

EDEN DARE COMMUNITY HEALTH CENTER, INC.
 Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS
For The Year Ended June 30, 1988

CASH FLOWS FROM OPERATING ACTIVITIES:	
Decrease in Net Assets	\$1429,2843
Adjustment to reconcile decrease in net assets to net cash provided by operating activities:	
Had debt expense	96,974
Depreciation	56,180
Loss on sale of land	19,175
(Increase) decrease in operating assets	
Decrease in accounts receivable	19,464
Increase (decrease) in operating liabilities	
Decrease in bank overdrafts	130,312
Increase in accounts payable	19,359
Increase in payroll taxes payable	152,481
Decrease in accrued expenses	<u>128,789</u>
Net cash used by operating activities	<u>1132,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale of land	78,917
Building improvements	<u>(57,147)</u>
Net cash used by investing activities	<u>21,770</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from loans	110,800
Proceeds from mortgage bank note	57,347
Payments on mortgage bank note	<u>(145,823)</u>
Net cash provided by financing activities	<u>22,324</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,792
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1,023</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 2,815</u>
Interest paid	<u>\$ 45,720</u>
NONCASH TRANSACTION:	
Payoff of first mortgage loan - Union Plasters	<u>\$ 82,500</u>

The accompanying notes are an integral part of this statement.

NOTE 9 - CONTINGENCIES

The Clinic evaluates contingencies based upon the best available evidence. Management believes that an allowance for loss contingencies is considered necessary.

Grant Awards

The ability of the Clinic's continued operations is contingent upon continued funding from the Public Health Service. A grant award has been approved for the program year ending January 31, 1997.

Unobligated Federal Funds

The Clinic's grant funds, including amounts awarded for the current budget period, and estimated or actual unobligated federal funds carried over from prior budget periods are authorized for the Clinic's use only in the current budget period in the amount specified by the HHS awarding office in an approved budget or a Notice of Grant Award. As a result of carryovers of unobligated grant funds, the total amount of funds available in the grant account may exceed the federal share of the approved budget. Those funds are not automatically available to the Clinic. The HHS awarding office exercises sole discretion as to the use of those funds.

Grantor Agencies

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disclosed expenses, including amounts already collected, may constitute a liability. The amount, if any, of expenses which may be disclosed cannot be determined at this time although the Clinic expects such amounts, if any, to be insignificant.

NOTE 10 - THIRD PARTY REIMBURSEMENT

In accordance with the Omnibus Budget Reconciliation Act of 1985 (OBRA 85) and 1990 (OBRA 90), reimbursement policies for reasonable cost reimbursements were established for a certain set of Federally-qualified Health Centers (FQHC) such as the Clinic, rather than reimbursement based upon allowable charges for each service provided.

Settlement costs reports completed at year end are subject to audit and adjustment by the intermediaries.

NOTE 2 - CASH

At year end, the carrying amount of the clinic's deposits were as follows:

Operating checking	\$ 1,115
Payroll checking	<u>3,670</u>
Total	<u>\$ 4,785</u>

All deposits were held at a local bank and insured by the FDIC up to \$100,000.

Bank Overdrafts:	
Regular checking	\$ <u>3,788</u>
	<u>\$ 3,788</u>

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 1996 consisted of the following:

Patients	\$ 128,982
Medicaid	56,494
Medicare	5,084
Third party cost reimbursements	<u>149,917</u>
Other	<u>23,284</u>
Total	320,581

Less: Allowance for uncollectible accounts	<u>30,814</u>
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Net Accounts Receivable \$ 289,767

NOTE 4 - PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation at June 30, 1996 is provided:

	Property and Equipment			
	Beginning Balance	Additions	Disposals	Ending Balance
Unimproved land	\$ 178,788		\$ 178,788	
Building & Improvements	1,295,452	\$ 57,147		55,352,799
Machinery & Equipment	94,329			94,329
Furniture & Fixtures	89,136			89,136
Total	<u>22,698,178</u>	<u>\$ 57,147</u>	<u>\$ 178,788</u>	<u>22,698,178</u>

Basis of Accounting - (Continued)

financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement format applied. The Clinic utilizes the accrual basis of accounting whereby revenues are recognized when earned and expenses when incurred.

Federal grant funds are recognized as support when the awards are approved by the Department of Health and Human Services and drawn down by the Clinic. Expenses are recognized when incurred or obligated.

