| :---: | :---: |
| Other opersting revenue | 993,569 |
| Federal grant ehsracy ir-kind eontribution | 144, 000 |
| Pharracy irr-kind contrsbutionm | 12,000 |
| state grant. | 1,121,549 |
| Total operating raveane | 2,224,143 |
| Operating expenper: | $2,819,354$ |
| Puraonal servicea | 1, 171,067 |
| Frisge benefita | 6,151 |
| Travel Supaliev | 411,491 |
| Suppliev Patient care contractosl | 110,055 |
| Dther contractual | 78,019 |
| Bod detita | 142,623 83,271 |
| Depreciation | 83,271 112,397 |
| Goneral and adniniatrative | 112,398 |
| Total $\mathrm{up}_{\text {erating }}$ expechen | 2,334, 865 |
| Lons froa operstions | ( 110, 724) |
| Non-grant. relsted 331 |  |
| Interest earned 8,231 |  |
| bonations $\quad$ \&, 285 |  |
| Other expmasa (3,803) | 5.223 |
| Excens of expentes mour revenoes | ( 104,7011 |
| Bet ascote at hay 31, 1935 afin restated | 1. 575.461 |
| Sot asaets ot Any 31, 1996 | $51.470,560$ |

The accompanying notes are an integral part of theae fibancial mtaterames.

FECHE hCTEON BDNKD, INC.
2TRTEMEN OP CASII VLDWS
For the Year Ended Nay 31, 1996
Inerease \{Doersabe\} In Cash and Cash Equivalenta

Caht tlows fron operating activhtien

Cash zeoelved frow patients and third party paynal
Cash rocelved fros federal grantors
Cash recolved fron ststa grantors
Cach received fron donations
Cssh racesived fron intereat
Cash pald to ruppliezo
Canh paid to expleyees and cantyactual
bet cash flema provided by operating activitied
$53,3112,248$ 3,005,926 56,000 \%,295

532
( 575,9331 (1,436,215)
235.832

Cash flows ifoos investing activities;
Cawh paid for capital meguiadtions (.-12.541)

Net canh used in smenting botivitima
$4-18,5423$
Cosh flows fron finaneing octivitiess
Cash paid for note payable
$1-303,4701$
Met gash fiomn tros flnancing activition
Net Increake in eash
1-303.9T01

Cseh at beginning of year
Cash st end of yoar

8

Meconcliletion of net incouen to nut cash provided by operating activitima:

Kxcmea of expentiep over revenues
Adjustnents to repancile operating incone to Jet cabh pravided by operacing octivitiest
pepreciation
83,273
Chsige in aswent and Liabilitide
Decrease in pationt accounts recelvable 91, 034 Decreakn in grant reobivbble Decrebae in thard porty payor raceivable increabe in other recelvablea Decreasen in imventory
11.377

30,105
(24,789)
Increaie in prepaid expenses
11,82n
Decrease in acoounts paynbla
( 2321 pecresse in acoerued mxpenaen Incrasen in third party settlesent payable
(2,3951 14,6781 Decreani in télainage psyabie 9,751 Decreabe in coseracte pryabie

Sut cash provided by operating octivitinn

TECME ACTION BONXD, INC.

## Notes to the Financlal statenents Kay 31, 1996


h smmary of the Board'* acrounting policies opplied in the preparation of the aeconpanying Einancini etatamntr fallow:
A. Net patient pervion revemon

Net pationt pervice revesue is reported at the eatimated het zealizable swounts fron potients, third party poyoriz, and others for services rendered, including estinated retrosct 1 ve adjustnemta zncler rejahursenent agrevoents with third-party pajors - Kedicere and Jedicsid. Retronctive odjustmente are accrund on an watiratend hania in tha pariod the related serviceen ate rentered and adjusted in future puriods as final aetlleventa are deternimed.
B. BLIding fon seele adizntrent:

The Board han a policy of proulaing betvicas to patienta based on the patient'o eoononke circunetances on the dave of service. Buch patients are identified based oa iinawoial information obtained frop the patient. Adjustaente are rade wherwtry charges to these petients are reducod or aliminated. Fheme adjuatwents are known as slidling tee scale adjostnents. slace the Board does not expect payment from these potient ${ }^{\text {g }}$ eatimated obarges for these survicas are not imelpded in bet pstient gervice revente.
C. Third photy rittionnite - Mediesenplodicaid

Loder Medicare and Medicsid, the Board is rejwburbed for nervicun pravided to thoae pationtn who qualify, Tnterin payments made froa these contractual agrewsents arn usanly lesp then eatsblished charges and the oost of the service provided, Final mettlamest through Hedicare and Medicoid Is deternined upon inbinlsesion of am annual enat zeport and oudsta conduoted by Medicare and Hedicasd. Net parlint service rervenoe in edjusted so required in subeeqoent perlods based on final wettlement.
B. Change in Agoounting Prineiple and Finonclal Btateoents Present:stion

During 1956, che Bosrd edopeed the rathod apoecified in Financial Acenunting Standards Board [FlSE] Statenent Mo. 116, "Accounting for Contribntions Received asd Contributions made*. In qunarnl contributed goods that neet the proper oriteria are recorded as itari of vupport or revenve vich a like swount recorded as expense ukan rensipt at falr nirket value. sce bote 8 for further Inforadion on the Board'n enetributions. The Boserd alpo soppted bass Statesent Bo. 117, "Finabcial Statementio of Hot-tor-proist Grgasisat ions."

