

HEALTH ACCESS, INC.
4666 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Statement of Functional Expenses
 Year Ended June 30, 2009

	Program-Specific						Supporting Activities			
	Family Resources	Outpatient Counseling	Independent Living	Residential Treatment Facility	Fertility Hospital Management	Care Management	Respite Care	Total	Management and Clinical Expenses	Territorial Programs and Supporting Services Expenses
Salaries	\$ 127,000	\$ 1,400	\$ 70,000	\$ 294,300	\$ 94,800	\$ 21,750	\$ 24,100	\$ 528,950	\$ 127,000	\$ 651,950
Employee benefits	2,778	100	600	2,410	1,400	207	504	11,603	2,474	13,077
Payroll taxes, etc.	6,250	301	1,620	6,110	3,801	614	1,307	20,003	4,728	24,731
Total salaries and related expenses	136,028	1,801	72,220	302,820	100,011	22,571	25,909	569,562	134,202	703,764
Professional fees	60,892	444	11,804	70,000	42,000	9,200	8,000	201,296	97,200	298,500
Supplies	2,278	24	366	12,079	400	783	407	17,287	2,278	19,565
Telephone	1,128	24	1,340	4,000	1,104	807	1,200	10,603	3,600	14,203
Postage and shipping	23	-	7	104	-	3	3	117	230	347
Occupancy	15,700	140	1,000	30,700	-	1,000	2,000	51,140	44,000	95,140
Insurance	-	-	-	-	-	-	-	-	2,001	2,001
Rental and maintenance of equipment	604	8	215	1,000	200	100	170	1,697	11,500	13,200
Printing and publications	4	-	2	-	83	1	3	90	28	118
Travel and Transportation	2,804	74	1,042	200	240	865	1,004	6,231	-	11,801
Conferences, Conventions and Meetings	2,129	20	203	404	-	204	408	3,408	1,000	4,408
Special Assistance to Individuals	400	-	-	-	-	-	-	400	-	400
Insurance	-	-	-	500	-	-	-	500	24,000	24,500

The accompanying notes are an integral part of these financial statements.

HEALTH ACCESS, INC.
4846 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Notes to Financial Statements
June 30, 1996

3. Capital Lease Obligations (Continued)

As of June 30, 1996, approximate future minimum lease payments under capital leases are as follows:

fiscal year ended	
1997	\$ 4,972
1998	4,804
1999	4,804
2000	<u>4,804</u>
Total future minimum lease payments	16,385
Less amount representing interest	<u>3,881</u>
Present value of future minimum lease payments	14,504
Less current portion	<u>3,354</u>
Long-term portion	<u>\$ 11,150</u>

4. Operating Leases

At June 30, 1996, the organization was obligated under a cancellable operating lease for office space. The lease has a 30 day out clause in the event of 10% budget cut. The terms of the lease are \$2,200 per month beginning July 1, 1996 for a period of 24 months. Rent expense under operating leases totaled \$81,456.

5. Statement of Cash Flows

Total interest paid for the year was \$5,891.

6. Legal Matters/Subsequent Events/Contingencies

The Internal Revenue Service conducted an employment tax examination for the calendar years 1993 and 1994, the total contingent tax liability is \$200,750 and \$148,890 in penalties. Legal counsel states that due to certain policies for settling employment tax cases, the final liability should be between \$2,800 and \$25,000, with no penalties.

7. Contributions

Total contributions include \$8,037 of in-kind contributions for creating space for the Independent Living Program.

8. Prior Period Adjustment

A prior period adjustment was made to record \$19,110 of prior year penalties, interest and special assessments due for Louisiana unemployment taxes.