Budgets

A Budget outlining grant awards, program revenues and expenses is submitted prior to the start of each fiscal year for approval by the Department of Health and Human Services. Budget amendments and changes are allowed by prior approval from the Department of Health and Human Services.

Uncollectible Accounts

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

Property and Equipment

Property and Equipment is recorded at cost for purchased assets or at fair market value on the date of any donation.

Depreciation is provided in the financial statements to operations over estimated useful lives of the depreciable assets on the straight-line basis. The following estimated useful lives are generally used:

Buildings	88 years
Machinery and equipment	5 to 15 years
Furniture and equipment	5 to 20 years

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

qualified rural health clinics for covered health care services furnished by or under the direction of nurse practitioners and physician assistants. In order to qualify as a rural health clinic under Medicare and Medicaid, a facility must be under the general direction of a physician, be located in a rural area and operate in an area designated by the Department of Health and Human Services as having a shortage of personal health services, be engaged essentially in providing outpatient primary medical care, and meet health and safety requirements prescribed by Medicare and Medicaid regulations.

During the year ended June 30, 1996, the Clinic's operations were funded by a Community Health Service Rural Health Initiative (RHI) Grant awarded under section 310 of the Public Health Services Act, as amended. Various restrictions are placed on expenditures of these funds. Reconciliations of used and unused funds are prepared at the end of the program year and the propriety of such funds determined by the Department of Health and Human Services. The program year ends on February 28 of each year.

Reporting Entity

The accompanying financial statements of the Clinic presents the financial position and results of operations of various activities: unrestricted and restricted. All activities of the Clinic are included in these financial statements and are classified as unrestricted.

Accounting

The various accounts are grouped in the financial statements into an unrestricted fund which accounts for resources that can be expended currently. This fund represents the part of net assets that have not been restricted for identified purposes by donors and grantors. Unrestricted net assets also include assets whose use is contractually limited.

Basis of Accounting

Basis of accounting refers to when support, revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the

EDEN PARK COMMUNITY HEALTH CENTER, INC.
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Eden Park Community Health Center, Inc., hereinafter referred to as the clinic, was organized under the provisions of R.S. 1958, Title 12, Chapter 2, an amended, State of Louisiana in 1978, and recorded in the Non-Profit Corporations Book of the State of Louisiana.

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

The corporation is organized on a non-stock membership basis. Fifty-one (51) percent of the members of the board are chosen by the population served and at least three (3) members are representatives of the community with knowledge of the health needs of the population served and experience in the delivery of health care services. All members of the Board are elected for one (1) year terms determined at an annual general meeting held in January of each year.

The corporation qualified as an exempt organization under section 501 (c)(4) of the Internal Revenue Code and was notified of such status on January 15, 1980. The corporation changed its name from Eden Park Community Center Corporation of Baton Rouge to Eden Park community health center, Inc. on August 19, 1982.

In December 1971, Congress passed the Rural Health Clinic Services Act of 1977 (Public Law 95-218) to provide financial support for facilities using physician extenders to provide primary health care services in rural, medically underserved areas. The law authorized Medicare and Medicaid payments to

IRON PINE COMMUNITY HEALTH CENTER, INC.
 Baton Rouge, Louisiana

STATEMENT OF ACTIVITY
For The Year Ended June 30, 1990

	<u>Restricted</u> <u>Fund</u>
SUPPORT AND REVENUE	
Operating Revenue	
Patient service revenues - (net of contractual allowances)	\$ 832,981
Third Party Reimbursements	56,881
School Home Clinic	30,753
Miscellaneous	2,137
Non Operating Support	
Rural Health Initiative grant	375,770
Louisiana State Grant	100,000
Miscellaneous	21,355
Total support and revenue	<u>1,321,827</u>
EXPENSES	
Salaries	1,182,822
Patient care contractual	22,525
Payroll taxes	45,180
Medical drugs and supplies	39,708
Office expenses	30,262
Travel and training	11,137
Insurance	21,378
Telephone	20,213
Repairs and maintenance	53,528
Interest expense	49,789
Depreciation	56,180
Other expenses	29,474
Legal and professional	15,177
Bart and utilities	14,112
Provision for bad debts	92,828
Total expenses	<u>1,718,892</u>
NON-OPERATING GAINS AND LOSSES	
Loss on sale of land	<u>(39,135)</u>
Total non-operating gains and losses	<u>(39,135)</u>
total expenses and losses	1,753,192
DECREASE IN NET ASSETS	(439,364)
NET ASSETS - beginning of period	<u>343,782</u>
NET ASSETS - end of period	<u>1,513,508</u>

The accompanying notes are an integral part of this statement.

