SCHEDULE OF FINDINGS AND QUESTIONED COSTS

East Jefferson Community Health Center, Inc.

For the six months anded Jane 30, 1995

Program	Finding	Questioned Cost
Bouving and Urban Development - CDBG	 Finding - During our review of payrell expenses obsequed to the program we noted charges that were not supported by time sheets or other documentation as required by OMB Circular A-122. 	\$23,651
	Recommendation - The Health Center begin requiring all employees to prepare fine sheets for all payrall expenses obarged to the program in order to properly document these requests in accordance with OMB Circular A-122.	
	Response - The Board will enforce standard precodure in segands to its final polarize and the Federal OMB Circuit rel.122, where it will be mandatory to opply accounting with the supporting documentation including time sheets prior to the boarance of any checks.	
Housing and Urban Development - CDBG	 Finding - During our review of payroll expenses charged to the program we discovered cartain obstrains which were incurred prior to the start of the grant. These charges also included a softmeness for a disputed health inscruce claim. 	\$3,875
	Recommendation - A through review of expension charged to the program should be done to ensure that all organisms have been incorrect subsequent to the impection of the grant.	
	Response - These expenses undergo extensive revé by Jefferson Parish Community Development Department and ware based not to be acceptable. J this contenence is now prevented because of our auccentral accounting system which allows a benar- view of duity transactions.	um,

NOTES TO SCHEDULE OF FEDERAL AWARD

East Jefferson Community Health Center, Inc.

June 30, 1996

New 1 - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133, SINGLE AUDIT ACT OF 1944

All Federal grant avoids of the East Jeffreson Community Health Center, Iac. are included in the scope of the OMB Center A-133, Single Andr. Ant of 1994. The Uhild States Disparations of Ohioang and Uhilm Development in the complore information and agency and the Jeffreson Parala Community development in the local cognizant and a gency for the single and h.

Nate 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Financial Award is a mammary of the cash activity of the Hash's Control in Robert awards program and deer not present immediate that would be included in financial statements of the Head's Center presented on the accreat basis of occurrents, as concentrational by generably necessaria principles.

Note 3 - FENDINGS OF NONCOMPLIANCE

The findings of nonzorapliance are disclosed in the Schodule of Pindings and Questioned Cont. The neurostici reinformement efform of the Federat and not accertainable.

			Accred Revenue of Checking Confort Inter 30, 1996	214/06	(4071)	607713	
			Dibuscrati	812,021.8	288/284	5 262.152	
	he.		Receipta	\$ 253,439	204,165	287266.3	
SCREDULE OF REDERAL AWARD	ealth Center,	Mel (16 and	Accred Ravenas or Urbenpended Ceth) et Ineaury 1, 1996	81,181,189	1	<u>81191 3</u>	
OF PEDER	Second 1 B	For the six meets ended June 30, 1996	Program Or Avand Amond	9 452,006	000'065		8
SCHEDULD	East Milerson Community Bealth Center, Inc.	For the sky	Agency Or Pum-Through Number	2010-56			
			Fided CTDA Number	14.215	14.218		
			Federal Grenor Pum-Theorge Grenor Program 138	U.S. Department of Incode, and U.Dono. Development/offsmon. Parity Countraling Development Block Gent	Community Development Block Gener	Totals	

The surface was conducted for the purpose of fluendag are spition on the basic fitmatiat memory of purposed for the processor of fluendag are spition on the source of behavior of Vortan Memory (International Publich Content in Content on sevents for basic for source and the processor for programs of additional manylus and for a fits basic fits and statements. The differentiate independence have been spition of the proceeded many the spition of the basic fluencial statements and is, in our prioring, in furthy proceeded for the spition of the spition of the basic fluencial statements and is an available.

Bourgein Bannett, LLC.

Cortified Public Accountants

New Orleans, La., Newcrahor 14, 1996.



Beargenis Bennets

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARD

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

We have audited the Francisk intercenter of East Jefferson Constantly Databa Consts, Juce, jureprefit corporation) as of and far the six motific and dol have 38, 1996, and have issued one report haveou dated Networker 14, 1996. These financial statuments are the responsibility of the Health Contro' management. Our responsibility is to express monitories on these basic Financial statuments haved on our avoid).

We conducted our rath is according with generally accordination gundents, indexes Bandergin, and only do Comparito Consort of the United States in the Levision of the United States (States) and the States in the States in the States in the United States in the United States in the States in the

CEPTER Court Part, Second All Res (1984) House Cold Mark and Research Mark and Resea Contract Parts Accounting Contract Accounting Contract



The results of our and/t procedures disclosed immuterial instances of noncompliance with he requirement referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered three instances of mesoampliance is forming our options or compliance, which is represent in the following spreagests.

In our opinion, East Influence Community Health Center, Inc. complied, in all manufail respects, with the specific requirements referred to in the second paragraph that are applientlie to in anjust federal award presents for the six membra needed Janu 20. 1996.

This report is intended for the information of the audit committee, resnagement and various Federal and local and agencies. However, this report is a matter of public record, and its distribution is not instruct.

Bourgein Bannett, LLC.

