

**OFFICIAL
FILE COPY**
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

St. Helena Community Health Center
Greensburg, Louisiana
June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

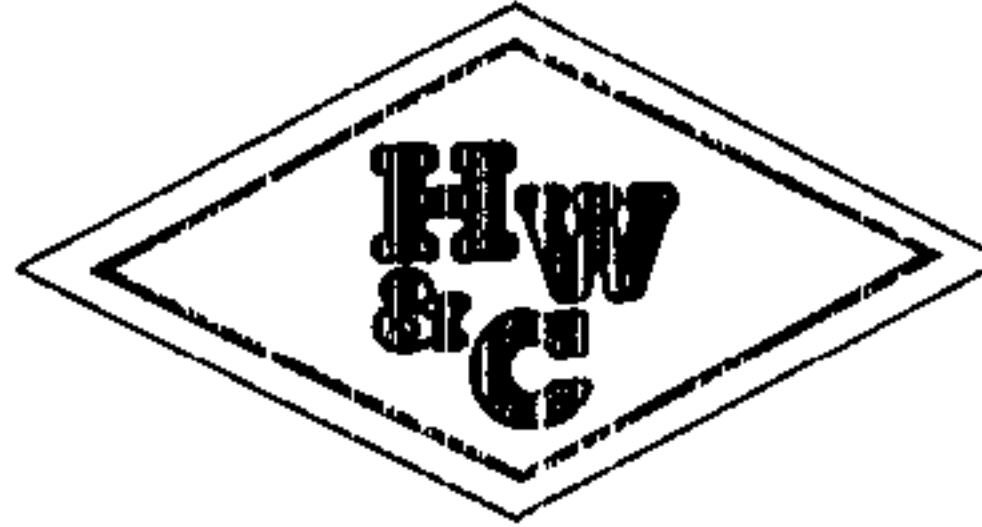
Release Date OCT 29 1997

97 OCT 16 AM 9:59
LEGISLATIVE AUDITOR

Table of Contents

| | |
|---|---------|
| Independent Auditor's Report | Page 3 |
| Statements of Financial Position | Page 5 |
| Statements of Activities | Page 6 |
| Statements of Cash Flows | Page 7 |
| Notes to Financial Statements | Page 8 |
| Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> | Page 11 |
| Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 | Page 13 |
| Schedule of Federal and State Awards | Page 15 |

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



H. DANIEL CAFFROLL, C.P.A.
ROBERT E. WALES, C.P.A.
CARL L. HANCOCK, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS C. McKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD.
BATON ROUGE, LOUISIANA 70809
(504) 923-3000 • FAX (504) 923-3008

ROBERT B. HAWTHORN, C.F.A.
(1896-1977)
JOHN F. WAYMOUTH, C.F.A.
(1902-1987)
HOWARD V. CARROLL, C.F.A.
(1909-1993)

WARREN C. BER, C.P.A.
RETIRED
ROBERT J. ZERNOTT, C.F.A.
RETIRED

September 5, 1997

Independent Auditor's Report

Board of Directors
St. Helena Community Health Center
Greensburg, Louisiana

Members of the Board:

We have audited the accompanying statements of financial position of the

**St. Helena Community Health Center
Greensburg, Louisiana**

as of June 30, 1997 and June 30, 1996, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of St. Helena Community Health Center'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 and the standards applicable to financial audits contained in 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. 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 the St. Helena Community Health Center as of June 30, 1997 and June 30, 1996, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 5, 1997, on our consideration of the St. Helena Community Health Center's internal

control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of St. Helena Community Health Center taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Yours truly,

Hawthorn, Waymouth & Carroll, L.L.P.