## 

Under the pravisions of Btstmment No, 117, Not-lor-proilt entitien are zecpired to repoft infornation regording its financial position and operations according to thres ciasbes of net sssets: gnreatricted, terporarily rantrietnd and permanantly restrictas. In sooordance vith the proviaiose of the atatemunt, the noard bes elected ro report all contributiong and grants Vith donar atipulationa that age satiofied in the corrent Year an unrankiketers contribotiana. Thurefore sil the Bosrd's set angets ere ruported as unirebtricted. Fis adjuat for the effeots of Lhis stuterent, the noare rontated its exmbined equity of $53,535,461$ at may 31, 1935 \{位dined Earninga of $\$ 225,803$ and Contribeted Capital of $\$ 1,349,658$ ) to tharestricted het Aspete.

1. Iavertoxfel

Inventory is vaiued it the Jower of coit 〈firat-in, firet but neithod) or markent.

Fr Property and agy maent
Vropwrty and uqpipmunt are courried at cost. Depreoiation 10 conputed using the NLraight-ine fontbod ouvr than eatisated usefal Iives of the aabets.
6. Incgan taxoz

The bosrd is exerpt fron inocose zaxke as a not-for-profit organization andex code 501 (ch(3)) cherefore, fo provinion is made fox sncone vaked.
11. Enoth and Canb Equirannsp

For parposes of the statesent of cash Plawa, the haard conejders all cashy, invested coshy and all short tern highly liquid investmente with arigi=al maturities of lees than 99 dayo to be eash and/az cash equavalente.

Nors 2 - pogention and BCogze or opgentios
Pache Aetion moard in o net-for-profit coxporatiom, arganized in 1974 , whase purpowe is to provide conprehenslve hoalth care to area renidunta, in partioulsr, osro for the socio-econonically dibadvantaged. The clinde's area of arorvice is. It. Msry Parish. Feche motion Bobrd's seope of prisary hosith care servicen faclude pediatric, interasi sedicine and preventive bolth care, including fasily dental core and limised mental heaith serviobs. The boand almo offern complate anciliary mervices inejuding plowracy. One spocialty gervice, podiatry ia available twice renekly.

Inventory consiets of the following at May 31, 1996:

$$
\begin{array}{lr}
\text { Medical nupplies } & \$ 5,622 \\
\text { Pharnary } & 20,877 \\
\text { oifice aupplles } & 5,941 \\
\text { Dentsl cuphlies } & 4,422 \\
& \$ 36,862
\end{array}
$$

## BOIE 4 - PPORESTY AND EODIPNENT

The following in a surnary of property and equipnent and their conta and eatimated usefol lives at May 31, 19961

| Casegpry | 600L | Eutinated <br>  |
| :---: | :---: | :---: |
| Office farniture and equipaent | \$155,506 | 5-20 yoara |
| Modical and other equiproent | 79, 383 | 3-30 Yeara |
| Dostel equipreest | 92, 631 | 5 yeare |
| Vechicles | 15,318 | 5 yesers |
| Duilding and bailding |  |  |
| smprovementa | $\begin{aligned} & \frac{2}{2} 235,254 \\ & 1,593,252 \end{aligned}$ | 5*35 yearis |
| Lese; Acrurnisted depreciation | $\frac{429,+247}{51+163,295}$ |  |

## NOTE 5 - COMPBNGATED BRSERESES

Erployeen farn annual leave bawed upan lungeh af pervice ond howrs worked. At May 31, 1926, approxtnately $\$ 36,500$ hos been aceruod in combection ulth these oospensated absences.

WORE 6 - TALRD PAKTK GKITWOUMTS - MEDICSRT/MEDICSID
ha noted above, Hedicaid and Medicare reimburgenents are generblly less than charges normally estshlished fur those bervices. A Fedorally quallfied Monith Conter (FGille) way recover marn of theac conta Lacurzed pkoviaing nedicare and sedicaid services chroagh oubosiseion of annual cont reports, During the year under sudit, Fache Actian Board applied for reinhwrgements for the period Juno 1, 1995 through may 31 , 7995. In acdaition, ceztain mbaikaid and Merdicare cont zeportu far prioe yoare thave been filed and are etill open for rovich by third porty fonding agoncies. Powe reimburmonents are ntill due fron these funding aconeise. The totsi of 111 ruipbavamenta dall at May 31, 1996 is approxinately $\$ 133,006$.

Both the Medicaid and Wodicare reimbermpment amounti 4 ox $17 p \mathrm{p}$ are includad in net potsent service revewue, The Medicare reinburienent veceivablo for 1996, is approwimately $\$ 6,900$, For 1596 , the board recasved axcess reiphuraements daring the pear undor the Medipaid program ind oven approximately $\$ 3,800$ ta $\operatorname{keclicaid.}$

## NOTN J = KES PAT1KHT SERVIES RBVENTE

The following is a sumnary of patient revanue and its asapcisted adjuetrennts at May 3t, 1996.

$$
\text { Groes patient survice revenue } \$ 1,330,0 \mathrm{~b} 4
$$

Lena: Gliding fen acale
adjustrent $\quad$ S 453,232$\}$
Cobetactual adjustrients (244,220)
Total sdjustients
Wet pativnt astvice ravepoe
C. 592,4221
$\$ 1,032,372$

During the resr, the Board recolved in-kind contributsone fram ane DE itx Pispracoutical nompanses in the form of frec madications to be disteibuted to certain potients of the elifise. The sontributioní cotaled appraxinstely $\$ 149,600$ during the yesr and are acoounted foy as coutribestion revenue and expplies expense in the finangial atatesent.