BIEN PASE COMMUNITY HEALTH CENTER, INC.
 Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION
 June 30, 1984

	<u>Unrestricted Fund</u>
ASSETS	
Cash	\$ 2,788
Inventory	6,782
Accounts receivable	324,807
Buildings & equipment - net	<u>1,435,482</u>
Total Assets	<u>\$1,809,859</u>
 LIABILITIES AND NET ASSETS	
Bank overdraft	\$ 1,788
Accounts payable	95,796
Accrued expenses	31,854
Payroll taxes payable	333,393
Due to the state of Louisiana	38,253
Loans payable	130,080
Mortgage note payable	<u>542,274</u>
Total liabilities	<u>1,133,338</u>
Net Assets	
Unrestricted	<u>\$665,521</u>
Total Liabilities and Net Assets	<u>\$1,809,859</u>

The accompanying notes are an integral part of this statement.

In accordance with Government Auditing Standards, we have also issued a report dated January 10, 1997, on our consideration of Eden Park Community Health Center, Inc.'s internal control structure and a report dated January 10, 1997, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Robert Beall & DeWitt

Certified Public Accountants
January 10, 1997



MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
NATIONAL SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Eden Park Community Health Center, Inc.
Baton Rouge, Louisiana

We have audited the balance sheet of Eden Park Community Health Center, Inc. as of June 30, 1994, and the related statements of activity and cash flows for the year then ended. These financial statements are the responsibility of Eden Park Community Health Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations". These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eden Park Community Health Center, Inc. at June 30, 1994, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

BIOM FARM COMMUNITY HEALTH CENTER, INC.
Baton Rouge, Louisiana

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KENNESAW COMMUNITY HEALTH CENTER, INC.,
Kennesaw, Georgia, Louisiana
**FINANCIAL STATEMENTS
AND
AUDITORS' REPORTS**
For the year ended June 30, 1982

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the original or returned, party and other appropriate public officials. The report is available for public inspection at the State Department of the Internal Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: FEB 12 1983



DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Eden Park Community Health Center, Inc.

We have audited the financial statements of Eden Park Community Health Center, Inc. (a nonprofit organization) for the fiscal year ended June 30, 1990, and have issued our report thereon dated January 10, 1991.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Standards of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Eden Park Community Health Center, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Claims
 From such companies for 1969, 1968 and 1967
 treaty under payments.

Contingencies
 The State owns four airplanes in operation
 for vendors and not only for materials and services.

Contingencies
 An account that represents such contingent
 payments for transportation for various State financial
 and operating "insured by State Bank Company Health
 Care" and Treaty 5015.

THE STATE ACCOUNTS ACCOUNTS

REVENUE OF THE STATE
 A summary of the State's revenue and related accounts
 provided with an appendix by preliminary notes.

Claims
 The State's position is to have payments who do
 not qualify for making the state to high probability
 reason for any amounts due.

Contingencies
 The State may not be able to estimate just due funds.

Contingencies
 An account that represents such contingent
 payments for various State financial and operating
 and operating "insured by State Bank Company Health
 Care" and Treaty 5015.

REVENUE, 1969

REVENUE OF THE STATE
 A summary of the State's revenue and related accounts
 provided with an appendix by preliminary notes.

Claims
 The State's position is to have payments who do
 not qualify for making the state to high probability
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During the fiscal year ended June 30, 1984, Eden Park Community Health Center, Inc. expended 100 percent of its total Federal awards under the following major program: Community Health Center Rural Health Initiative Grant.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the organization's major Federal award program, which is identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Clinic's ability to administer Federal awards programs in accordance with applicable laws and regulations.

These reportable conditions include:

1. OPERATING DISBURSEMENTS

Statement of Condition

We noted one instance where a payment to a vendor did not agree with the supporting invoice.

Criteria

Proper internal control procedures require invoices to agree with the disbursements.

Possible effect

The Clinic could incur disallowed operating costs.

Recommendation

We recommend that Eden Park Community Health Center follow their existing procedures to ensure all vendor payments agree to the supporting invoices.