**St. Helena Community Health Center
Statements of Financial Position
June 30, 1997 and June 30, 1996**

A s s e t s

| | <u>1997</u> | <u>1996</u> |
|--|----------------|----------------|
| Current Assets | | |
| Cash and cash equivalents | | |
| Unrestricted | \$5,151 | \$14,830 |
| Restricted | <u>5,605</u> | <u>55,793</u> |
| | <u>10,756</u> | <u>70,623</u> |
| Receivables | | |
| Accounts receivable (net of estimated uncollectibles of \$19,301 as of June 30, 1997 and \$12,136 as of June 30, 1996) | 6,963 | 17,208 |
| Estimated third-party payors | 94,293 | 53,723 |
| Grants receivable | <u>88,265</u> | <u>53,715</u> |
| | <u>189,521</u> | <u>124,646</u> |
| Inventory | <u>19,001</u> | <u>16,019</u> |
| Prepaid expenses | <u>24,546</u> | <u>17,730</u> |
| <u>Total current assets</u> | 243,824 | 229,018 |
| Property and equipment, net | <u>354,520</u> | <u>343,328</u> |
| <u>Total assets</u> | <u>598,344</u> | <u>572,346</u> |

L i a b i l i t i e s a n d N e t A s s e t s

| | | |
|---|----------------|----------------|
| Current Liabilities | | |
| Accounts payable | \$80,219 | \$77,479 |
| Accrued expenses | <u>35,773</u> | <u>27,726</u> |
| <u>Total liabilities</u> | <u>115,992</u> | <u>105,205</u> |
| Net Assets | | |
| Unrestricted | 476,747 | 425,299 |
| Temporarily restricted | <u>5,605</u> | <u>41,842</u> |
| <u>Total net assets</u> | <u>482,352</u> | <u>467,141</u> |
| <u>Total liabilities and net assets</u> | <u>598,344</u> | <u>572,346</u> |

The accompanying notes are an integral part of these statements.

**St. Helena Community Health Center
Statements of Activities
Years Ended June 30, 1997 and June 30, 1996**

| | <u>1997</u> | <u>1996</u> |
|---|-----------------|------------------|
| Changes in Unrestricted Net Assets | | |
| Revenue | | |
| Unrestricted | | |
| Net patient revenue | \$333,607 | \$305,257 |
| Federal grant | 449,550 | 449,550 |
| Interest income from non-federal grant monies | <u>569</u> | <u>4,837</u> |
| <u>Total unrestricted revenue</u> | 783,726 | 759,644 |
| Net assets released from restrictions | | |
| Temporarily restricted assets used for purpose intended | <u>36,237</u> | <u>173,658</u> |
| <u>Total unrestricted revenue and other support</u> | 819,963 | 933,302 |
| Expenses | | |
| Salaries and wages | 427,532 | 424,279 |
| Benefits | 56,331 | 55,279 |
| Medical supplies | 50,614 | 53,609 |
| Contractual services | 11,783 | 14,251 |
| General and administrative expenses | 115,224 | 120,026 |
| Depreciation and amortization | 75,490 | 46,681 |
| Provision for bad debts | <u>31,541</u> | <u>12,000</u> |
| <u>Total expenses</u> | 768,515 | 726,125 |
| <u>Increase (decrease) in unrestricted net assets</u> | <u>51,448</u> | <u>207,177</u> |
| Changes in Temporarily Restricted Net Assets | | |
| Other grants | | 7,500 |
| Net assets released from restrictions | <u>(36,237)</u> | <u>(173,658)</u> |
| <u>Increase (decrease) in temporarily restricted net assets</u> | <u>(36,237)</u> | <u>(166,158)</u> |
| Increase (Decrease) in Net Assets | 15,211 | 41,019 |
| Net Assets, beginning of year | <u>467,141</u> | <u>426,122</u> |
| Net Assets, end of year | <u>482,352</u> | <u>467,141</u> |

The accompanying notes are an integral part of these statements.