NOTE 9 - Chassizicgricon or Rxpenses
The tollowirg sctobdule suncorizes the operating expenver by najor service ares for the yoer ended May 31, 1996;

Operabiog Expeneeg:
Personnel services
Fringe
Travel
Supplima
Patient care
Other
Bad ©ebta
Depreciation
general 5 adniaibtrative
Thtel operating expenwew

## Gqerating Fapuntien:

Perponnel services
Fringe
Travel
Sopplles
Pat:ant cario
Other
Bad dehts
Depreciation
Gnaeral 6 abninietracive Fotal operatimg axpenitea

Genetal and
bubledstrative redical peokal

| \$151,39? | \$033,403 | \$130,729 |
| :---: | :---: | :---: |
| \$0,405 | 43,680 | 13,651 |
| 6, 151 |  |  |
| $3 \mathrm{E}, 463$ | 42, 502 | 41,278 |
| 21, 269 | 48,918 | 1,576 |
| 76.009 | 510 | 510 |
| 142,623 |  |  |
| 27, 300 | 28,352 | 27,823 |
| 112,602 |  |  |
| \$657,192 | \$798, 765 | 9217.561 |


| Phatract | Suppori Eurvices | Tots) |
| :---: | :---: | :---: |
| 5149,946 | \$232, 002 | \$1,219,304 |
| 12,124 | 11,267 | 171, 067 |
|  |  | 6,151 |
| 250, 44\% | 29, 806 | 411,491 |
| ( 2,035) | 30,33s | 110,05s |
|  |  | 78,019 |
|  |  | 142,623 |
|  |  | 65,273 |
|  |  | 232,802 |
| \$210233 | \$243.752 | \$2,313,865 |

The 8 T . Hayy Parish Councth, the gowerning bady for the porish In whach the clinio is loceted, owns the parcels of land an wheh the Clinic is located. The Parlah Councll has agtend to allot the climic to utilize the property ot no charge as loog s6 medical and dental verviens are provided.

## NOTE 11 - PGYY TTMENTS

Sabsequent to the Board'n yoar end, o contract waa signed with on outgide billing dgowey ta gerforn billing for the Bown's Modicold and bedicare serviens. The fee for shis mervice is based ron 84 of the actusi fees eollected.

MOTE 12 - CONPIMEKNCJES
The basrd received funds uniker one fadersily assisted pragran is addition to Medicare and Medtoajd. Thia progran is sudited In accorciance with the single duait Het of 1 spes. Aodits of prior yesra haw not rewultad as any materisl diaaltowed coots tot tho prograny however, grantor agepoies nay provide for further examinationz_ Baned on priot experience, the Board'a manopenent believes lbot further exsisinaclows wand not resplt in why noterial dipallowed cont.
horte 13 - CGINCRORTRASIGNS
Forty-four percent of the Besid'E funding is ohtnined frow o foderal grant fron the Deportment of Health and masan Services, under the Carau=ity llesith Centern Proqran.

## FRUMACIAL STATUS REPDNT

Matic Halus Service
! thomesinevit

㤩

Cu
6048-700\%



|  |  $32-6117244 t$ |  | aniopy liaty | © Friat Fapal <br> [8, या $\square$ 4e | Pram fi moun |
| :---: | :---: | :---: | :---: | :---: | :---: |
| $\qquad$ <br>  <br> 25) 5134 |  |  | 9Fyod thent is Nat miture <br> Tve ing oh veri <br> 18. evin lit nen Whatis an/21/56 |  |  |
| nelhyumern |  |  | $\qquad$ <br> Piturnith | Thernea | Amina |
| - Wall ciner |  |  |  |  | 車,121, 73 |
| 4. Fiphoat mikem, |  |  |  |  | -1- |
|  |  |  |  |  | - |
|  |  |  |  |  | $3,5171,271$ |
|  <br>  |  |  |  |  | 141, 000 |
|  |  |  |  |  | +0- |
|  stinvip allinite |  |  |  |  | 154,969 |
|  |  |  |  |  | 801, 312+ |
|  |  |  |  |  | 1,185 819 |
|  |  |  |  |  | 903.849 |
| Iras reipeland nliywire |  |  |  |  | -5- |
|  |  |  |  |  | 8- |
| + Namer |  |  |  |  | - ${ }^{\text {- }}$ |
|  |  |  |  |  | 583,509 |
|  |  |  |  |  | [4]3,549 |
|  |  |  |  |  | $-0$ |
| hygrumatana mora animgot <br>  <br>  |  |  |  |  | 218,983 |
|  |  |  |  |  | -4- |
| \% Undianetarmww |  |  |  | 1 | 7- |
|  |  |  |  |  | Erb, 2 H |



 PBDEHAL. NKAMDS

Board of Directors
Tache Action neard, 1ne.
Franklin, Louialana
We have audited the ilnancial graterente of the Teche action Bosrd, Ino,. 〈a nonprotic orqanszationl as of and for the year ebded May 31, 1996, nind have insued bur report therann dated auguit 14, 1996. These financial btatexentib are the responsibility of the Fecthe action Bosed, Inc. "s monagesent, Oar responeibility $5 s$ to exprees an opiniba be these bunic financial st-btersunte based oa auz dudit.