Certified Public Accountants

Nov Orleans, La., November 14, 1995.



Bourgeats Beanact

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAM

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

We have audited the financial statements of thest Jeffresor Conserverly Health Center, Inc. (n magazeti corporation) on of and for the air months ended Jano 30, 1994, and have issued our report thermon data downerbar 14, 1996.

We have also ackledule compliance of Data Millions Community Health Contra, hex-relation repeatoreans providing a devine on and investments the interpletation of the program program, which is identified in the accompanying behadle of Pontum Annual, for the investicated, June 3D, 1986. The samagement of East Affred Contrast, hexis responsible for the Health Contrast, which have regatives must be well on and and the temperature contrast an excision compatingue with these regatives must head on an and and

We concluded our and it originates with time in neurointer with generally mercept barries, statistics, Congranter, Andring and Constate A. 117, Andria C. 2019, and States, and Offere of Managerous and Balays (OMM) Constate A. 117, Andria C. 2019, and the states of the state of the states of the state of the states with the requirements infinited to in the scenario allowing overcomes. An anall takken recording the state of the requirements infinited to in the scenario allowing overcomes the state of the state of the state of the requirements in finited to in the scenario allowing overcomes. An anall takken the halves that are used provides a resonance block for our operation.

26



Ecolital Parts



Material instances of neaccompliance counits of ficknoss to follow the general requiressons that cannot on to consider fait the industry membraness resulting from house failures are rearceint to the Dynamicssi of Housing and UMan Development Community Development Redex (Canna, Tao counts of our traits of compliance dickined thermaterial instances or (reascompliance that are donathed in the necessaryout §§ Scholak of Fiching and Development Community Const.

We considered this material instances of wavesmplance in forming our opinion on whether the Health Contex's 1996 framelal statements are presented fairly, in all material respects, in conformity with generally accepted accessing principles, and this report does not affect our report dated Networks's 14, 595, on those framelal interaction.

Description dotterbal allows, the results of our provolution to determine compalances indicates a law, which rangests to be insert notedy, the fields flower competition, and its material research, which the responses that it is a second paragraph of this speers. With respect to how no testeds, and any sensitive sensitives in a second to the before what the Hadds cover in law at competition, and material responses to the second second second second second second second second second responses to the second second second second second second second second second responses to the second second second second second second second second responses to the second second second second second second second second responses to the second second second second second second second second responses to the second second second second second second second second second responses to the second s

This report is intended for the information of the based of directory, management and various Poderal and local andia agencies. However, this report is a matter of public record, and in distribution is not limited.

Bourgers Bannett, U.C.

Certified Public Accountants

New Orlnam, La., Newmener, 14, 1995



COMPLIANCE WITH THE GENERAL REQUIREMENTS APPI ICARLE TO FEDERAL AWARD PROGRAM

Fast Jefferson Community Monith Center, Inc.

We have audited the francial statements of East Jefferson Community Health Center, Inc. (a represents conversion) as of and far the six months anded Jone 30, 1996, and have insued our report

We have availed association to test the compliance of limit Jefferson Community Health Center,

- Alkywable Cast / Cast Principles

Our recorders were limited to the amiliable procedures described in the Office of Management and Budgett's Circular A-133 Compliance Supplement for Audits of Institutions of Health Conter, huch coverdinate with the manimuments listed in the precoding paragraph.

As discussed in the Schedule of Findings and Quantized Court the Health Center (id not have time abcets to support a significant sumber of payroll charges to the Department of Hondag and Urban Development Community Development Hoads Grant.

We considered this instance of noncompliance in forming our opinion on whether the Hauhh-Corearis 1996 frauncial attacments are presented fieldy, in all material respects, in conferency with generally accepted accounting principles, and this report does not affect our report dated November 10, 1996, or those frauncial statements.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Health Center in a separate latter dated Navember 14, 1996.

This report is intended for the information of the board of directors, management and various. Federal and iterat again again does not be the report is a matter of public record, and its distribution is not the field.

Bruryin Bannett, LLC.

Certified Public Accountants

New Orlean, LA., Newraher 14, 1995

Reargants Benness

INDEFENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors,

We have sucked the financial statuteness of East Jefferson Concernity Health Center, Inc. (a suspecific corporation) as of and for the six months ended June 30, 1996, and have issued our report. Encross stated Neversher 14, 1996.

We conducted our wall in accordance with generally accepted aufiling standards (Gozumann), Antiting Standards, inseed by the Comprecible General of the United States. These standards require that we plan and perform the audit to obtain reasonable assumes about whether the financial statements are feed of material asistatement.

Compliance with lines, regulations, controls and guest applicable to East latitions Concerning Hold Needs, but is its magnetizing for angenetic and the second seco

The analysis of our tots disclosed the following instances of serviceptionse that are required to be reperted herein under <u>Categement</u>, Audieng Standards, for which he ultimate resolution assume presently be descritiond. Accordingly, as provides for any heldly that may result has been recorrided in the Hauft Certerici 1996 instantish intermetis.