Number of Items to Examine	Number of Items to Examine	Number of Items to Examine	Number of Items to Examine	Number of Items to Examine
1000	1000	1000	1000	1000

For 1000 of 1000 items (1000) items to be reviewed

For 1000 of 1000 items (1000) items to be reviewed

3.	CORRECT WAGE CALCULATIONS	Number of Items in (a) (b) (c)	Number of Items in (a) (b) (c)	Number of Items in (a) (b) (c)	Number of Items in (a) (b) (c)	Number of Items in (a) (b) (c)	Amount of Items in (a) (b) (c)
	ITEMS OF LIABILITY An award from business where employee's appeal did not agree with the corresponding injury award findings.	100	24	1	\$1,782,442	\$ 2,137	\$ 24
	ITEMS OF LIABILITY An appeal process was denied medical amounts contribution of salaries.						
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Number of Tests in Batch	Number of Tests and Batch Size	Dollar Amount of Tests (Batch)	Dollar Amount of Tests (Batch)	Dollar Amount of Tests (Batch)	Amount of Requisitioned Tests
1000000					

Qualifications
The results will lower if not lower priority and improve
examiners.

Recommendation
We recommend that you give Computing Health Center
priority in procedures to ensure that current issues
are paid timely.

Accountability
 An account from the First Community Bank (FCB) is reviewed for compliance with the FDICIA. Other items are supported by vendor invoices.

ACCOUNTS PAYABLE, BY VENDOR INVOICES

Statement of Condition
 An annual statement by vendors whose payments are not within management's authorization.

Analysis
 Major financial control requires management to approve vendor payments.

Qualification
 Payments must be made to vendors by certified bank payments.

Accountability
 An account from the First Community Bank (FCB) is reviewed for compliance with the FDICIA. Other items are supported by vendor invoices.

REVENUE, OPERATIONS

Statement of Condition
 An annual statement by employees whose payments are not approved by the employee's supervisor.

Analysis
 The Director's office reviews all time sheets to be approved by the employee's supervisor.

Qualification
 The Director's office authorizes salary awards.

Accountability
 An account from the First Community Bank (FCB) is reviewed for compliance with the FDICIA. Other items are supported by vendor invoices.

Number of Items to Audit	Number of Items to Sample	Number of Items to Review	Number of Items to Re-examine	Number of Items to Re-audit	Number of Items to Re-audit
100	20	20	\$ 507,495	\$ 10,187	\$ 507,495

1978 FARM COMMUNITY HEALTH SERVICES, INC.
 BARNHART, CONNECTICUT

FORMS OF SERVICES AND RELATED COSTS
 IN COMPLIANCE WITH FEDERAL AND STATE REQUIREMENTS
 APPLICABLE TO MAJOR FEDERAL PROGRAM TRANSACTIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 1978

Number of Items to be Furnished	Number of Items Furnished	Number of Items to be Furnished	Unit Price per Item	Total Amount of Items to be Furnished	Total Amount of Items Furnished	Amount of Government Costs
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1. **REPAIRS TO BUILDINGS**

Example of Building
 In 1978 the contractor agrees a contract to
 repair the roof space with the following
 details:

SCOPE
 Repair existing roof structure require
 Services to agree with the statements.

ESTIMATED COST
 The client would incur the total operating
 costs.

Requirements
 An estimated item from Farm Community Health
 Center will meet existing procedures to
 ensure all vendor payments agree to the
 supporting location.

2. **REPAIRS TO BUILDINGS**

Example of Building
 In 1978 the contractor agrees payments are
 all priority supported by the vendor's invoice.

SCOPE
 Repair existing roof structure require
 all statements to be prepared in support
 of the vendor's invoice.

ESTIMATED COST
 The client would incur the total operating
 costs.

600	07	1	\$ 171,071	\$ 171,071	\$ 171,071	\$ 171,071
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600	07	4	\$ 171,071	\$ 684,284	\$ 684,284	\$ 684,284
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The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to in the second paragraph and described in the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Eden Park Community Health Center, Inc. complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to the major federal award program for the year ended June 30, 1986.

This report is intended for the information of the board of directors, management and the United States Department of Health and Human Services. However, this report is a matter of public record, and its distribution is not limited.

Dennis. Beall and Delawor



Alexandria, Louisiana
January 18, 1987



DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

**INDEPENDENT AUDITORS' REPORT ON
ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE
TO MAJOR FEDERAL AWARD PROGRAMS**

To the Board of Directors
Eden Park Community Health Center, Inc.

