

1998 JUN 30 11 51 AM

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

98902496
5568
16

**St. Helena Community Health Center
Greensburg, Louisiana
June 30, 1998**

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 NOV 06 1998

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
Schedule on Audit Findings and Questioned Costs Applicable to Each Major Program In Accordance with OMB Circular A-133	Page 16

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

H. DANIEL CARROLL, C.P.A.
ROBERT E. WALES, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS C. MCKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES E. PEMY, JR., C.P.A.
DAVID J. BROUSSEARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

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

September 24, 1998

ROBERT B. HAWTHORN, C.P.A.
(1896-1977)
JOHN F. WAYMOUTH, C.P.A.
(1903-1987)
HOWARD V. CARROLL, C.P.A.
(1903-1993)

WARREN C. BEFF, C.P.A.
RETIRED
ROBERT J. ZERNOTTI, C.P.A.
RETIRED
CARL L. HANCOCK, C.P.A.
RETIRED

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

St. Helena Community Health Center Greensburg, Louisiana

as of June 30, 1998 and June 30, 1997, 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 St. Helena Community Health Center as of June 30, 1998 and June 30, 1997, 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 24, 1998, on our consideration of 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 and state 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, 1998 and June 30, 1997**

A s s e t s	<u>1998</u>	<u>1997</u>
Current Assets		
Cash and cash equivalents		
Unrestricted	\$25,506	\$5,151
Restricted	<u>112,093</u>	<u>5,605</u>
	<u>137,599</u>	<u>10,756</u>
Receivables		
Accounts receivable (net of estimated uncollectibles of \$52,653 and \$19,301 at June 30, 1998 and 1997, respectively)	4,080	6,963
Estimated third-party payors	95,731	94,293
Grants receivable	<u>11,441</u>	<u>88,265</u>
	<u>111,252</u>	<u>189,521</u>
Inventory	<u>17,058</u>	<u>19,001</u>
Prepaid expenses	<u>17,460</u>	<u>24,546</u>
<u>Total current assets</u>	283,369	243,824
Property and equipment, net	<u>274,887</u>	<u>354,520</u>
<u>Total assets</u>	<u>558,256</u>	<u>598,344</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	\$41,922	\$80,219
Accrued expenses	<u>40,073</u>	<u>35,773</u>
<u>Total liabilities</u>	<u>81,995</u>	<u>115,992</u>
Net Assets		
Unrestricted	364,167	476,747
Temporarily restricted	<u>112,094</u>	<u>5,605</u>
<u>Total net assets</u>	<u>476,261</u>	<u>482,352</u>
<u>Total liabilities and net assets</u>	<u>558,256</u>	<u>598,344</u>

The accompanying notes are an integral part of these statements.

**St. Helena Community Health Center
Statements of Activities
Years Ended June 30, 1998 and June 30, 1997**

Changes in Unrestricted Net Assets	<u>1998</u>	<u>1997</u>
Revenue		
Unrestricted		
Net patient revenue	\$265,922	\$333,607
Federal grant	449,550	449,550
School based clinic	35,806	
Interest income from non-federal grant monies	<u>118</u>	<u>569</u>
<u>Total unrestricted revenue</u>	751,396	783,726
Net assets released from restrictions		
Temporarily restricted assets used for purpose intended	<u>1,332</u>	<u>36,237</u>
<u>Total unrestricted revenue and other support</u>	752,728	819,963
Expenses		
Salaries and wages	461,193	427,532
Benefits	54,082	56,331
Medical supplies	48,362	50,614
Contractual services	11,949	11,783
General and administrative expenses	161,490	115,224
Depreciation and amortization	90,391	75,490
Provision for bad debts	<u>37,840</u>	<u>31,541</u>
<u>Total expenses</u>	865,307	768,515
<u>Increase (decrease) in unrestricted net assets</u>	(112,579)	<u>51,448</u>
Changes in Temporarily Restricted Net Assets		
Other grants	107,820	
Net assets released from restrictions	<u>(1,332)</u>	<u>(36,237)</u>
<u>Increase (decrease) in temporarily restricted net assets</u>	106,488	<u>(36,237)</u>
Increase (Decrease) in Net Assets	(6,091)	15,211
Net Assets, beginning of year	<u>482,352</u>	<u>467,141</u>
Net Assets, end of year	<u>476,261</u>	<u>482,352</u>

The accompanying notes are an integral part of these statements.