**St. Helena Community Health Center
Statements of Cash Flows
Years Ended June 30, 1997 and June 30, 1996**

| | <u>1997</u> | <u>1996</u> |
|--|-----------------|------------------|
| Cash Flows From Operating Activities | | |
| Increase (decrease) in net assets | \$15,211 | \$41,019 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 75,490 | 46,681 |
| Changes in operating assets and liabilities | | |
| (Increase) decrease in accounts receivable | 10,245 | (10,968) |
| (Increase) decrease in estimated third-party payors | (40,570) | (6,082) |
| (Increase) decrease in grants receivable | (34,550) | (31,894) |
| (Increase) decrease in inventory | (2,982) | (7,313) |
| (Increase) decrease in prepaid expenses | (6,816) | 1,554 |
| Increase (decrease) in accounts payable | 2,740 | 51,427 |
| Increase (decrease) in prior period unobligated federal funds | | (22,978) |
| Increase (decrease) in accrued liabilities | <u>8,047</u> | <u>2,682</u> |
| <u>Net cash provided by operating activities</u> | <u>26,815</u> | <u>64,128</u> |
| Cash Flows From Investing Activities | | |
| Purchase of property and equipment | <u>(86,682)</u> | <u>(208,358)</u> |
| <u>Net cash used by investing activities</u> | <u>(86,682)</u> | <u>(208,358)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (59,867) | (144,230) |
| Cash and Cash Equivalents, beginning of period | <u>70,623</u> | <u>214,853</u> |
| Cash and Cash Equivalents, end of period | <u>10,756</u> | <u>70,623</u> |

The accompanying notes are an integral part of these statements.

St. Helena Community Health Center
Notes to Financial Statements
June 30, 1997

Note 1-Nature of Operations

The St. Helena Community Health Center serves the medical needs of its patients in St. Helena Parish and surrounding areas. The purpose of the Center is to provide health care at a reasonable cost to those who could not afford it financially.

Note 2-Summary of Significant Accounting Policies

A. Net Patient Revenue

The Center has a sliding fee plan for the patients without any third party payors and whose income levels fall within the sliding fee guidelines. The minimum payment is \$8.00 for a visit and \$6.00 for lab and other services.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Center's 1997 cost reports has not been audited by the Medicare fiscal intermediary.

B. Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for center operations are recorded as additions to net assets at fair value at the date of receipt.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed on the straight-line method. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment.

C. Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

D. Inventories of Supplies

Inventories of drugs and other supplies are stated at the lower of cost (first-in, first-out) or market.

E. Income Tax

The Center is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

**St. Helena Community Health Center
Notes to Financial Statements
June 30, 1997**

Note 2-Summary of Significant Accounting Policies (Continued)

F. Grant Revenue

Grant revenue is recorded as related expenses are incurred and reimbursement requests are submitted to the grantor agency.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3-Restricted Cash

Restricted cash consists of the following:

| | <u>1997</u> | <u>1996</u> |
|---|----------------|---------------|
| State Health Demonstration Grant cash remaining for mobile clinic and garage | | \$48,318 |
| La Breast Cancer Task Force Grant cash remaining for nurse's training | <u>\$5,605</u> | <u>7,475</u> |
| | <u>5,605</u> | <u>55,793</u> |

Note 4-Property and Equipment

A summary of property and equipment at June 30, 1997 and June 30, 1996, is as follows:

| | <u>1997</u> | <u>1996</u> |
|--|----------------|----------------|
| Furniture and fixtures | \$29,689 | \$29,114 |
| Office equipment | 131,292 | 84,951 |
| Medical equipment | 148,300 | 108,534 |
| Automobiles | 49,196 | 49,196 |
| Mobile Clinic | <u>173,633</u> | <u>173,633</u> |
| | 532,110 | 445,428 |
| Less accumulated depreciation and amortization | <u>177,590</u> | <u>102,100</u> |
| Property and equipment, net | <u>354,520</u> | <u>343,328</u> |

St. Helena Community Health Center
Notes to Financial Statements
June 30, 1997

Note 5-Restrictions on Net Assets

The Clinic reports gifts of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires due to the passage of time or the purpose for the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.