APPROVED
DATE: 10/10/88
SWEET-HO 01/1/88

01-14
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HEALTH ACCESS, INC.
454 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

AUDITED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
AND OMB CIRCULAR A-133

FOR THE YEAR ENDED
JUNE 30, 1988

Under provisions of 5010 (b), this report is a public document. A copy of this report will be furnished to the recipient, or recipient, only if such recipient is a public official. This report is available for public inspection at the location listed on the cover. The Independent Auditor and, where applicable, the office of the court clerk, 100, 05 1988
Release Date: _____

HEALTH ACCESS, INC.
4600 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Notes to Financial Statements
June 30, 1996

2. Notes Payable and Long-Term Debt

The organization's obligation under notes payable consist of the following:

Notes payable to Hibernia National Bank in monthly installments of \$400, including interest at 1% over prime, secured by deposits on account, final payment due September 25, 1997.	\$ 31,624
Note dated October 13, 1995, payable to Minden Bank & Trust, interest due quarterly at 7% over prime, secured by deposits on account and all equipment, principal due October 13, 1996.	25,025
Note dated February 25, 1996, payable to Minden Bank & Trust, simple interest due quarterly at 11%, secured by deposits on account, principal due August 13, 1998.	30,020
Note dated December 29, 1995, payable to Minden Bank & Trust, simple interest due at 10%, secured by deposits on account, principal due January 8, 1996, extension granted.	<u>5,182</u>
Total Notes Payable and Long-Term Debt	81,851
Less: Notes Payable - Current Portion	<u>81,851</u>
Total Long-Term Debt	<u>\$ 0</u>

Maturities of Long-Term Debt

Fiscal Year Ending	Principal
1997	\$ 60,676
1998	<u>20,486</u>
Total	81,162
Less: Current Portion	<u>60,676</u>
Total Long-Term Debt	<u>\$ 20,486</u>

3. Capital Lease Obligations

The organization leases certain office equipment under various agreements which are classified as capital leases. As of June 30, 1996, office equipment purchased under capital leases has a cost of \$32,611 and accumulated depreciation of \$5,663 which is included in office equipment and depreciation expense respectively.

HEALTH ACCESS, INC.
4545 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

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HEALTH ACCESS, INC.
c/o NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Notes to Financial Statements
June 30, 1996

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Land, Buildings, Equipment, and Depreciation

Health Access, Inc. records assets at cost and follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$500. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets (5 percent per year for building and improvements, and 20 percent for furniture and fixtures).

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three (3) months or less to be cash equivalents.

Allocation of Supporting Service Expenses

The organization's policy is to allocate indirect expenses of administrative overhead (supporting services) to programs based on various direct costs related to each program.

Income Taxes

The corporation has been granted tax exempt status as provided by Section 501 (c)(3) of the Internal Revenue Code. In addition, the company has been classified as an organization described in Section 170(b)(7)(A)(iv).

HEALTH ACCESS, INC.
d/b/a NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Notes to Financial Statements
June 30, 1998

1. Summary of Significant Accounting Policies

Description of Organization

Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center was organized as a non-profit corporation without capital stock under the laws of the State of Louisiana as defined in Louisiana R.S. 33:201(7). This organization was formed for the purpose of operating a facility for the comprehensive treatment of child abuse and neglect, and other non-profit activities. The activities are limited to those that are permissible for tax-exempt corporations under Internal Revenue Code Section 501 (c)(3). On June 5, 1998, the organization changed its corporate name from Northwest Louisiana Family Crisis Center, Inc. to Health Access, Inc. by an Amendment to the Articles of Incorporation which was recorded by the State of Louisiana on June 23, 1998.

General

The accompanying financial statements of Health Access, Inc. have been prepared on the normal basis of accounting. All resources for various purposes are current unrestricted funds available for operations. Therefore, the organization has no temporarily restricted net assets or permanently restricted net assets.

Description of Programs

Family Preservation - Provides an intensive inpatient counseling program designed to prevent out-of-home placement of an individual. Services are provided in the home, school, or work place.

Outpatient Counseling - Counseling is provided by Health Access, Inc.'s staff and contract counselors for parents, children, couples and entire families. Fees are generated from assistance provided by government agencies or by direct payments from the contacted individuals.

Independent Living - Provides a series of classes that are intended to teach foster care youth the skills they will need when they enter an independent living situation. The purpose of the classes is to allow individualization of the program to fit each participant's developmental and educational needs.

Residential Treatment Facility - Administers a comprehensive program of care and treatment for each foster child placed in the facility in accordance with a plan developed specifically for the child to meet physical, emotional, social, health and educational needs.