We conducted our andit in accordance vith generally acoepted aoditing etsndardn, Government buditing Standarde, berued by thu Cosptrolier General of the Uaited Btatea, and che provivions of otfion of Managesent and Budget circular A-133, *Rodite of Institutiona of Hiqher Education and Other Homprofit inatitutions". Those हtandsrds snd OMB Circular A-133 requare that ve plan and perforz the audit to otitain rwancenhle axauranes about whether the ilpanoial btaterenta sre free of mazerial nisstatement. An audit inclodea exanining, on s test bsois, evidence supparting the anounts and dipolosures in the financial ataternmeib. hn audit blso imoludes aspenning the sprounting prinoiplef aned and wignificant eatimates node by managosent, os vall is evaluatimg the overall financisi stateannt presertationMu bedieve that our mudt providon a rwamonabla bailiv for bur opinson.

Gur audic wae comducted for the parpose of forming an opinton an the bacio flmbncisl ntatamente of Tache metion Doard, Inc., taken as a whole. The acearpanying Schedule of Pederal hwards is presentad for purposen of adaicioosl amelyoie ond io not a required part of the bsolo finsncisi statenents. The information in that Schedule han bepn anjoctad to the auditing proceduren applied in the audit of the bavie imnanclal olatemento and, in our opinion, io fairly presented in all raterial ronpentin in relation to the hosic financial ntatementif taken as a whole.


Aogust 14, 1926

TECHE METTDN WONXD, INC.
Schedude of Federsi Tunsede Por the lear Erided Nay 31, 1996

FBDERAI, GRAETORy PNSS-IHBOUGH GRANYOR GMNE /

CFDA PRODI2S TLM. 3

HUMTER
BRGENUS EXPE\&DFTMRYE

11-8. DqQartment of Hesith越期 Husan Sexrigen

Public Health Service-1

| Corerunity <br> Centera | Healh 4Beotion | 3307 | 92.224 | \$293, 8.49 | 5297.549 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Total fode asalotm | eral 4 Ems | ial |  | \$294.349 | \$223,549 |

+ denotes mejok progran


# Pigts \& Matte 

prigunainion el
unifind fotite locowinm!




Board af Directarn
Teche Action Board, 1nc.
Fraficlin, Louspians
Ho nove mudited the financsal ststements of the Teohe hotion Board, linc., (a nomprofit organization) an of and for the year ended May 31, 1996, and have laseed over report theremen dated soquet 14, 1996 .

We conducted nur andit in accordance aith gemerolly oocepted anditing utandarde and Fonceznnent Awditiog StandaEdar iswued by the Coaptroller General of the United 8rate0, and the provialena of office of Benagement snd Budget Circeler A-333, zodits of Inatitutiona of Higher Education and Dther Blomprofit inslikutions*. Thome standards bud ONB Elrealar A-133 require that we plan ond perfors the oudit to obtain rebsobsble sbsurance about whether the financial statemente are free of naterisl nisutaterent.

The nanagewest of Seche action Board, Inc., is responasble for eatabliuhing asd maintaibing an Imternal control ptruoture. in folillilmg this reapansibility, estivates and juclgrents by managument are required to aseebe the expected beveflee and related coets of internsl control strocture posicies and procedures. The objectives of as internal control structure are to peovide manoquenent vith reasonable, but not ababolute, basurance that boseto are bafegoserded sgojnet lose iroo unauthorssed 06e or dieppsition, end that transactions are execratid in aceoreanee vith manacjessental authorisation ased recorded properly to pernit the preparation of financlal statwantin in aceardanee with generally accepted eccountimg priacipies. Berauee of Imberent IInitatlone in any Ibternal oontrol etructere; errors or irregularities nay mevertheless occar and not be dutected. Nleo, projuction of any avaluation of the structure $E O$ future periode is subject to the riak that proeedures rasy become inadegoate bocause of changes in conditione or that the effectiveness of the debign and operetion of pollojes and promedures may Betaziorate.

In planning and perCorning our sodit of the financial stazenents of Teche Action Board, lnd, for the yoor ended May 31, 1996, we abtained an underintanding of the internal eantral atructure. with reapect c 0 the interabl oontrol otructure, wa obtained as ancersesidsng of the design of relevant poliecera and procedares and whether they how bevn placed is operation, and we aseessed control risk in ordex to detaraina cur suditing prooedures for the purpase af expreabing our apinion on the financial atntnmanta and not to provioe an opinion od the internal control atructura. secordibgly, we do not exprese guch an oplaion.

We noted a pertain matter imwalving the incernal control strueture and ite oporation that we conaider to be a reportabie consition undex etandards eacablibhed by the freerican Institute of Certilied Public Rocoustonts. Reportable conditiona involve nstters conion to car attention reloting to signifloant deticinnciaa in the duisign ar oporation of the internal onntrol atrueture that, in our judgesent, coald adversely affuct the orgasization'p ability to record, process, aumazize, and report financial dats in a manner that is consistent wieh ehe assertions of nansgerpent in the fina=eial ststernets.