We have audited the financial statements of Eden Park Community Health Center, Inc. (a nonprofit organization) as of and for the fiscal year ended June 30, 1996, and have issued our report thereon dated January 10, 1997.

We have also audited Eden Park Community Health Center, Inc.'s compliance with the requirements governing types of services allowed or disallowed; eligibility; matching level of effort; and/or earmarking requirements; special reporting requirements; special tests and provisions; amounts claimed for reimbursement or used for matching; federal financial reports; claims for advances and reimbursements and allocable costs/costs principles that are applicable to its major federal award program, which is identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996. The management of Eden Park Community Health Center, Inc. is responsible for the organization's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Environmental Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget COMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

We considered those material instances of noncompliance in forming our opinion on whether Eden Park Community Health Center's June 30, 1998, financial statements, are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated January 10, 1997, on those financial statements.

Except as described above, the results of our procedures to determine compliance indicate that, with respect to the items tested, Eden Park Community Health Center, Inc. complied, in all material respects with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Eden Park Community Health Center, Inc. had not complied, in all material respects with those requirements.

This report is intended for the information of the board of directors, management and the United States Department of Health and Human Services. However, this report is a matter of public record, and its distribution is not limited.

Wasson, Hoall and Debevoise



Alexandria, Louisiana
January 10, 1997



DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL AWARD PROGRAMS**

To the Board of Directors
Eden Park Community Health Center, Inc.

We have audited the financial statements of Eden Park Community Health Center, Inc. (a nonprofit organization) for the year ended June 30, 1986, and have issued our report thereon dated January 15, 1987.

We have applied procedures to test the compliance of Eden Park Community Health Center, Inc.'s with the following requirements applicable to its federal award program, which is identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1986: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug free work place act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Audits of Educational Institutions and Other Nonprofit Institutions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Eden Park Community Health Center, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failure to follow the general requirements that caused us to conclude that the misstatement resulting from those failures are material to the community health center rural health initiative grant. The results of our tests of compliance disclosed the material instances of noncompliance that are described in the accompanying Schedule of Findings and Questioned Costs.

Our consideration of the internal control structure policies and procedures used in administering Federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the cumulative effect of the reportable conditions described above to be a material weakness.

This report is intended for the information of the board of directors, management and the United States Department of Health and Human Services. However, this report is a matter of public record, and its distribution is not limited.

Dugan, Small and DeBevoise



Alexandria, Louisiana

January 18, 1997

Possible effect

The Clinic could incur disruptions in operations if vendors are not paid for materials and services in a timely manner.

Recommendation

We recommend that appropriate cash management procedures be implemented to ensure that financial obligations incurred by Eden Park Community Health Center are timely paid.

8. **PATIENT ACCOUNTS RECEIVABLE**

Statement of Condition

We noted ten instances where patient accounts receivable were not supported by promissory notes.

Criteria

The Clinic's policy is to have patients who do not qualify for sliding fee rates to sign promissory notes for any amounts due.

Possible effect

The Clinic may not be able to collect past due funds.

Recommendation

We recommend that the Clinic establish procedures to ensure all patients with amounts due sign promissory notes.

9. **PAYROLL TAXES**

Statement of Condition

Federal and State payroll and unemployment taxes were not paid by the required deadline.

Criteria

Federal and State law mandates that the Clinic report and pay payroll taxes by required deadlines.

Possible Effect

The Clinic will incur disallowed penalty and interest expenses.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that payroll taxes are paid timely.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

NOTE 11 - LOUISIANA STATE GRANT

The Clinic was awarded a Primary Health Care Grant in the amount of \$100,000 from the Louisiana Urban Affairs and Development Fund. The intent of the grant is to ensure primary care health clinic services to the indigent and low-income persons in unincorporated or underserved areas of East Baton Rouge Parish to provide the following services: general medicine, general dentistry, family planning, Aid-Med, pediatrics and immunizations.

NOTE 12 - IN-KIND CONTRIBUTIONS

The Clinic receives pharmaceutical drugs at no charge for use in its operations. The value of these drugs has not been determined and recorded in these financial statements.