> 22 Contrartain | 10.8014001, marcane

2. Constitus - During our review of payrell experts charged to be payram we need charges for low reas responsed by true about, Albhang budgins crister aparing early applying to automia a true sheet. The cach alweedly pay particit, we result that the Antimizatories' Densering Fouries' Densering Fouries's that of the outtime sheets' have been applying the payses and related charges such much it has blank that antiparties' because payrable spaces and related charges such much it has blank and much setting the effective and the payrable state of the payrable space and much setting the effective.

Recommendation - The Health Center should begin requiring employees to prepare line sheets for every employue for which payroll and related expresses are charged to the program.

Response - The Board of Disasters has instructed the Descutive Director to begin consolution time shorts in order to recently document payroll charges.

A material weakness is a reportable condition in which the dougn or operation of one or range of the internal oceanol interestre elements does not reduce to a relatively low level the risk faith more requiring or which is not and operations that would be particulat as a dependent around pregname may occase and an to detected relation a thready period by employees in the normal comme of performing their sourceed for evictors.

Our consideration of the internal octool issuitare polysis and proceedings used is administering the federal award woold not necessarily disclose all matures in the internal octool attracts that reight be expositive conditions and, necessingly, would not recessively disclose all importable conditions that are also considered to be material workingsment on the first of stores. However, we believe that the presentable conditions during the size of a start of stores and the store of t

This report is inferred of for the information of the board of directory, reanagement and various Federal and/teend audit agencies. However, this report is a matter of public record, and its distribution is not limited.

Brargin Brunett, LLC.

Certified Pablic Accounters

New Origans, La., Neuroshiri 14, 1995 We performed using of currents, as regarded by OMII. Clearlar A-133, so evaluate the Concursus of the data and spectration of their current inversion to the concursus of the data end of the concursus of the data and the concursus of the concursus of the data general inspirations, and inspirations of periodic based to Concursus of the data measures channel on an off the molecular data and the probability in Concursus of the data pergent spirations, and inspirations and the probability in Concursus of the analysis of the pergent spikeling in the subscription of the probability in Concursus of the analysis of the pergent spikeling in the subscription of the performance of the pergent spikeling in the subscription of the performance of the pergent spikeling in the subscription of the performance of the pergent spikeling in the performance of the performance and the performance of the performance performance of the performance performance of the performance performance and the performance pere

We could a certain nutter involving the internal control instance and its operation that we consist to be reproduced by the instantial control of the American Instance of Certified Public Accountance. Reportable conditions involve matters corridge to ear nutration instance of application deficiencies in the objetive or operation of the internel correct instance that, in orping/more, could adversely official the Organization's while the administer the follows and incorrections with a mainbole item end terminations.

 Caudidion - For the six months ended June 30, 1996 the Health Conter failed to maintain a listing of lised noteip providenced with federal famils. Unline to maintain this listing would prohibit the Health Conter from complying with fidenal requirements on property management.

Recommendation - The Hashh Conter should maintain a freed asset listing in accordance with the preperty manuscretest standards included in OMD Checkler A-119 as follows:

- A description of the conjument.
- Manufacturer's social number, model number, or other identification number.
- Searce of the employment, including the award number.
- Whether title verits in the receipt or the Pederal Covernment.
- Accusition date and cost.
- Information form which one can calculate the percentage of Federal participation in the cost of the navipation.
- Location and condition of the canipraent and the date the information was reported.
- Unit acquisition cost.
- Utimate diaposition data, including date of diaposal and sales price.

Requesse - Our autornated seconaring system has a food asset mediale which has been implemented. We use in the process of ordering her coded identification tags to designate conference wavelaned with specific fands. The management of fee infilment conversity hash. Centre, the impossible fitted by a strateging and the strateging of the strateging and the strateging of th

For the purpose of this report, we have classified the significant internal control structure relative and suscedars used in administrative in federal reverts receives in the following categories:

Accession

- Cosh Disbarrenants
- Property and Designment
- Payroll
- Federal Grant Program

General Requirements

- Political Activity
- · Civil Rights
- Cash Massenreri
- Aflowing Cost / Cost Principles
- Drag-Free Workshop Act.
- Administrative Requirements

Specific Requirements

· Claims For Advances and Reimbarrennest

For all of the interval control interime empryies listed in the preceding paragraph, we obtained an understanding of the design or relevant policies and procedures and determined whether they have been ploted in operation, and we measured control risk.

During the six months caded June 30, 1996; East Jefferson Community Health Center, locscreanded 100% percent of its total federal awards under its major fideral award program.

Reargants Breezes

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARD

To the Hoard of Directory, East Jefferson Community Hoalth Center, Inc.

We have audited the financial statements of East Jefferson Community Houlds Control, Ioo (a respond to representing to at rule for the six months unded June 39, 1096, and have instant our report between shard Networks 14, 1994. We also motified the compliance of Table Jefferson Community Health Control, Ioo, with requirements applicable to its major fasteral award program and have instant or mean therma fund Networks 14, 1996.