A material weskness is a reportable condition in which the daalgn or operation of one or more of the internal costrol atructure elewents does not recture to a rolatively 100 level the riok that हrrare or irrequiarities in anounta that would be naterisl in relation to the fisancial etaterante being wudited may oofur and not be detected vithin a tinely period by employeter in the bormad course of performing their essigned functions.

Our convideratioe of the internal oontrol gtroeture would not necessarily dixclase all mattern in the internal control stracture that aight bu reportable eanditions and, acoordingly, would not necepaarily dipelowe all reportable conditions that are also considered to be naterial wobknespes as dafibed above. Bowever, we bellew the reportable oondition deveribed in the matorial weaknean suction in a material veakDess. This oundition was considered in doternining the natare, tining, and wotent of the prooedures to be perforned in our audit of the finascial atatmonte of Foche ketion Mowrd, Tme., for the year ended May 31, 1996. Thia notter is described in the material wnaknosa seceion of ehis report.

A aimilat lateer inausa by an datad Janusty 25, 1995, for the perisd enced May 31, 1993 reported ane raterial weskness in lbtermsi aecounting control whieh Was eorrncted in the currunt yeat.

Thle report ia intended for the inforzaeson of the tinamee comnittere, management, all funding spepcies, and the Legialative huditot. However, this report in a natter of pablic record, and ito dietribution io not linited.


## CERTIFIED PUMLIC ACOOUNRANTS

Ruguet 14, 1FP6

## Patient Feen - Phacrasty

Beckarnuad:
Whon a patient hap s prescription to de filled by the Teche metion bosid's phsernagy depsrtaent a premusbered docurent is phormacy encounter torn) in generated within then pharmecy departanat.

Once the prescrigtion is filled, a GODF of the eneounter forn 16 attached to the filled premoription. A filled presoription vill be either picked up and paia, not paid for because the patiant ia eligible for donated drugs, or retarned to bEDCk for failure bo pick op the pasaeription.

If saney in collected within the phorwacy departoent, it is deppeited into a essh rwgiater vickin the departmeot.

At the end of each day a tape is Fun suldeacing haw Ruch Fobey was pat into the registex and reaited ta the accountiog department for deposit and reoording into the accounting records.

## Auditrets' Commine

Conditions be noted the following internal control pharnacy defloienoles:

1. Reconciliation of emountiv actually collected to anount.in vhich should have been collectad, hased upon patieste paying for preacrspeloos, conld not be socorplished. This was due to lack of dacumentation of sotesl fees colisected by individual phtienty ecmpared to the cash regleter collections.
2. Recena to the cash regiater la not properly phyaically safeguarded if the pharwacy deportwent. in face, all three erployees in the departaent have aceeas to the registar.
3. The numerical enguesoe of the phamsoy enoounter forns genernted by thu pharancy departnent cobld not bo werified.

CoLteris? The objectives of sn internsl control structure are to provide reanomable, sunurance that mesets are mafeguarded agalmat loas from onauthorized ube or dikponition and Ebat boffloient docunentation exists for anoonts recorded in the financial st-stenents.
gifect Failure to saintain controls ower pharaacy receipte CAD reoult in the undur or aver etatement of revenons by the phornicy depmertmat.

Crupe! lack of a orsten to provide underlying docurentetion for the anowint collected in pharracy-

Managesent has recogniaed that there are waknaaseal in the Internal Control atructure of the Pharmavy, Chepe veaknespeg wore primnrily due to the fact that our Pharmacy Department use nat utilising the Ned-Care Patient Billing System. The Pharnacy departbent utillzee the Etreby pharzacy syaken when is not a patieat billing nodule. This Etreby. Phaznacy Byaker asbint the Phammeint in patiant drug counselimg and flagging adverat drug resctiods. The current Kad=Core systen cansot acconplinh theat neceasaty functions.

Ns of Movember 1, 1995, the Pharmacy departaent begon entersma Iodividual chargiei and pwyments into the Hed-Care gybten. Fouse charged and paymente can be traced bock to a Pharmacy Encoumter form and the individusi patient'a chart. At the and of each day, the Phermacy Clerk (Phornocies in pharnacy Clezkrs absencel corante the funde in the Fagsater, Bske o depoost G11p, printa s charge and recespt 1isting and reconcilna the Mad-Care report to the Individusl encounter farme. Thu clerk or Pbormaciet ore unable to delete any charges of paynents froen the Med-Care gyeten. Als anceuntar forms ace premumbered and accounted for.

The casb register asthin the Pharnacy functione as a locked draver. The Clerk and Phermacist are instructed to lock the reginter whenever they ledve the Dharnmey. Ope veaknesp is that all three erployese have accuas to the register. 3wesume of lunch broake and other dutlee, It ill bighly unlikely that only one waployoe cas wark the regieter.