NOTE 13 - MORTGAGE NOTE PAYABLE

On September 21, 1995, the Clinic refinanced a mortgage note with Union Planters Bank of Baton Rouge, LA in the amount of \$295,187 secured by land and building owned by the Clinic. The promissory note carries a 7.5% fixed interest rate payable in monthly installments of \$9,181 over 83 months with the last payment being \$9,594. The note matures on September 21, 2002. Future principle and interest payments are as follows:

Year Ending June	Principle	Interest
1997	\$ 71,481	\$ 18,446
1998	77,831	18,897
1999	83,811	19,317
2000	89,455	19,873
2001	94,400	19,528
2002	<u>431,826</u>	<u>6,284</u>
	<u>\$342,274</u>	<u>\$118,345</u>

NOTE 14 - LOANS PAYABLE

The Clinic has operational loans with local banks in Baton Rouge. The principle balances at June 30, 1996 are as follows:

Union Planters Bank	\$ 76,000
Liberty Bank	<u>35,000</u>
	<u>\$ 111,000</u>

2. **OPERATING DISBURSEMENTS**

Statement of Condition

We noted four instances where payments were not properly supported by the vendor's invoice.

Criteria

Proper internal control procedures require all disbursements to be properly supported with vendor's invoice.

Possible effect

The Clinic could incur disallowed operating costs.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that all disbursements are supported by vendor invoice.

3. **MANAGEMENT APPROVAL OF VENDOR PAYMENTS**

Statement of Condition

We noted twenty five instances where vendor payments did not contain management authorization.

Criteria

Proper internal control requires management to approve vendor payments.

Possible effect

Payments could be made to vendors for unauthorized purchases.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that all payments are properly authorized by management.

4. **PAYROLL AUTHORIZATION**

Statement of Condition

We noted nine instances where employee time sheets were not approved by the employee's supervisor.

Criteria

The Clinic's policy requires all time sheets to be approved by the employee's supervisor.

Possible Effect

The Clinic could incur unauthorized salary expense.

NOTE 13... FUNCTIONAL EXPENSES

Statement of Financial Accounting Standards No. 117 requires functional expenses to be reported. The functional expenses for the fiscal year ended June 30, 1996, are summarized below:

Medical	\$	728,000
Dental		182,138
Lab		30,813
X-Ray		4,325
Facility		226,569
Other Health		76,471
Medical records		38,143
Administrative		410,006
Transportation		13,163
Total		<u>\$ 1,718,532</u>

The management of Eden Park Community Health Center, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and that the Federal award program is managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering Federal programs in the following categories.

General Requirements

Political activity
Civil rights
Cash management
Federal financial reports
Allowable costs/cost principles
Drug-free workplace act
Administrative requirements

Specific Requirements

Types of services allowed/disallowed
Eligibility
Matching, level of effort and/or earmarking
Special reporting
Special tests and provisions
Assets claimed for reimbursement or used for matching
Federal financial reports
Allowable costs/costs principles
Claims for advances and reimbursements

For all of the applicable internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

ELLEN HARR COMMUNITY HEALTH CENTER, INC.
 BAYFOL HOUSE, LAMAR, LA

SCHEDULE OF FEDERAL AWARDS
 For The Fiscal Year Ended June 30, 1984

<u>FEDERAL GRANTOR/ PROGRAM NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FISCAL YEAR ENDED JUNE 30, 1984 DISBURSEMENTS/ EXPENDITURES</u>
MAJOR PROGRAMS		
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Assistance:		
Community Health Center Rural Health Initiative Grant	93.224	\$ 279,170
NONMAJOR PROGRAMS		
NO NONMAJOR PROGRAMS		<u>\$</u>
Total		<u>\$ 279,170</u>



MEMBER
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1987 FIDELITY PUBLIC ACCOUNTANTS

MEMBER
NATIONAL ASSOCIATION OF CPAs
1987 FIDELITY PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL AWARDS

To the Board of Directors
Eden Park Community Health Center, Inc.

We have audited the financial statements of Eden Park Community Health Center, Inc. a nonprofit organization for the fiscal year ended June 30, 1988, and have issued our report thereon dated January 10, 1989. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the procedures to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Eden Park Community Health Center, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Dauzat, Beall and DeBevec

Dauzat Beall & DeBevec
Alexandria, Louisiana
January 10, 1989

We considered these material instances of noncompliance in forming our opinion on whether Glen Park Community Health Center, Inc.'s June 30, 1995, financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated January 10, 1997, on those financial statements.

This report is intended for the information of the board of directors, management and the United States Department of Health and Human Services. However, this report is a matter of public record, and its distribution is not limited.