We conclusion or with increasing with guesting waveful and high guesting during the stability, stability, and by the Comparison Control of the Vector Hanny, and Utility of Control of Vector Hanny, and Utility of Control of the Vector Hanny, and Utility of Chilar Macquerilli Lankanse. These methods and COMP. Creater A-133 requires the stability of transmitter and and and another second an assumed beat whether the Hannish Utility and transmitter and and the Vector Hanny and the Vector Hanni Vector Hanny. The Annual Macquerilli Lankanse. The Annual Hanni Hanni Hanni Hanny and Annual Hanni Hanni

To physicing and preferring on early for the six next scenario and man. 20, 1998, we considered the instrant occurs means of that it Himson Constrainty Hard Constra, Hu, moder is directive our and preservers for the preprint of copyosite gov explosion in the foundar instrument. of Hard Editors Constrainty Hard Constra, Hu, and a six compliances with software instraints of the Hard Constrainty and the preprint of the instraint constraints with CoMM Constra A. 313. This opera directions are associated and the instraint constraints with CoMM Constra A. 313. This opera directions are associated and the instraint constraints with CoMM Constra A. 313. This opera directions are associated and the instraint constraints with CoMM Constra A. 313. This opera direction constraints and the instraint constraints are associated and associated association and the instraint constraints and the instraint constraints and associated association and the instraint constraints and the instraints are associated as a subsection in segment and historication (4, 1998).



3) Catalities – During our review of payrell capacets charged to the payram we need charge-net are user on trappend by time alexts. Although patients existing reacting and complexe to subset a time theat for each lowwald purp period, we need that the Administrative Director's Taxonelli articlescid and exceeding at a single action. Taking the time stretch to discusse payrell systems and related integris could result in the Taking the time stretch and the stretch of the stretch and the counterpart of the stretch of and trappend the stretch of the stretch of the stretch of the stretch of the and trappend the efficient.

Recommandation - The Bealth Center should begin requiring all supply yes to prepare time sheets for every employee for which pupped and related expresses are charged to the probability.

Rapponse - The Board of Directors has instructed the Eventive Director to begin completing time shears in order to properly document payroll charges.

A material weakness is a reportable conditions in which the design or operation of ner or more of the largeral oceand memory demonstrates on a network of a reducted travelow the risk data tensor or impactations monorish that weakle material in relation to the financial statements being mobiled may recore and net be demond within a travely period by weakleynes in the normal conset of performance that animed functions.

Our qualification of the internal control standards would not meetingly disclose all matters in the internal control structure that might be repeated a conditions and, accordingly, would not necessarily cluckose all reportable conditions that are also combilered to be material sections on defined above. Downers, we believe that meet of the reportable structions described above is a manufal wouldness.

This report is intended for the information of the board of directors, management and vorious ("cdent and local and its agencies. However, this report is a matter of public record, and in databation is not invited.

Bourgein Bonnett, LLC.

Certified Public Accountants

Now Orleans, Lo., November 14, 1996. In plancing and preforming one adds of the distribution memory of Link Ardbaros Chernersky Link Cherner, Inc., He was a sensite a solid lance 21, 2023, we solider in a surdermarking of the internal contrast anaxies. With respect to the inferral lower distribution is understanding of the of the dasking cherchers policies and predications and what are day hower how my fixed in a surdermarking of the dasking cherchers policies and induction and what are day hower how my fixed in a surdermarking of the many cherchers policies and predications and what are day hower how my fixed in a surdermarking on the constraints of the dasking and the model of the dasking and the model dasking and the dasking and model dasking and the dasking and th

We noted certain matters involving the internal convol system and in operation that we conside to be experimine involving and transformation tabularly the Araymine Institute of Confells Using Anorements. Reproduction of the Araymine Institute of Araymine Institute of Confells updational efficiencies in the design of operations of the Institute Otto, of the judgment, could advantige affect the Organization's adving the record, preceds systematics, and appen financial data counterprints of the Araymine and Araymine Institute Otto.

 Candifien - For the month of June 1996, the each necessary for the Health Conter were red recoacted to the general ledger. Follow to perform membly basic reconciliations could result is some immediate and being recorded in the general ledger and being detected in attivity memory.

Reconstructed in As part of the aroundly accounting during bank reconsiliations should be prepared reconciling the bank balance to the general ledger balance and any differences knowlapped in a timely manimum. This reconciliation should be reviewed by a responsible of field to a membre bank.

Response - Bouasse of the tear number of persons involved with various responsibilities that contributed to posting and recenciling transactions, we identified our errors. We bired a full-time in-boose chief francial officer. Then we installed and implemented an auromated accounties weren that will resolve diver protect for meakering propose.

 Condition - When excitening certain such didentements, it was noted that some expenses were paid without involves as suggest for the didentement. This practice can lead to the Howth Cover dealerating programs to render.

Recommendation - Cash dishumannana should be properly supported with a vandor's invoice. The lowele should have proper approval to be paid documented on it along with documentation that the properties or services have been received.

Requester - With the installation of the netconstel networking system, we have implemented an accounts psysble modulo that has standard psysble mechanisms in place. For example, open involve file, individual path works of the and three part psysble obside. This means the cost information is the approached which costspit additional thecks and balances.