Partial Hospital - Provides day treatment services for severely emotionally disturbed children and adolescents, and chronically mentally ill adults. Acts as an alternative to institutional care.

Case Management - Provides a community-based service system which addresses the needs of persons with mental illness, mental retardation and other developmental disabilities, and/or alcohol and drug abuse problems to live, work and participate in the community.

Respite Care - Provides psycho-social skill training for identified children to assist them in interpersonal relationships and building self-esteem.

HEALTH ACCESS, INC.
d/b/a NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Statement of Activities
Year Ended June 30, 1996

Expenses

Program Services

Family preservation	214,794
Outpatient counseling	4,700
Independent living	55,977
Residential treatment facility	388,159
Partial hospital	311,874
Care management	28,299
Respite care	<u>40,122</u>
Total program services	843,925

Supporting Services

Management and general	<u>308,956</u>
------------------------	----------------

Total Expenses 1,152,881

Decrease in unrestricted net assets 98,964

Prior period adjustment (Note 7) 15,170

Increase in temporarily restricted net assets -

Increase in permanently restricted net assets 1,038,847

Decrease in net assets 309,811

Net assets at beginning of year 569,232

Net assets at end of year \$ 259,421

HEALTH ACCESS, INC.
4666 NORTHWEST DADEBLISSA FAMILY CRISIS CENTER

Statement of Functional Expenses
Year Ended June 30, 1985

	Program Services				Supportive Services				
	Family Reunification Counseling	Couples Independent Living	Residential Treatment Housing	Parent Behavior Management	Case Management	Jury's Care	Total	Management and Special Services Supporting Programs	Total Program and Supporting Services
Other Expenses	\$12	189	5,005	90	80	147	6,469	1,791	8,260
Abandoned Assets	-	2,004	-	-	-	-	2,004	20	2,024
Depreciation of Buildings and Equipment	5,738	-	11,205	1,895	81	-	19,919	1,058	21,000
Total Expenses	114,794	4,796	16,909	111,874	15,586	14,135	164,997	27,674	1,925,081
Allocation of Management and General	11,410	1,650	15,593	3,031	9,121	14,454	69,689	20,698	90,387
Total Functional Expenses	\$ 1,266,684	\$ 6,446	\$ 34,502	\$ 114,905	\$ 24,707	\$ 28,589	\$ 2,014,686	\$ 48,372	\$ 2,063,068

HEALTH ACCESS, INC.
444 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Statement of Activities
Year Ended June 30, 1998

Changes in Unrestricted Net Assets

Public Support

Contributions	\$ 6,437
United Way	13,311
Chapter I funding	<u>24,328</u>
Total public support	<u>44,076</u>

Revenue

Program service fees	353,715
Fees from state agencies	<u>862,556</u>
Total revenue	<u>1,216,271</u>

Other Revenue

Interest income	380
Miscellaneous	<u>385</u>
Total other revenue	<u>765</u>

Total Public Support and Revenue

1,863,482

HEALTH ACCESS, INC.
d/b/a NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Notes to Financial Statements
June 30, 1998

9. Concentrations

The organization obtains its funding from Medicaid, Medicare, and state revenues which include federal pass-through amounts.



SMITH BUSH HANBROWITZ & L. P. CERTIFIED PUBLIC ACCOUNTANTS

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407 SOUTH MAIN STREET, 1112 • MEMPHIS OFFICE, ARIZONA 85111 • TELEPHONE: 314-342-0611 FAX: 342-0609

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Health Access, Inc.
45th Northwest Louisiana Family Crisis Center
Shreveport, Louisiana

We have audited the accompanying statement of financial position of Health Access, Inc. 45th Northwest Louisiana Family Crisis Center, (a non-profit organization) as of June 30, 1996, and the related statements of activities, functional expenses, and cash flows for the year then ended. 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, Audit of Institutions of Higher Education and Other Nonprofit Institutions. 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 Health Access, Inc. 45th Northwest Louisiana Family Crisis Center, as of June 30, 1996, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued reports dated January 17, 1997 on our consideration of Health Access, Inc.'s internal control structure and on its compliance with laws and regulations.

