

The management of the *McComb-Vevey Neighborhood Health Resource Center* is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, criticism 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.

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

Cash Receipts
Cash Disbursements
Payroll

For all of the internal control structure categories listed above, 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.

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 and 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the audit committee, management, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Prigen Chelle

CERTIFIED PUBLIC ACCOUNTANTS

January 9, 1997

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MCCOMB-VEAZY NEIGHBORHOOD HEALTH RESOURCE CENTER

Audited Financial Statements

June 30, 1996 and 1995

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the courts, the comptroller, public and minor government officials. These reports available for public inspection at the State Budget office of the legislative auditor, and, upon request, at the office of the parish clerk of court.

Reference Page 100 5 000

MCCOMB-YEAZY NEIGHBORHOOD HEALTH RESOURCE CENTER

TABLE OF CONTENTS

	PAGE NUMBER
INDEPENDENT AUDITORS' REPORTS	3-4
FINANCIAL STATEMENTS	
Statements of Assets, Liabilities & Fund Balance	5
Statements of Support & Revenue, Expenses & Changes In Fund Balance	6
Statements of Cash Flows	7
Notes to Financial Statements	8-9



INDEPENDENT AUDITORS' REPORT

To The Board of Directors
McComb-Veazy Neighborhood Health
Resource Center
Lafayette, Louisiana

We have audited the accompanying statements of assets, liabilities and fund balance of McComb-Veazy Neighborhood Health Resource Center, as of June 30, 1996 and 1995, and the related statements of support and revenue, expenses, and changes in fund balance for the years then ended, and have issued our report thereon dated January 9, 1997.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 McComb-Veazy Neighborhood Health Resource Center is the responsibility of McComb-Veazy Neighborhood Health Resource Center's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of McComb-Veazy Neighborhood Health Resource Center's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audits 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 tests indicate that, with respect to the items tested, McComb-Veazy Neighborhood Health Resource Center complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that McComb-Veazy Neighborhood Health Resource Center had not complied, in all material respects, with those provisions.

In planning and performing our audits of the financial statements of McComb-Veazy Neighborhood Health Resource Center for the years ended June 30, 1996 and 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

A Corporation OR
Certified Public Accountants

First National Bank Tower
444 Jefferson Street, Suite 900
PO Box 8228
Lafayette, Louisiana 70505
504 (504) 489-1100 Fax 504 489-1103

MCCOMB-YEAZY NEIGHBORHOOD HEALTH RESOURCE CENTER
STATEMENTS OF ASSETS, LIABILITIES & FUND BALANCE
JUNE 30, 1996 AND 1995

ASSETS

	<i>June 30</i>	
	1996	1995
CURRENT ASSETS		
Cash	\$ 40,833	\$ 35,918
Total Current Assets	40,833	35,918
PROPERTY & EQUIPMENT		
Equipment	580	580
Accumulated depreciation	(348)	(166)
	232	414
TOTAL ASSETS	\$ 41,165	\$ 36,332

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES		
Payroll taxes payable	\$ 125	\$ 785
Total Current Liabilities	125	785
Fund Balance - Restricted	41,040	35,547
TOTAL LIABILITIES & FUND BALANCE	\$ 41,165	\$ 36,332

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

**MCCOMB-YEAZY NEIGHBORHOOD HEALTH RESOURCE CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995**

	June 30	
	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of support and revenue over expenses	\$ 3,483	\$ 12,092
Adjustments to reconcile excess of support and revenue over expenses to net cash provided by operating activities:		
Depreciation	83	83
Increase (Decrease) in:		
Payroll taxes payable	<u>(651)</u>	<u>(432)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,913	11,722
CASH FLOWS USED FOR INVESTING ACTIVITIES	<u> </u>	<u> </u>
INCREASE IN CASH	4,913	11,722
CASH - BEGINNING OF YEAR	<u>35,918</u>	<u>24,196</u>
CASH - END OF YEAR	\$ <u>40,831</u>	\$ <u>35,918</u>

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

**MC COMB -VEAZY NEIGHBORHOOD HEALTH RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994 AND 1993**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting - All funds over which the Board of Directors has discretionary control have been included in the unrestricted fund. Funds available for use but expendable only for operating purposes specified by the payor are included in the restricted fund.

Property and Equipment - Property and equipment acquired by the organization are recorded at cost. The assets are depreciated or amortized over their estimated useful lives using the straight-line method.

Income Tax Status - The organization is exempt from federal and state corporate income taxes under Internal Revenue Code Section 501(c)(3); therefore, no provision for income taxes has been made.

NOTE B: NATURE OF THE ORGANIZATION

The McComb-Veazy Neighborhood Health Resource Center is a state-funded educational and resource information center for male and female adolescents considered in high risk for illicit and illegal use of drugs and for unwanted, unplanned pregnancies.

The Center has contracted with the State of Louisiana Department of Urban and Minority Affairs to provide the following services:

- 1) A library of books, videos, pamphlets and handouts with information concerning substance abuse, teenage pregnancy, development of self-esteem, sexuality, peer pressure, health, exercise, nutrition, sexual disease, and other topics for adolescents
- 2) Lectures, seminars and workshops on the above topics, to be conducted by registered nurses, a nurse practitioner, licensed practical nurses, a certified social worker, a public school guidance counselor, and physicians
- 3) Counseling - an on-the-premise certified social worker for individual or group counseling, and a public school guidance counselor for individual needs and lectures on careers.

MCCOMB-VEAZY NEIGHBORHOOD HEALTH RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

NOTE C: RELATED PARTY TRANSACTION

The organization rents its offices from its president and medical director, Dr. Kenneth E. Brown. Rent paid to Dr. Brown totaled \$12,000 and \$35,000 for June 30, 1996 and 1995, respectively.

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
McComb-Vivay Neighborhood Health Resource Center
Lafayette, Louisiana

We have audited the accompanying statements of assets, liabilities, and fund balance of McComb-Vivay Neighborhood Health Resource Center, as of June 30, 1996 and 1995, and the related statements of support and revenue, expenses, and changes in fund balance and cash flows for the years 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 audits.

We conducted our audits in accordance with generally accepted auditing standards. These standards require that we plan and perform the audits 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 audits provide 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 McComb-Vivay Neighborhood Health Resource Center as of June 30, 1996 and 1995 and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.


CERTIFIED PUBLIC ACCOUNTANTS

Received, Acknowledged
Legislative Auditor

By 

January 9, 1997

A Corporation Of
Certified Public Accountants

P.O. # National Bank Tower,
400 Jefferson Street, Suite 604
P.O. Box 5728
Lafayette, Louisiana 70505
(504) 481-2900 Fax (504) 481-

**MCCOMB-WEAVER NEIGHBORHOOD HEALTH RESOURCE CENTER
STATEMENTS OF SUPPORT & REVENUE, EXPENSES &
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995**

	June 30	
	1996	1995
SUPPORT & REVENUE		
Contract for services from the State of LA Department of Urban and Minority Affairs	\$ 50,000	\$ 108,750
Interest	1,125	725
Total Support & Revenue	<u>51,125</u>	<u>109,475</u>
EXPENSES		
Personnel	24,000	40,700
Operating services	20,887	55,327
Supplies	663	62
Depreciation	83	83
Other expenses	--	1,242
Total Expenses	<u>45,633</u>	<u>97,414</u>
EXCESS OF SUPPORT & REVENUE OVER EXPENSES	5,492	12,062
FUND BALANCE - BEGINNING OF YEAR	<u>35,545</u>	<u>23,455</u>
FUND BALANCE - END OF YEAR	<u>\$ 41,037</u>	<u>\$ 35,517</u>

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