Baurgebre Bennets

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE 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 ArBreson Community Health Center, Int. (a netprofit corporation) as of and far the nin mentic caded Jane 30, 1996, and have instead our septer tharmon dated November 14, 1996.

We conducted our solil is accordance with generally accepted and/ing standards and Stammagnt And/ing Standards, insoci by the Comptrator General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assumes about whether the francala turnerses are free or canonical missionement.

The transported of Elm Affrence Constably Unified Convert, for is trengenation for the entropy of the constable of the constable of the constable of the constable of inference in proceedings of the constable of



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SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

Note 9 - CONTINGENCY

In May 1995, the Hashk Canter was awarded a grant of \$452,000 by the Jefferson Pathis Council item their Community Development Block Genet finals. The term of the grant provide for programment under cantain conditions which penerally relate to change in avasardapi fran morphal to for prefix or changes in succ of nucleo tieties precured with the man databa. These terms will remain in effect to attab. How you 2025.

New 10 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litization pending against the Health Center et June 30, 1996.

The Liable Carater reactives: Institute, there written forked provement programs which are avriged, in their works and approval as to allow gate an IMM2 of committances by the respective gatance agreements, they softlements or expresses striking out of a find location. Also, it is managements of points with a speed speed to the agreement and the Haddin Carater. Also, it is managements optication that may and/a by the gatance and the location compared to the IMM1 control for the IMM1 of the theory of the gatance and the bit control. The IMM1 control for the IMM1 control for the IMM1 of the IMM1

Note 11 - ECONOMIC DEPENDENCY

The likelife Center reactives the majority of its revenue from final particular disrupping parts administered by the effections particul connexity. Devolvement Department and Data Affariana Gaucia Hospikal. The grant annotane are uppreprinted workly year by these parting approvise. It specificates the particul particular disrupping approxitates are also a strain the likelih Connex matching and the reduced significantly and here a showed with the barrane of fields the likelih Connex with new in the field of the likelihood to th

Nate 7 - OFFICE AND EQUIPMENT LEASES

The Health Center is leaving office equipment, beginning June 1, 1995, for a period of 36 mentles. Minimum insee parametrs required under these leaves are as follows:

http://doi.org/10.1011/101111111111111111111111111111	Ansat
1997	\$3,485
1998	1,452
Total	\$4,938

Note 8 - CHANGE IN ACCOUNTING PRINCIPLES FOR CONTRIBUTIONS

Effective ansamp 1, 1996, the behalf 'Center adapted Stetement of Financial Accessing, Standmis (SFASS), 10, 16, 'Associating for Centerbuirds Research and Accessing Made'. The Haah Carner previously received contributions as summed resource with the finals were obtained provided to extend the approximation of the application constraints. In accessing SFASS 30, 116, cambridge the application file and summerized to the previously restricted, or previously for the application constraints. In accessing SFAS 30, 116, cambridge the application file and summerized to the application of the application of the application of the file and summerized to the application of the application of the application of the file application of the summerized to the application of the

The considerive effects adjuttment at January 1, 1996 represents \$945,534 of Data Jaffernan General Hospital support previously recording a second researce and the Sangle were expected for containing parameters. The constainties of the data in scores of one year at their net present while. Usedon \$955,836 and the data in scores of environment of the environment of the data in the data in the data in recording at strategies of the data in the data in the data in the ansate spin the experiment of the one-strategies and were data then be been effected in the 10.1167 cm 30.0000 in the data in the data in the data in the effective data in the data in the 10.1167 cm 30.0000 in the second the data in the effective data in the 10.1167 cm 30.0000 in the second the data.

Note 5 - FINANCIAL SUPPORT (Centinged)

The leftmone Partin Council hus approved allocations of \$550,000 and \$552,026 to the health Control from their Forders 1993 and 1999. Commany Directophonenn Risck Council Fault, respectively. These finale bosons available for capital and sparring expression April, 1996 and May, 1999 respectively. The 1995 finals are faultiented for expansion of the 1996 final shorts and exceeding and for capital engineering. An effect of the 1996 final shorts and exceeding and the capital engineering are and \$550, the 1100H control larger characterization (1996 gamma and \$652,000) \$159,220 in 1996 and 220,220 in 1995) usede the 1998 gamma. The 1999 gamma and \$550, the 1100H control larger characterization concendent at larger 2000.

Note 6 - FUNCTIONAL ALLOCATION EXPENSES

Expenses have been reported on the statement of activities by matrix classification for the six neurito ontion data and 30 PNN. In present both copenses for functional classifications, copenses are charged to program survices and supporting survices (management and general expense) on the basis of management's estimate of periods three and copense realizations. Management and general response include these responses that are not and diverging of the lotted former, the latentices buy provide for the second surport and diverging of the lotted former.