Smith Bush Hanbrowitz & L.P.
Certified Public Accountants

January 17, 1997



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Health Access, Inc.
4th Northwest Louisiana Family Crisis Center

We have audited the financial statements of Health Access, Inc. (4th Northwest Louisiana Family Crisis Center (a non-profit organization)), as of and for the year ended June 30, 1996, and have issued our report thereon dated January 27, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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 Health Access, Inc. is the responsibility of Health Access, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Health Access, Inc.'s 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. The results of our test of compliance disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards.

Finding:	The organization did not file timely annual audited financial statements in accordance with grant documents.
Cause:	Although the organization had engaged the audit, the records were not delivered to the certified public accountant due to discovery of a potential conflict of interest between the Certified Public Accountant, the accounting firm, and the organization, therefore, the audit report was never issued.
Recommendation/ Management Response:	Engaged another audit firm to conduct audit and issue report in as expeditious manner. The Legislative election office extended the time to file the audited financial statements and cost report until February 28, 1997.

We considered these instances of noncompliance in forming our opinion on whether Health Access, Inc. (4th Northwest Louisiana Family Crisis Center)'s 1996 financial statements are presented fairly, in all material aspects, in conformity with generally accepted accounting principles, and this report does not affect our report dated January 27, 1997, on those financial statements.

HEALTH ACCESS, INC.
4646 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Statement of Financial Position
Year Ended June 30, 1998

ASSETS	
Current Assets	
Cash in bank and on hand	\$ 23,872
Accounts receivable	134,608
Prepaid rent	2,300
Total current assets	<u>158,772</u>
Fixed Assets	
Buildings	57,812
Building improvements	80,214
Furniture & fixtures	39,488
Office equipment	93,364
Computer equipment	36,354
Less accumulated depreciation	<u>(749,572)</u>
Net depreciable fixed assets	198,464
Land	<u>13,800</u>
Total fixed assets	<u>311,528</u>
Other Assets	
Security deposit	<u>658</u>
Total Assets	<u>\$ 470,958</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 68,280
Payroll taxes payable	71,082
United Way employee contributions	3,288
Notes payable - current portion	60,670
Capital lease obligations - current portion	<u>3,762</u>
Total current liabilities	<u>206,082</u>
Long-Term Liabilities	
Long-term debt	38,484
Capital lease obligations	<u>18,742</u>
Total long-term liabilities	<u>57,226</u>
Unrestricted net assets	34,656
Temporarily restricted net assets	-
Permanently restricted net assets	<u>6,026</u>
Total net assets	<u>41,682</u>
Total Liabilities and Net Assets	<u>\$ 470,958</u>

HEALTH ACCESS, INC.
666 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Statement of Cash Flows
For the Year Ended June 30, 1996

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Decrease in net assets	\$ (80,500)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	30,478
Amortized assets	2,254
Prior period adjustments (See Note 3)	(18,180)
Total adjustments	3,614

Changes in Operating Assets and Liabilities:

Accounts receivable	88,817
Prepayments of payroll taxes	15,980
Prepaid rent	1,301
Security deposits	1,983
Outstanding checks	(126,374)
Accounts payable	8,046
Employee payables	(70,176)
Payroll taxes payable	34,327
Other liabilities	(560)
Net change in operating assets and liabilities	(17,412)

Cash Flows from Financing Activities:

Loan proceeds	60,234
Principal payments on current debt	(8,733)
Principal payments on lease obligations	(6,662)
Net cash provided by financing activities	44,839
Net increase (decrease) in cash in bank and on hand	(27,473)
Cash in bank and on hand at beginning of year	78,545
Cash in bank and on hand at end of year	\$ 51,072



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL AWARDS PROGRAMS

To the Board of Directors of
Health Access, Inc.
4616 Northwest Louisiana Family Crisis Center

We have audited the financial statements of Health Access, Inc. 4616 Northwest Louisiana Family Crisis Center (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated January 17, 1997.

We have applied procedures to test Health Access, Inc.'s compliance with the following requirements applicable to its federal awards programs, which are identified in the accompanying Schedule of Federal Awards for the year ended June 30, 1996: political activity, civil rights, allowable cost/limit principles, Drug-Free Workplace 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 Institutions of Higher Learning 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 Health Access, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance 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 Health Access, Inc. had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with the requirements referred to in the second paragraph that we have communicated to the management of Health Access, Inc. in a separate letter dated January 17, 1997.