With reopect to the rambering of the emocunter forss, Pharmacy utisiven pronumberud ancounter forma. No focounter forms bre deatroyea. All woided encounter forse are indiented an a woid. We have documented the beginamng encounter nusber and will again docunent the ending encointer number, These encounter farns are not Mod-Carn rulated. Thun, they do pot flow through the med-Care compoter eygen, The major weaknene ix having ta banua.lly bridpe the two separate systens; Twehe ketion cijnic vill continee to experitunce morm Internal Control difficulties bacause of the separate conputer vyatans. We are currently seeking funding to parchase a bed software bystes that Integrates sil of the separats componenta <General ledger, Patient Billimg, Acecuinta Fayable, Payroll, Inveatory, Pharmacy, eto,s
 usin If AmAINISTKRIGG YBDERAL ANARDS
noard of 0irectors
Teche Action Board, Tne.
Pranklis, Losseians

Me have sudited the flasincial stotenente of Teche Rotion Board, InC., ( $\Delta$ nomgrofit prgsnization) se of sud for the yaar ended may 31,3996 , and have ilabud our teport thereon dated suquat 14, 1995. Me bsve also audited Feche action Board's compliance with requitenents applicnble to nsjor federal prograns and have i6owed our report thereon datad augost 14, 1995.

We conducted bur andiz in accordance with geterally accepted auditing gtandarde, Goyernwent AMditing Stsondarde, is6ued by the Comptraller Oeneral of the Unsted statery and oflice of Manogorent snd Budget (CNa) Cifcular A-133, "Audita of Inetitations at Migher Molucation and dether Monparafit Inititutsoner" Those stsmdards sod OMB Circular h-137 rejuixe that wo plan and parforn the audit to obtsin reavonable ansurance about whether the financisl statencsts ste free of naterial siabtatesent ond sbout whether Teothe Aotion Board, Inc., cocoplied with 3 ant ani regulations, notsexspliance wich wich would iet waterial to major tederal mard progran.

In planning abd perforning our audllo of Teche action Board, 1ne-. for the yoar ended May 31, 1996, we considered the Board's internal control etructure in prober $\$ 0$ detarnina our auditing procedures tor the parpose of expreseing our oplaione on Teche Action board's finanosal atstements and on its conplisince with reçoirenente spplicable to najor progrsas and to report on the internal contral etructure in accordance vith cots Cireular a-133. This report addreased one conajaeration of internal contral ntructare polseied and procedures rejepsnt to complianop with
 addrenned internal oontrol structure policies and procedures relevant to our audit of the fisanclal stesenento in b separate report dated Angust 14, 1096.

The management of \%eche Netion floard, Ine., is Yeaponsible Cor estabisshing and maintaining as internal control struoture. In faleiljing thin rasponisibility, natimaton and judgronts by managenent are requited to abweas the expected betefita and related costg of internsl control stracture polioies and procedures. The objectives of an internal pontrol structure arn to provide nanagmant vith reananable, hut not atablution, asburamef that absets are safeguardiad squinat loss from unauthorized use or disposition, that transactions ake executed in socordsnce with monagocsent's suthoriastion and recordind properly to permst the preparation of tinancial statementa in ncootrancen with geserially accepted accounting principlea, and that Eederal avard progrons are Fanaged lia oospliance with applicable laws and regolations, Because of inherent linitations in any internal control etracture, errors, irrwgularitien, or instances of nomeaxpliance ray nevarchelwas oceur ard hot be detected. Alio, projection of any ervaluation of the itrocture to fueute perioda ia aubject to the risk that procedares may becone inadequate becaven of changes in coedstiong or that tha offoctiveness of the derign and operation of policies and procedures may deterioraze.

For the purpooe of this report, ve hove clansified the significast intormel coetrol etructara polician and provedurea uevi in adsinfitering feseral proquasa in thit following categorica:

## EEDNRAK AMARD ATMAKISTBASLYE CDCTRONS

## Gunized Mequiremmate

Polleical activity
CLvi3 rights
Caja manageronat
Federsi finamcial reports
hilcuable costefoont priseiplos
Dzup-Ytee workplace Act
hdhiniotrative reçpiverent.
Sapucitie Reguitemnnts
Typen of terviena dilowed or Lmallowed
slecibility
Hatching, ievel of effort, or earnarkimg requireoenta
Reporting cloins for stvances and reinberserents; and arounts elainud or uned for matcking
aodited ilmonclal ststements are reported in acoordance vith Genersily Accepted kerounting Principles
Roquirenemt that payments ari belog rade in accordance with the blidisg fon acale
Roguirensent for proper new of exoess progran inoose
Reguirement for BCRR reporting [Table 4) reoonci]es to underlying secopanting ruebrdu
Hequirement that the griantee be taxmoxerpht
Regairevent for wive of mon-grant funda prifor to then una of grant funds

For all of the isternal cuntrol structure catingoriex ilated above, we obtaineci an underatending of the denign of relevant pollolet and procedures and deternined whether they have been placed in operation, and the diseased contral riak.

During Ebe year ended May 31, 1996, Teche aotion Board, Inc.e expended $100 t$ of 1ta total Federal awards ander a major federal ewsed progrsar.