The expenses far the six months ended June 30, 1996 are allocated by finition as follows:

Program services	\$196,480
Supporting services: Management and general	44,905
Tetal	\$241,285

Netr 4 - GRANTS RECEIVABLE

Grants receivable at June 30, 1996 comprised the following emonts:

	Daliting Construction	Medical Director	
Comun. 1994 Community Development Block Grant East Jefferson General Hespital	\$14,043	s . _125,000	\$ 14,943 -125,900
Totals	\$14,043	\$125,000	\$139,043
Noncorrent: East Reference General Hespital, net of discount of \$19,509	s	\$238,091	\$230,091

Center receivable from East Jefferson General Haspital is to be received in three annual installaneous in the amount of \$125,000 per year for the years 1996 through 1998.

NHL 5 - FINANCIAL SUPPORT

In August, 1995, the Board of Directors of the East Jefferson General Hospitel agreed to find up to one million dollars towards the following arose, \$500,000 for capital costs and \$500,000 for the medical director's salary and benefits to be received in four annual installments of \$123,000.

The Haulth Conter received the first installment of \$125,000 doring Arquint, 1995 for the medical director's solary and bearding. The second installment for the multial discusses solary was social in September 1998. For the site number needed there \$31,1998 are prepresent were received for the medical director's solary. As of Juna 38, 1998, \$556,000 had here needed for medical contents and the site of the second solary and the secon

Note 3 RESTRICTIONS ON NET ASSETS

The Health Contor classifies the following familing sources in temporarily souricast and accounts for the mech, lubilities, revenues and expense attributable to:

- East Jefferson General Hospital Grant These funds are used for construction and configurant related capacitations. Also, these fixeds are to be used for the Medical Director's solver and basedin.
- 1994 Department of Housing and Urban Development Community Development Nieck Grant - These fands are to be used for the acquisition of certain motional equipment along with community certain cost, related to the medical citize.
- 1995 Department of Housing and Urban Development Community Development Block Grant - These finds are to be used for certain staffing and operational expension of the module of this.
- Juffarson Parish Land Danation This find accounts for the value of property document to the Health Canar for the medical clinic construction.

Tauppoauly restricted net music are restricted by the denor for specific purposes or or available for future periods. The temporarily restricted net awars are compiled of cash, rescivables and certain remement and continents.

Temporarily restricted out assess at June 30, 1996, are available for the following purposes or particula:

Medical director salary and benefits	\$ 401,004
Compaction and equipment acquisition	48,131
1994 Department of Homing and Urban Development	
Congranity Development Block Grant -	
Net book value of equipment and building acquired	452,000
1995 Department of Honsing and Urban Development.	
Consensity Development Block Grant -	
Uncopended proceeds from subsequent periods	1,284
Jefferson Parish Land Donation - Not beak value of land	
donated by Jefferson Parish	
Yoral temporarily retained net assats	\$1,019,419

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Castinged)

i. Financial Statement Presentation

In 1996, the Heah-Center adopted Statusent of Denvisit Associating Students, 1975 (Serial Social 1975 (Serial Social Public and adviction constraints and social tability of the social social

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

Derestricted Net Americ - Receives not patient service revenues, grants and other revenues and expends funds for the general operation of the Haalth Center.

Temperarily Restricted Net Assets - Receives grants and other revenues specifically substriced by the granter or donar to be used for a certain purpose or to benefit a specific accounting period.

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

Note 1 - CONCENTRATION OF CREDIT RISK

The Health Center has its principal office in River Ridge, Louistana. Medical survices are provided to patients of the Health Center who reside primarily in the Hamban and River Ridge area.

In addition, the Health Conservationies its each behaviors (including cash equivalents) at several fluxeshift institution benefici to the New Orkana ana. Accounts at such septimizes are secured by the Foldent Deposit Incounter Corporation up to \$100,000. Unintered balances are approximately \$44,415 at Juny 30,1996.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Graph Regizable

Genesis are recognized when the genetic makes a preerise to give that is, is untransec, unconditional. Conditional guark are recognized when the conditions or which they depend are unbranding test. For the six membra model June 20, 1969 all unconditional guarks were recognized as much and revenues. All grants receivable are deemed by sumascements to be collocative.

6. Property and Equipment

Property and equipment acquisitions are recented at cost. Depreciation is previded over the existence and all the deviate class of dispressible ansatz and is compared on the single-base model. Disord equipment is recerted on the first market velociat the class of preventy, which is them reacted as east. Depreciations sequence for the size another should are 20, 100% totaled RepH. Communities on the backhap velocial the classic expension is www.completed.html. 80, 400.

z. Not Patient Service Resources

Net patient service revenues represent the estimated not realizable associats from patients, third-pany parents and others for services rendered.

6. Statement of Cash Flores

For this purpose of reporting such flows, the Bealth Center corrider all highly liquid investments purchased with a maturity of three manths or loss to be such enclosed.

1. Income Taxes

The Health Center is a respective corporation as described in Section 501(c)(3) of the journal Revenue Code and in except from federal means two on related income personnt to Section 540(a) of the Code.

Exhibit

NOTES TO FINANCIAL STATEMENTS

East Jofferson Community Health Center, Inc.