This report is intended for the information of the board of directors, management, and Louisiana Department of Public Safety and Corrections - Office of Youth Development, Louisiana Department of Social Services - Office of Community Services, and Louisiana Department of Health and Hospitals - Office of Mental Health. However, this report is a matter of public record and its distribution is not limited.

Smith Brady Harbinowitz, P.C.
Certified Public Accountants

January 17, 1997



SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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 804 NORTH FIVE NORTH AVENUE • SUITE 2000 • MEMPHIS • TN 38103 • TEL: (901) 251-2800 • FAX: (901) 242-8000

January 13, 1997

Health Access, Inc.
 45th Northwest Louisiana Family Crisis Center
 P.O. Box 8288
 Shreveport, Louisiana 71185

In planning and performing our audit of the financial statements of Health Access, Inc. 45th Northwest Louisiana Family Crisis Center for the year ended June 30, 1996, we considered the Company's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding this matter. We previously reported on the Company's internal control structure in our report dated January 13, 1997. This letter does not affect our report dated January 13, 1997, on the financial statements of Health Access, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with appropriate members of management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Smith Pugh Rabinowitz L.L.P.
 Certified Public Accountants

Receipt Acknowledged
 Legislative Affairs

By: 

MEMORANDUM TO MANAGEMENT

Cash Disbursements

While testing cash disbursements, we noted that several supporting invoices could not be located for certain disbursements tested.

We recommend that to reduce the risk of non-authorized disbursements, payments should only be made from the original invoice or purchase order and if either of these items are not provided, a receipt for payment should be requested. One of these support documents should then be matched with a copy of the check after being stamped "paid," and filed in the corresponding vendor file.

Accounts Payable Subsidiary Ledger

While testing for unrecorded liabilities, we noted the accounts payable subsidiary ledger didn't always agree with the unpaid invoices in the files.

We recommend that on a monthly basis the subsidiary ledger be reconciled to the unpaid invoice file and a current listing be provided to management. This should assist management in determining the priority that should be given to each vendor for payment.

Employee Reimbursements

While testing cash disbursements, we noted that it was difficult to determine the amount owed to employees.

We recommend that a file be kept on each employee with a log sheet showing amounts of employee expenses to be reimbursed. All invoices should be collected from that employee and put into their file before authorizing a reimbursement check.

Salaries and Contract Labor

While testing payroll and contract labor, we found it difficult to reconcile the 941 and 1099 reports to the general ledger.

We recommend that salaries and contract labor be kept in separate general ledger accounts, and reconciled to payroll reports on a quarterly basis. This practice will assist in avoiding out-of-balance conditions with the subsidiary records.

HEALTH ACCESS, INC.
P.O. Box 9480
Memphis, Tennessee 38108 • (615) 891-1100
1-800-392-1100



Steve Jordan
Owner

1981
The Business Reply

February 20, 1987

Mr. Groves Austin
State of Louisiana
Office of the Legislative Auditor
P.O. Box 9480
Baton Rouge, La. 70804-9480

Dear Mr. Austin:

Please accept the present correspondence as the plan of correction for the issues addressed in the Memorandum to Management contained in the external audit of Health Access Inc., for the period July 1, 1985 - June 30, 1986.

Cash Disbursements:

All payments will be made from the original invoice or purchase order. If either of these items is not provided, then a receipt for payment will be requested. One of these support documents will be attached to a copy of the check after being stamped "paid" and subsequently filed in the corresponding vendor file.

Accounts Payable Subsidiary Ledger:

Health Access shall, on a monthly basis, reconcile the subsidiary ledger to the unpaid invoice file and a current listing shall be presented by the Administrative Assistant to the Agency CEO. The CEO will use this system in determining the priority to be given to each vendor for payment.

Employee Reimbursements:

Health Access will keep a file on each employee with a log sheet showing amounts of employee expenses to be reimbursed. All invoices collected from that employee shall be put into their file before authorizing a reimbursement check.