Kangas, Beall and Debevec



Alexandria, Louisiana
January 10, 1997

STATEMENT OF WORKS AND WORK RESULTS

Number of Days in Compliance	Number of Items Noted	Number of Items Not in Compliance	Number Percent of Compliance	Total Amount Funds Issued	Number Amount of Items Not in Compliance	Amount of Funds Issued in Error
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1. LAKE ARROYO REPORT

100%

Statement of Condition

The audit report for fiscal year ended June 30, 1996, was submitted only to the Legislative Auditor. It was stopped to notify the Clerk within his statutory time limits requirement but due to not receiving the Auditor's advisory letter by November 21, 1996, the audit report would not be released.

Criticism

State law requires that the audit report be submitted to the legislative auditor six months after the fiscal year ends.

Possible Fixes

The Clerk could have notifications placed on bills by the State Legislative Auditor.

Recommendation

we recommend that Lake Park Community Health Center establish procedures to ensure the audit report is completed and submitted in accordance with State law.

2. PAYROLL TAXES

100%

Statement of Condition

Annual and bi-weekly payroll and company taxes were not paid by the required deadlines.

Criticism

Annual and State law requires timely payment of payroll taxes.

Possible Fixes

Interest and penalties will be forgiven.

Recommendation

we recommend that Lake Park Community Health Center establish procedures to ensure that payroll taxes are paid timely.



DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Eden Park Community Health Center, Inc.

We have audited the financial statements of Eden Park Community Health Center, Inc. (a nonprofit organization) for the fiscal year ended June 30, 1986, and have issued our report thereon dated January 19, 1987.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards and in accordance with OMB circular A-133, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Eden Park Community Health Center, Inc. is the responsibility of Eden Park Community Health Center, Inc. Organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Eden Park Community Health Center, Inc. compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in laws, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of our test of compliance disclosed the following material instances of noncompliance:

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the cumulative effect of the reportable conditions described above to be a material weakness.

This report is intended for the information of the board of directors, management and the United States Department of Health and Human Services. However, this report is a matter of public record, and its distribution is not limited.

Darrat, Beall and Debevoise



Monroe, Louisiana
January 30, 1997

Criteria

Proper cash management for Federal funds requires timely vendor payments.

Possible effect

The Clinic could incur disruptions in operations if vendors are not paid for materials and services in a timely manner.

Recommendation

We recommend that appropriate cash management procedures be implemented to ensure that financial obligations incurred by Eden Park Community Health Center are timely paid.

8. PATIENT ACCOUNTS RECEIVABLE

Statement of Condition

We noted ten instances where patient accounts receivable were not supported by promissory notes.

Criteria

The Clinic's policy is to have patients who do not qualify for sliding fee rates to sign promissory notes for any amounts due.

Possible effect

The Clinic may not be able to collect past due funds.

Recommendation

We recommend that the Clinic establish procedures to ensure all patients with amounts due sign promissory notes.

9. PAYROLL TAXES

Statement of Condition

Federal and State payroll and unemployment taxes were not paid by the required deadline.

Criteria

Federal and State law mandates that the Clinic report and pay payroll taxes by required deadlines.

Possible Effect

The Clinic will incur disallowed penalty and interest expenses.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that payroll taxes are paid timely.

Possible Effect

The Clinic could incur unauthorized salary expenses.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that all employees time sheets are properly approved.

5. INCORRECT WAGE CALCULATIONS

Statement of Condition

We noted five instances where employees' wages did not agree with the corresponding salary authorizations.

Criteria

Internal control over payroll requires accurate calculation of salaries.

Possible Effect

The clinic could incur disallowed salary expense.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that rates of pay agree with the employees' approved pay rates.

6. OVERTIME PAY

Statement of Condition

We noted that four employees received overtime pay without approval.

Criteria

Internal control procedures requires overtime pay to be approved by an appropriate company official.

Possible Effect

The Clinic could incur unauthorized salary expenses.

Recommendation

We recommend Eden Park Community Health Center establish procedures to ensure all overtime pay is approved by the employee's supervisor.

7. VENDOR PAYMENTS

Statement of Condition

We noted that Eden Park Community Health Center's vendor payments were consistently past due.

Recommendation

We recommend that Eden Park Community Health Center follow their existing procedures to ensure all vendor payments agree to the supporting invoices.