Temporarily restricted net assets are available for the following specific program services:

| | <u>1997</u> | <u>1996</u> |
|---|----------------|---------------|
| Cash received form State for mobile clinic and garage | | \$34,367 |
| Cash received from La Breast Cancer Task Force for nurse's training | <u>\$5,605</u> | <u>7,475</u> |
| | <u>5,605</u> | <u>41,842</u> |

Note 6-Medical Malpractice Claims

The Center has medical malpractice insurance up to \$1,000,000 per occurrence as of June 30, 1996. Beginning July 1, 1996 the Center's medical malpractice insurance is covered by the Federal Tort Claims Act.

Note 7-Concentrations of Credit Risk

The Center is located in Greensburg, Louisiana and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Revenue from patients and third-party payors was as follows:

| | <u>1997</u> | <u>1996</u> |
|-----------------------|---------------|---------------|
| Medicare | 27.5% | 22.9% |
| Medicaid | 43.2 | 44.4 |
| Sliding fee | 10.3 | 19.3 |
| Third party insurance | <u>19.0</u> | <u>13.4</u> |
| | <u>100.0%</u> | <u>100.0%</u> |

At various times during the year, cash and cash equivalents on deposit with one banking institution exceeded the \$100,000 insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash and cash equivalents, to minimize this potential risk.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



H. DANIEL CARROLL, C.P.A.
ROBERT E. WALES, C.P.A.
CARL L. HANCOCK, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS C. MCKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.

ROBERT B. HAWTHORN, C.P.A.
(1896-1977)
JOHN F. WAYMOUTH, C.P.A.
(1902-1987)
HOWARD V. CARROLL, C.P.A.
(1909-1993)
WARREN C. BER, C.P.A.
RETIRED
ROBERT J. ZERNOTT, C.P.A.
RETIRED

CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD.
BATON ROUGE, LOUISIANA 70809
(504) 923-3000 • FAX (504) 923-3008

September 5, 1997

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
St. Helena Community Health Center
Greensburg, Louisiana

Members of the Board:

We have audited the financial statements of the

**St. Helena Community Health Center
Greensburg, Louisiana**

as of and for the year ended June 30, 1997, and have issued our report thereon dated September 5, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether St. Helena Community Health Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Helena Community Health Center's internal control over financial reporting 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

over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hawthorn, Waymouth & Carrall, L.L.P.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



H. DANIEL CARROLL, C.P.A.
ROBERT E. WALES, C.P.A.
CARL L. HANCOCK, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS C. McKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.

ROBERT B. HAWTHORN, C.P.A.
(1896-1977)
JOHN F. WAYMOUTH, C.P.A.
(1902-1987)
HOWARD V. CARROLL, C.P.A.
(1909-1993)

CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD.
BATON ROUGE, LOUISIANA 70809
(504) 923-3000 • FAX (504) 923-3008

WARREN C. BER, C.P.A.
RETIRED
ROBERT J. ZERNOTTI, C.P.A.
RETIRED

September 5, 1997

Report on Compliance with Requirements Applicable To each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Directors
St. Helena Community Health Center
Greensburg, Louisiana

Members of the Board:

Compliance

We have audited the compliance of St. Helena Community Health Center with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. St. Helena Community Health Center's major federal programs are identified in the accompanying Schedule of Federal and State Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of St. Helena Community Health Center's management. Our responsibility is to express an opinion on St. Helena Community Health Center's compliance based on our audit.

We conducted our audit of compliance in accordance with those generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Helena Community Health Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on St. Helena Community Health Center's compliance with those requirements.

In our opinion St. Helena Community Health Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of St. Helena Community Health Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered St. Helena Community Health Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weakness.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hawthorn, Waymouth & Carroll, L.L.P.

**St. Helena Community Health Center
Schedule of Federal and State Awards
Year Ended June 30, 1997**

| <u>Federal Agency/Program</u> | <u>C.F.D.A. #</u> | <u>Expenditures</u> |
|---|-------------------|---------------------|
| U. S. Department of Health and Human Services *Community Health Center Program | 93.224 | \$449,550 |
| <u>State Grants</u> | | |
| Health Demonstration Grant | | 34,367 |
| La Breast Cancer Task Force Grant | | <u>1,870</u> |
| <u>Total federal and state expenditures</u> | | <u>485,787</u> |

*Major Program