Salaries and Contract Labor:

Health Access will keep salaried and contract labor in separate ledger accounts, and reconciled to payroll reports on a quarterly basis.

Page Two Correspondence - Mr. Grover Austin, February 20, 1997

We hope this plan meets with your approval. Should you have any questions, please do not hesitate to contact me.

Sincerely,



John G. Quinlan
President, GPO

cc: Mr. Russ Rabinowitz



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Health Access, Inc.
4816 Northwest Louisiana Family Crisis Center

We have audited the financial statements of Health Access, Inc. 4816 Northwest Louisiana Family Crisis Center (a non-profit organization), as of and for the year ended June 30, 1990, and have issued our report thereon dated January 13, 1992.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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.

The management of Health Access, 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 recorded 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.

In planning and performing our audit of the financial statements of Health Access, Inc. 4816 Northwest Louisiana Family Crisis Center, for the year ended June 30, 1990, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 during the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.



SMITH RUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
 Health Access, Inc.
 414 1/2 Northwest Louisiana Family Crisis Center

We have audited the financial statements of Health Access, Inc. 414 1/2 Northwest Louisiana Family Crisis Center (a non-profit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated January 17, 1999.

We have also audited Health Access, Inc.'s compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1998. The management of Health Access, Inc. is responsible for the Health Access, Inc.'s compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements 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 Circular A-133, Audit 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 specific requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Health Access, Inc.'s compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed material instances of noncompliance with the requirements referred to in the above that we have communicated to the management of Health Access, Inc. 414 1/2 Northwest Louisiana Family Crisis Center in a separate letter dated January 17, 1999. We considered these instances as noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Health Access, Inc. complied, in all material aspects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal programs for the year ended June 30, 1998.

This report is intended for the information of the board of directors, management, and Louisiana Department of Public Safety and Corrections - Office of Youth Development, Louisiana Department of Social Services - Office of Community Services, and Louisiana Department of Health and Hospitals - Office of Mental Health. However, this report is a matter of public record and its distribution is not limited.

Smith Rugh Rabinowitz LLP
 Certified Public Accountants

January 17, 1999



**INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF FEDERAL AWARDS**

To the Board of Directors of
Health Access, Inc.
4314 Northwest Louisiana Family Crisis Center

We have audited the financial statements of Health Access, Inc. 4314 Northwest Louisiana Family Crisis Center (a non-profit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated January 13, 1999. These financial statements are the responsibility of Health Access, Inc.'s management. Our responsibility is to express an opinion on their basic 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, Audit 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 the basic 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 statements 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 Health Access, Inc., taken as a whole. The accompanying Schedule of Federal Awards is prepared 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 auditing 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.

This report is intended for the information of the board of directors, management, and Louisiana Departments of Public Safety and Corrections - Office of Youth Development, Louisiana Department of Social Services - Office of Community Services, and Louisiana Department of Health and Hospitals - Office of Mental Health. However, this report in matter of public record and its distribution is not limited.

Smith Pugh Rabinowitz, L.L.P.
Certified Public Accountants

January 13, 1999

General Requirements:
Political activity
Civil rights
Allowable cost/benefit principles
Drug-Free Workplace Act
Administrative requirements

Specific Requirements:
Services allowed or disallowed
Eligibility

For all of the 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.

During the year ended June 30, 1996, Health Access, Inc. expended 100 percent of its total federal awards under major federal awards programs.

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 each of Health Access, Inc.'s major federal award programs, which are 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.

Our consideration of the internal control policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute weaknesses under standards established by the American Institute of Certified Public Accountants. 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 federal award programs may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Health Access, Inc. in a separate letter dated January 17, 1997.

This report is intended for the information of the board of directors, management, and Louisiana Department of Public Safety and Corrections - Office of Youth Development, Louisiana Department of Social Services - Office of Community Services, and Louisiana Department of Health and Hospitals - Office of Mental Health. However, this report is a matter of public record and its distribution is not limited.