St. Helena Community Health Center
Statements of Cash Flows
Years Ended June 30, 1998 and June 30, 1997

	<u>1998</u>	<u>1997</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	(\$6,091)	\$15,211
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	90,391	75,490
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	2,883	10,245
Estimated third-party payors	(1,438)	(40,570)
Grants receivable	76,824	(34,550)
Inventory	1,943	(2,982)
Prepaid expenses	7,086	(6,816)
Increase (decrease) in		
Accounts payable	(38,297)	2,740
Accrued liabilities	<u>4,300</u>	<u>8,047</u>
<u>Net cash provided by operating activities</u>	<u>137,601</u>	<u>26,815</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(10,758)</u>	<u>(86,682)</u>
<u>Net cash used by investing activities</u>	<u>(10,758)</u>	<u>(86,682)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	126,843	(59,867)
Cash and Cash Equivalents, beginning of period	<u>10,756</u>	<u>70,623</u>
Cash and Cash Equivalents, end of period	<u>137,599</u>	<u>10,756</u>

The accompanying notes are an integral part of these statements.

St. Helena Community Health Center
Notes to Financial Statements
June 30, 1998

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 have 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, 1998

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.

H. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. The St. Helena Community Health Center does not have any permanently restricted net assets.

Note 3-Property and Equipment

A summary of property and equipment at June 30, 1998 and June 30, 1997, is as follows:

	<u>1998</u>	<u>1997</u>
Furniture and fixtures	\$29,689	\$29,689
Office equipment	138,666	131,292
Medical equipment	148,301	148,300
Automobiles	49,196	49,196
Mobile Clinic	173,633	173,633
Leasehold improvements	<u>3,384</u>	<u> </u>
	542,869	532,110
Less accumulated depreciation and amortization	<u>267,982</u>	<u>177,590</u>
Property and equipment, net	<u>274,887</u>	<u>354,520</u>

**St. Helena Community Health Center
Notes to Financial Statements
June 30, 1998**

Note 4-Temporarily Restricted Net Assets

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

	<u>1998</u>	<u>1997</u>
Cash received form State for a new building	\$107,820	
Cash received from La Breast Cancer Task Force for nurse's training	<u>4,273</u>	<u>\$5,605</u>
	<u><u>112,093</u></u>	<u><u>5,605</u></u>

Note 5-Medical Malpractice Claims

The Center has medical malpractice insurance up to \$1,000,000 per occurrence as of June 30, 1998. The Center's medical malpractice insurance is covered by the Federal Tort Claims Act.

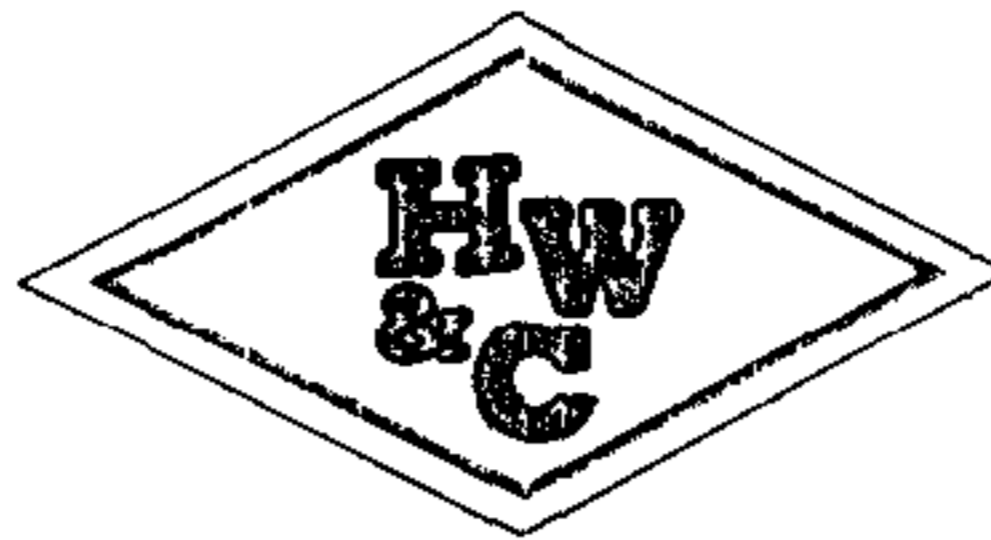
Note 6-Concentrations of Credit Risk

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>1998</u>	<u>1997</u>
Medicare	16%	28%
Medicaid	42	43
Sliding fee/private pay	27	10
Third party insurance	<u>15</u>	<u>19</u>
	<u><u>100%</u></u>	<u><u>100%</u></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. WATERS, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS C. MCKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES H. 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. BEEB, C.P.A.
RETIRED
ROBERT J. ZEFRENCH, C.P.A.
RETIRED
CARL L. HANCOCK, C.P.A.
RETIRED

September 24, 1998

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

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

as of and for the year ended June 30, 1998, and have issued our report thereon dated September 24, 1998. 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.