Aug. 30, 1995

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This survey of applicant accounting policies of time before Community Health Control, rac, of the Health Cortes) is presented to usual in an understanding the Health Control's signalial manements. This financial naturenets and notes are representations of the Health Control's signaliant accounting the control of the technology and shoch they have a solution of the signal accounting principles and heart the resonance of the signal naturenets and the signal sector of the technology and these accounting policies conform to generally accounting principles and heart heart accounting policies conform to generally accounting the financial statuments.

a. Organization

The first Jefferson Community Hoalth Center, Inc. is a supprofit corporation, Sumod to provide primary health care serves to under-served secan in Jafferson. Parish.

b. Use of Estimates

The preparation of financial statistents is conferently with generally accepted seconting principlin requires sumagement to reading outputs and assumptions that affect the reported annexets of mosta and labellities and disclosure of consingent senses and labellities on the date of the distancial sumarrows and reported assarts of revenues and copasses during the reporting period. Annual results result differ (most notice exploring).

c. Cash and Cash Eorthalems

As June 30, 1996, the Health Center had \$200,274 of each and each equivalents. This balance is comparised of \$1184,846 from sanetstricted sources and \$95,328 from twomenuity rewritted sources.

d. Third-Parts Contractual Adjustments

Calculated third-party-contractual adjustments are accreated on an estimated basis in the period the related services are rendered. Net patient service revenue in adjusted as required in subsequent periods based on final settlement.

Fablic C

STATEMENT OF CASH FLOWS

East Jefferson Community Health Center, Inc.

Increase in set assets	\$1,036,773
Adjustments to recorneile increase in net moets	
to net eash provided by operating activities:	
Depreciation	6,916
Castalative effect on prior years of change in the	
worked of accounting for contributions	(922.633)
Americation of discount on long-term promise to give	(5.631)
(Increase) decrease in assets:	
Accounts receivable - patients	(4,429)
Grants receivable	394,146
Prepaid expresses and deposits	(1,996)
Increase (decrease) in liabilities:	
Access payable	5,352
Accrued saturies and wages payable	6,303
Payeof1 taxon poyable	10,142
Net eash provided by operating activities	505,970
Cash Flows Used By Investing Activities	
Building	468,855
Paschase of forestore and equipment	93,661
Not each used by inventing activities	562,516
Net decrease in cash	(57,446)
Cash	
Depinning of year	
End of year	5 280,274
See notes to financial atatements.	

Exhibit B (Continued)

	Unrestigned	Temporarily Rearricted	Total
Expenses (Continued)			
Health mouraneo	3,013		3,013
Lab and pharmaticy files	3,975		
Logd fees	5,100		5,100
Linkibly and workman's comp incarmer	3,223		3,223
Malpractice insurance	3,223		3,223
Marketing expersio	2,078		146
Meeting and printing expense	390		3.347
Miscellancom	2,517		7,557
Office supplies	7,557		4850
Other	4,850		4,650
Postage and box rental	890 903		900
Professional conference	7.452		7.452
Rest Results and realitioners	3,029		1019
Scenter,	3,634		1.634
Tolephone.	4.766		4,706
Tasyl	854		854
Linvel Otilities	1.041		1.045
Comes			······································
Total expenses	241,283		241,285
Increase (Decrease) In Net Assets Before Consultative Effect Of Change in Accounting Principle	407,084	(312,953)	96,152
Consultative Effect On Prior Years Of Change In The Method Of Accounting For Contributions		922,621	922,621
Increase In Net Assets	407,084	609,689	1,016,773
Not Assets Beginning of your	105,886	439,730	515,616
End of year	<u>\$ 512,970</u>	\$1,019,419	\$1,532,389

See notes to Engecial statements.

Exhibit II

STATEMENT OF ACTIVITIES

East Jefferson Community Health Center, Inc.

For the six months ended June 30, 1996

	Descripted	Temporarily Restricted	Total
Revenues, Gains and Other Support	Cinanistico	. Martines.	
Net rationt service resultants	\$ 13,175		\$ 13,175
Operating gains:	4 10,002		
Giunte			
Jofferson Parish	50,000		93,003
Fast Jafferson General Herrital		\$ 5.638	5.638
Commanity Development Strek			
Grant (CDBG)		263,436	263.436
Internet (Cashid)	3.158		3.188
LEBORING .			
Total revenues, goint and			
other support			
and and a set of the s			
Nat Assats Released Fram Bratrictions			
Satisfaction of purpose restrictions:			
Medical director	51.924	(51,924)	
Occuring solaries and expresses		(102,882)	
Construction and excipition:	427,200	(427,200)	
from restrictions	582,006	(582,006)	
Total revenues, gains, other support and			
not assots released from restrictions	618,369	(312,932)	335,437
Espenses			129,301
Solary and wages	139,301		12.650
Payroll mass	12,650		1.2,659
Advertising	1,291		3.611
Accounting fees	8,611		8,611 7,509
Consultant fees	7,500		7,500
Contract labor	1,200		1,200
Depreciation	6,916		6,936
Dees and subscriptions	140		140
Equipment partal	3,031		3,091