Leith Hugh Robinson, CPA
Certified Public Accountant

January 17, 1997



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

To the Board of Directors of
Health Access, Inc.
4516 Northwest Louisiana Family Crisis Center

We have audited the financial statements of Health Access, Inc. 4516 Northwest Louisiana Family Crisis Center (a non-profit organization), as of and for the year ended June 30, 1996, and have issued our report thereon dated January 17, 1997. We have also audited the compliance of Health Access, Inc. with requirements applicable to major federal award programs and have issued our report thereon dated January 17, 1997.

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 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Health Access, Inc. complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of Health Access, Inc. in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of Health Access, Inc. and on its compliance with requirements applicable to major programs and report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated January 17, 1997.

The management of Health Access, 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, that transactions are recorded 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 federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of non-compliance 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.

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

This report is intended for the information of the board of directors, management, and Louisiana Department of Public Safety and Corrections - Office of Youth Development, Louisiana Department of Social Services - Office of Community Services, and Louisiana Department of Health and Hospitals - Office of Mental Health. However, this report is a matter public record and its distribution is not limited.

Southlight Accountancy LLP
Certified Public Accountants

January 17, 1991

However, we noted certain matters involving the internal control structure and its operations that we have reported to the management of Health Access, Inc., in a separate letter dated January 17, 1987.

This report is intended for the information of the board of directors, management, and Louisiana Department of Public Safety and Corrections - Office of Youth Development, Louisiana Department of Social Services - Office of Community Services, and Louisiana Department of Health and Hospitals - Office of Mental Health. However, this report is matter of public record and its distribution is not limited.

Smith, Hugh Robinson, Ltd.
Certified Public Accountants

January 17, 1987

HEALTH ACCESS, INC.
601 1/2 NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Schedule of Federal Awards
Year Ended June 30, 1996

I. Louisiana Federation of Families for Children's Mental Health

During the year ended June 30, 1996, funds totaling \$14,894 were received from Louisiana Federation of Families for Children's Mental Health. While the contract agreement indicates that Health Access, Inc. is a subrecipient of federal funds, the contractor has not provided the organization with the amounts of federal funds or the CFDA number identifying the federal program. Because the federal portion of the expenditures is unknown, the full amount is included in the accompanying Schedule of Federal Awards.

HEALTH ACCESS, INC.
47th NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Schedule of Federal Awards
Year Ended June 30, 1988

Federal Grants/Pass-through Grants/Program Title	Federal CFDA Number	Pass-Through Contract Number	Federal Equivalency
U.S. Department of Health and Human Services			
Pass-through from Louisiana Department of Social Services; Office of Community Services			
Child Welfare Services Title IV-B	85.648	TIPS #018007862	\$ 185,158
Other Federal Awards			
U.S. Department of Health and Human Services			
Pass-through from Louisiana Department of Social Services; Office of Community Services			
Independent Living - Title IV-C	93.674	05804	\$ 368,800
Pass-through from Louisiana Federation of Parents for Children's Mental Health			
Hospice Care Program (Note 1)			14,684
TOTAL FEDERAL AWARDS			<u>\$ 568,642</u>



SMITH HUGH KUBIENOWITZ L.L.P. - CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL AWARDS PROGRAMS**

To the Board of Directors of
Health Access, Inc.
4014 Northwest Louisiana Family Crisis Center

We have audited the financial statements of Health Access, Inc. 4014 Northwest Louisiana Family Crisis Center (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated January 17, 1997.

In connection with our audit of the financial statements of Health Access, Inc. and with our consideration of Health Access, Inc.'s internal control structure used to administer federal awards programs, as required by Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions, we selected certain transactions applicable to certain nonmajor federal awards programs for the year ended June 30, 1996. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or excluded and eligibility that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Health Access, Inc.'s compliance with those requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Health Access, Inc. had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with these requirements, that we have communicated to the management of Health Access, Inc. in a separate letter dated January 17, 1997.

This report is intended for the information of the board of directors, management, and Louisiana Department of Public Safety and Corrections - Office of Youth Development, Louisiana Department of Social Services - Office of Community Services, and Louisiana Department of Health and Hospitals - Office of Mental Health. However, this report is a matter of public record and its distribution is not limited.

Smith Hugh Kubienowitz L.L.P.
Certified Public Accountants

January 17, 1997