We perforzed tests of oontrols, as reguired by omb Circular A-133, to evaluste the effectivencon of the deeign and operation of internal control structure policiey and procudarea that wo conaidered relavant Lo praventing of detecting naterial notoospliance vith apeoillo regusvomenta, general requirenenta, and requirenents governing claiss for advances snd rejmbursenents shd smounte clsisnd or uned for natching that are ugplicabla to the Daard' 5 major federal award progran, which is jdantified in the becompanying Bchedule of Pederal ausads, Oor procedures vere lesn in socope than would be mecessary to render an opinion on theae Snternal control ntrootare polioios and procedures, hocordingly, we do not expmeal wach on opision.

Our compideraelon of the internsl control structure pollejes and procedures uped in edriniaterimg federnl wanzde would nat bucmesarily disclone all mattern in the internal contral striseture thar night canstitute material veakneasawe under standerda natabliwhnd by the Arnerican institute of Certified jublic hecountants. A material veakness is a condition in which the design or operation of one or nore of the interesl control Etrueture alurnate bown not ruduce to a relatively low luvel the risk thet nowocrplisnce with laus and reguiationa that worald be matmrial to a federsl avard progran may oceur and hot bo detected vithin a timaly period by erployenes in the nornsi coarse of perforaing eheir assigned functions. We notad no matters involving the interbal pontrol strpcture and its operations thot wh coneider to be material veakipeees na detifted above.

A ginilar lecter ingaed by 05 dated January 25 , 1995 for the year ended Kay 31, 1995, roportad one reportable candition. Thin condition was corrected during the pesr ended lasy 31, 19P6.

This report is intended for the intaznation of the finante comsttee, manogenent, tunding sgenoieg, and the legisiative Auditor. Howovar, thia report is a nanter of pubile record, and Lee distribution in mot infited.

sugust 14, 1496
 BABED OA AK HUDIT OE FJMANCIAL, STATKMENTS PEHFCIRMID


Hosetal of Diractore
Teche secton Board, lne,
Frank!in, loulsisna

We have audited the financsal etatemente of Feobe hotion Board, InO., (D nomprofit oryanazation) all of and for the year ended May 31. 1996, and bave labued our report tbereon dabed fugakt 14. 1996.

We concuceed our audit in accordance with generally acoepted anditing otsondarde, Gevernexent Budiking St-nndarda, lasued by the Comptroller Goneral of the United statea, and proviaione of offtoe of Menacesent and Eudget Circular h-133 "Audita of Institutions of Higher Education and Other fomprofit Inibtitutions". Those Etandsrds and okR Cireular A-133 rnguife that we plan and purform the audit to oblain reasonbble abaurance about whether the financial Etatersmota sra fran of matarial nisetaterent.

Conpliance vith 2swg, regujstions, contracts, and grants opplicable to Seche Action loard, Inc., is the respobsibility of Techu Action Board, Inc. "E manojemect, in purt of obtaiaing reboonsble ascurance about shather the finaneial ptatenente bre trop of material nisetatement, we performed tests of Teche Notion Boord, InO.'0 compliance vith cestain provisionk of dawa, reguiations, contracte, and graste. However, the objeotive of our audit of the finanoisl stateoonts was not to provide an oplnion on overall coppliance with wuch provialona. Aecardingly, wo do bot exprean luch an oplnion.

The reaulte of our tenta dincionad ons inntance of monconpliames thet is required to be reported herein under goorknosht sudising stindarde- This instance of noncompliance is explained in the Iten of nowoomplance mection of thin raport.

We considered this instance of nomocopliance in forning our opinion oll whether Fewth Action Board, Inc.'a 1995 financial atstepenta are peesented fairdy, in all waterial feapecta, if conformity with genexally occepted accounting prinoiples, and this report doos mot atfect bur report deted hugant $14,199 e_{\text {r }}$ an thage fimancial gtaterente.

A oimilar report isoued by ar instad Janaary 25 , 1996 , for the year ended Kay 31, 1955, reported nu inalascea of noncomplianen.

This report ia intended for the infornation of the finsnce connittee, managanat, all funding mgencisa, and the Legisistive huditar. Hownver, this report iv a natter of pubjio repard, and ital diatribution is not tinited.


CERTIPRAR vUnLIC ACCODATABIS

Augost 14, 1004

## suDF COMPISDIOM DEABLIME

## Audtor'o Comrante

Condition: Coopletion of snnusl sudit has exoeeded the
dendlinw.
Cliteriat state law requiree thot awaite be eompleted within fix months of the olose of the entity's figcal rear,

Effect: Woncorpliamee with atate lave.
Clues! The Board porticipotes in the Medioare and Hedioald health care reimburbemeit, programs and, as sweh. is recjuired to file annual cain reporte to dutarnise paur-end aettlerment aroants to be acerued for audit parposes. turing the year, the Board nade a change in the way the Medieare elaine ware being illed, which aftected the Mediosre bost report. Additional time van required by the maard'n ataft wnd the monaultast to complete the abdicare cont roport in order to obtain an accurate eetelement anount to be fisoluded in the ourreat avdited financial stataments.

## Managument 's Corzentil:

Teche Aotion Clinio's manageneat reoognizes the meed to have the audit cappleted in a timely msnnes. Thern thze sevvers? occurtencea which led to the latesene of this Year's abdit report, As menstoned, Teobe Action cilinic begns fliling FgHC claisa to Aetab medicare, in delay ocouzred in having to Basosily create logs which contained information that whe not puStable for POHC purposes. Teobe Action's current staff nor the curzent preparar of the cant reparta were faniliser enough with the Pguc requirerents.