a

	Eshibit A
STATEMENT OF FINANCIAL POSITION	
East Jefferson Cumunity Health Center, Inc.	
June 30, 1996	
ASSETS	Teal
Current Assets Cash and cash equivalents Petty cash	\$ 280,149 125
Total cosh	280,274
Accounts receivable - pations Cleans receivable Prepaid exponen	4,921 139,043 10,040
Total current assets	434,278
Property and Explorement Supports (net of accoundated depochation of \$8(\$21) Backing Lond	139,535 757,978 117,000
Net preperty and opsipment	1,014,513
Other Assets Deposits Chant receivable (set of discount of \$19,909)	2,115 230,091
Total other moets	232,206
Total	\$1,680,997
LIABILITIES AND NET ASSETS	
Uadrilleis Account psychic Account psychic Account psychic Account psychic Payroli taxes psychic Taul current labilities	\$ 126,613 6,305 15,690 148,698
Net Assets Unrestricted Temperatily restricted	512,970 1,019,419
Tinted net assets	1,532,389
Tenl	\$1,680,997

Scenetes to financial statements

As discussed in Nonce (() and 8 to the firmedial interprets, on January 1, 1996, East Jefferson Concernity Health Center, Inc. obsequed its ractical of accessing for contributions and its method of reactive and Generalial statement excernet inter-

In necessaries with Government Audifing Standards, we have also learned a report dated November 14, 1996, on our consideration of East Reflexess Community Health Center, 166, 5 Harrest control structure and a recent dated November 14, 1996, on its Compliance with lows and comparisons.

Broyers Bennett, 1.1.C.

Centified Public Accountants

New Orleans, La., New mater 14, 1996.



Bonrgcols Bennels

INDEPENDENT AUDITOR'S REPORT

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

We have multited the necessparying interested of framewirel position of East Jatianua Commandy Hould Center, itso (the Health Center) (newporth copromation) and Fause 30, 1996, and for existent amounts of stativities and used flows for the vise remetly that medide. These Eastanual statistices are the responsibility of the Health Center's management. Our responsibility is to express an option on they for framewire based to come reads.

We conclude our and histocollines with sparsely sequely advised probability devided of devides galaxies in only by 1 Conjergier's lessen of the histocollines. This provides the devide galaxies in the sequely sequely advised on the sequely sequely advised on the devide sequely dispute the sequely devided on the sequely devided on the profession of the devide sequely devided on the sequely devided on the profession of the devided on the sequely devided on the profession of the devided on the sequely devided o

In our ophion, the financial antanaon indexed to show present fairly, in all material rangeous, the fitnessi position of East Jefferson Community Haulk Center, Iac. as of June 30, 1996, and the changes in its net assess and its modelshow for the six months then ended is conformity with guarcilly orieprot necessarily publiclyin.









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To the Board of Directors East Jufferson Community Health Center, Inc. November 14, 1996 Para 3

Bid Repairments

We read carria purchases of acquipment which were required to be lid in accordance with Louisian Roviced frames 18 2211-2225 and documentors of compliance was not available for our review. Descancestation should be maintained in the parchase file for all applicable parchases of materials, supplies and supposes. The following is a helpf material parchase with Louisiane Berning Matteria 18 2211-22225.

- All proclasses of materials and supplies in material \$10,000 must be advertised and let to the known builder.
- Advertisement in a daily rewapsper must be published two tisses with the first advertisement being, made 15 data prior to covering of bids.
- If bids lower than the accepted bid are received the reasons for their relation must be received and made next of maxihate file.
- Phase quotes or faminale quotes must be obtained and kept as part of the purchase file for all porchases of material and supplies between 83 (00) and 810 000

This information is intended unlidy for the use of the Board of Directors and rannagement of the East Juffesson Community Health Center, Inc., and sheald not be used for any other purpose.

Snockh

Wann Dogan

For the Firm.

WIDOW

Combering and



November 14, 1996

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

In failing our suppossibility as and next for the Baster feffermen Community Health Center, Iwa, (The Health Center) for the six months caulad hase 30, 1095, we are required to communicate to be resented bady center matters official to the months of our multi-

For the Health Center, this osceright body is the Baard of Directory. We offer the following information to year.

 Aution's respectibility under processly accepted autiliting standards and assertances and bins standards.

Due undit was conducted in secondance with generally accepted andicing standards and "Government, Auditing Standards" issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assumes above whether the Banacid attranspose are free of material initiationeers.

As required, separate letters have been issued on the internal control structure and compliance with laws and resultations.

We have campled with the sequinosents of the Single Audit Act and OMS Circular A-133.

2. Significant Accounting Policies

Significant accounting policies are described in Netr. 1.0 the feasibili interesting, for the six concentration could also 25, 1996, the Heidel Account Standards (DAAS) Accounting Standards Road Stanuaux of Plannards Account Standards (DAAS) No. 117, "finance Shaneser of No. 100 heider Mark Standards and Accounting accounting policies were adopted net were any other required to be adopted for the year model Road, 20, 2006.





Financial Report

East Jefferson Community Health Center, Inc.

June 30, 1996

- where providents of State law, then report is a probler document. A copy of the network has been solenned to the sources of the resolution works and other association public excity and other association public excity and other association public excito the temportune autobust of the excitotion and house of the origination and public office of the persist backs of count.