3. OPERATING DISBURSEMENTS

Statement of Condition

We noted four instances where payments were not properly supported by the vendor's invoice.

Criteria

Proper internal control procedures require all disbursements to be properly supported with vendor's invoice.

Possible effect

The Clinic could incur disallowed operating costs.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that all disbursements are supported by vendor invoices.

5. MANAGEMENT APPROVAL OF VENDOR PAYMENTS

Statement of Condition

We noted twenty five instances where vendor payments did not contain management authorization.

Criteria

Proper internal control requires management to approve vendor payments.

Possible effect

Payments could be made to vendors for unauthorized purchases.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that all payments are properly authorized by management.

4. PAYROLL AUTHORIZATION

Statement of Condition

We noted nine instances where employee time sheets were not approved by the employee's supervisor.

Criteria

The Clinic's policy requires all time sheets to be approved by the employee's supervisor.

In planning and performing our audit of the financial statements of Eden Park Community Health Center, Inc. for the fiscal year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The following management suggestions made for the year ended June 30, 1996, have been implemented: (a) overtime was not paid for pay periods with a paid holiday; (b) new employees were hired with the proper authorization; (c) bank accounts were accurately reconciled; (d) bank accounts were timely reconciled; (e) cash deposits were adequately collateralized; (f) property and equipment were accurately recorded in their inventory control system; (g) patient files included current applications; (h) sliding fee rates were correctly applied; (i) the stock report was reconciled to the general ledger; and (j) the accounts receivable subsidiary agreed with the corresponding control account.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

The reportable conditions noted are as follows:

1. OPERATING DISBURSEMENTS

Statement of Condition

We noted one instance where a payment to a vendor did not agree with the supporting invoice.

Criteria

Proper internal control procedures require invoices to agree with the disbursements.

Possible effect

The Clinic could incur disallowed operating costs.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that all employees time sheets are properly approved.

5. INCORRECT WAGE CALCULATIONS

Statement of Condition

We noted five instances where employees' wages did not agree with the corresponding salary authorizations.

Criteria

Internal control over payroll requires accurate calculation of salaries.

Possible Effect

The Clinic could incur disallowed salary expenses.

Recommendation

We recommend that Eden Park Community Health Center establish procedures to ensure that rates of pay agree with the employees' approved pay rates.

6. OVERTIME PAY

Statement of Condition

We noted that four employees received overtime pay without approval.

Criteria

Internal control procedures requires overtime pay to be approved by an appropriate company official.

Possible Effect

The Clinic could incur unauthorized salary expenses.

Recommendation

We recommend Eden Park Community Health Center establish procedures to ensure all overtime pay is approved by the employee's supervisor.

7. VENDOR PAYMENTS

Statement of Condition

We noted that Eden Park Community Health Center's vendor payments were consistently past due.

Criteria

Proper cash management for Federal funds requires timely vendor payments.

Responsibility	Number of Times in Conflict	Number of Times Punished	Number of Times EC is Dismissed	Salary Amount of Dismissal	Cost for Amount of Time Dismissed	Cost for Amount of Time Punished	Amount of Times Dismissed Costs
<p>Responsibility as required that should comply with proper HAZWOP procedures in which all other persons are supported by proper location.</p> <p>REASON FOR VIOLATION OF THESE STANDARDS</p> <p>Incident of Liability as well as the time persons who were present did not obtain necessary authorization.</p> <p>REASON proper location control must be implemented to ensure proper permits.</p> <p>Incident of Liability persons could be held to account for unauthorized permits.</p> <p>REASON FOR THIS PART Control of Liability as well as the time persons who were present did not obtain necessary authorization.</p> <p>REASON FOR THIS PART Control of Liability as well as the time persons who were present did not obtain necessary authorization.</p>	608	27	20	\$ 83,000	\$ 12,271	\$ 4,710	\$ 681
<p>REASON FOR THIS PART Control of Liability as well as the time persons who were present did not obtain necessary authorization.</p> <p>REASON FOR THIS PART Control of Liability as well as the time persons who were present did not obtain necessary authorization.</p>	1148	26	7	\$ 1,785,423	\$ 12,127	\$ 34	\$ 992
<p>REASON FOR THIS PART Control of Liability as well as the time persons who were present did not obtain necessary authorization.</p> <p>REASON FOR THIS PART Control of Liability as well as the time persons who were present did not obtain necessary authorization.</p>							

3.

4.