The budst roport was alao dnlayad das to a ganatios in Toche Sction Clinic": Pharnacy internal centrol procedurean. Theme placeduzes were if place for aeveral years. However, we have since shanged pharnscy prooedaces wick wsll etrengthen cantrolu withis the Pharnbey-

Tectie sotion CIInic's management comtrola zhat with a more aclequate somputer $6 y s t e m$, we wosid not experience thepe delays. Un are currontly in the procema of identifying the neceamary funding to purchase the moch seeded fully integrated myatan.

## pitts \& Matte:

4 Rentrusige of
35
smilitat julatu moimotitin



Board of Direotore
Teche Notion Board, InD.
Frankiln, Loaleiann

We have sudlted the fimanclal btotementa of Tache Netion Roard, Inc., (s nowptofit organization) as of and for the year ended may 31,2906 r and have assued one roport therose dsted Auguet 14. 1936.
we have sleo sudited Teche hotion Board, Tnc. 'E, oorplisnce vith the regajrementa gaveraing types of servicee silowed of unallowod; eligiblifty; nateching, level of effort, and/or earnarking; reporting claime for advancen abd reinhuramanter; opoants olbiped of used for natohingr the regairencont for imanting that budiced fisencial intatemunta den in accofdamee vith Generally mecepted Necaunting Principlea; requiremant thest poypante are being made in accordance vich the allaing fee mealw; the regulteasent for propar use of excena progrbs incose, requitericht for BCKK reporting the regajackent that the grantau bs tax-Exempt; ans the reguiforsont that man-grant funde be weed prior to the wee of grast iunds, that aze applicabile to ita najor federal awsed progran, which is identsfied in the accowpanying 8chedule of Pederal Nwarde, for the year endacl May 31, 2996 , The manaqument of Tache Action Naard, 1ne., le reaponalbla tar the Board'a ounpliance with those requirementa. Our reaponsibility is to express an ppision of sumplssmes with those reguirenentg hanied on our audle.

Wa conducted our aadis of eomplinnce with thowe requirements in accotdance with generally aooepted abaiting otandards, Covernmmin Auditing Btandarda, Lesued by the Coaptrolizer Genersl of the Unsted 8tatos, ond Office of Kansjowent and Bodget (OMB) Circular $A-133$, FAudite of Inatitutions of Higear Education and Otber Nomprofit Ins干stutions." Thove etandards and ans Elreular A-333 require that wn pian nid perforn the sudst to obtain rwbsmeable abaurance about whathar material nopeuspliance with the reguirenente referred to in the gecond paragraph occarred. Mn audit imoludes exominimg, on a teat basis, evideade aboul the koerd's coppliancon vith those recgairemente. We belseve that oer audit providen of resobnable basis for as opinion.

In our opinson, Techn Action Board, Ino, coraplied, is all noterisi resperts, with apecifio reguirementar raferred co in the Geoond paragraph that are applicembe to fien najor federal ward progran for the year eaded may 31, 1936.
Shis report is Entended for the inforaation of the financo cornittee, managenent, ati funding ageneles, and the Legisjetive Aaditer, However, thin report is a natter of public record, and ite distribution in not linilted,


[^0]sugast 14. 1955



Boand of niroptore
Techn Actiots hajrd, Int:
Yraskilis, Looisiama

We have budited the financial acatemantz of Teche Acticin Bratch,
 31, 3996, sid have Lisubd our report thereon dated Angust i4, 1996.

We have appliod procedareg bo toat Teche Aetlan Noard' in corpliance with the follouing requirenonta applicable to itfederal amarda programe, which are idnetilied in the accorpanying Schachale of Pederal Awscdp, fot the year ended May 31, 1996! palitical sctivity; civil riqhtay cash nanagenent, federas financial reports; alsomable cost/oost prinosples prug-Free شoxkplape Act, sind ndnimjatzative requirarsutin. Dur procodurea wnre lisited to the applicable procodures sescribed in the offloe of Management and Budjet's "Crpplisnce Supplarment for hudsts of Institution of IIfhar Lasiming aha Dhber Nonparafit Inatitutionie", Out procedures wite uubstontsaj3y lose in ocope than an budit, the objeotive of whioh in the exprosesios of on opinime on 'Teche Netion Bobed's cosgilanco whth Lie requirewente 13uted in the preceding paragraph. Mceardingly, win do not: expreds buch an apimzon.

Nith rampect to zhe itend teated, the resolts of our propedures dibelosed no naterial instanoes of noncorpilanoe with the requiremente 2asted in the mectod paragreph of this repprt. Mith reopert to bterat mat teaked, hothing coand Lo our attention that cansed un Lo bedieve that Teche feeton Board, ince hod not coppliod, in all raterisi respert. with those requiremente.

A aisilar report isence by us dazend January 25, 1996, for the year ended Hay 31, 1995, reportan an innaterisl inatanee of noncompliance which war earrected during the currant year,
Fhis report in intended for the inforsation of the finance corriltee, managoment, sll funding agencles, and the Legisiative soditor. Havever, thia raport is a natter of publie racord, and itn diatribution is nat infited.


CERTLFIED SUBLIC NOCODOTAWTS

Nagust 14, 1996


[^0]:    CqativiED Tushic mecountamrs