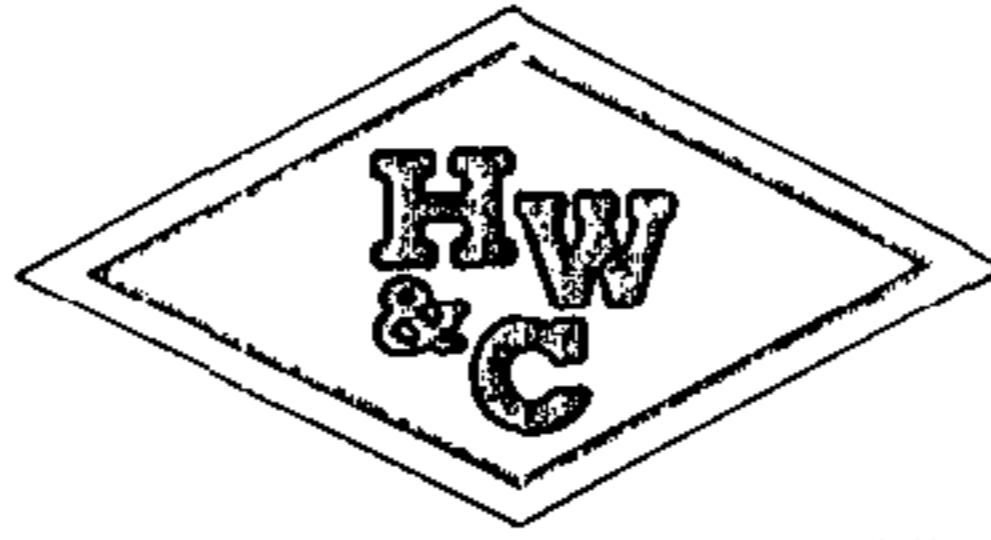
This report is intended for the information of the audit committee, management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hawthorn, Weymouth & Canall, L.L.P.

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

H. DANIEL CARROLL, C.P.A.
ROBERT E. WALES, 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

September 24, 1998

ROBERT B. HAWTHORN, C.P.A.
[1896-1977]
JOHN F. WAYMOUTH, C.P.A.
[1902-1987]
HOWARD V. CARROLL, C.P.A.
[1900-1993]

WARREN C. BELL, C.P.A.
RETIRED
ROBERT J. ZERINOTTI, C.P.A.
RETIRED
CARL L. HANCOCK, C.P.A.
RETIRED

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, 1998. 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 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 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, 1998.

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, 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.P.A.

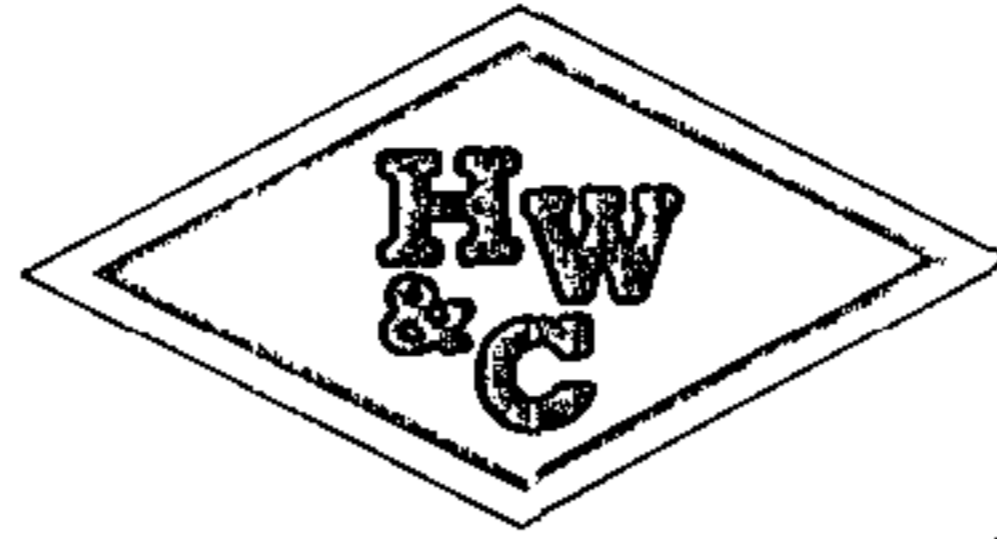
**St. Helena Community Health Center
 Schedule of Federal and State Awards
 Year Ended June 30, 1998**

<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>		
Louisiana Breast Cancer Task Force Grant		<u>1,332</u>
<u>Total federal and state expenditures</u>		<u>450,882</u>

*Major Program

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

H. DANIEL CARROLL, C.P.A.
ROBERT E. WALES, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS G. MCKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES R. PLEVY, 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
September 24, 1998

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. BEFF, C.P.A.
RETIRED
ROBERT J. ZERNONE, C.P.A.
RETIRED
CARL L. HANCOCK, C.P.A.
RETIRED

**Schedule on Audit Findings and Questioned Costs Applicable to
Each Major Program In Accordance with OMB Circular A-133**

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

Members of the Board:

We have audited the financial statements of St. Helena Community Health Center, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 24, 1998. 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.

Schedule on Audit Findings and Questioned Costs as Required by Circular A-133 Subpart E
§505(a)(4)(b) Department of Health and Human Services, C.F.D.A.# 93-224.

- (1) The above mentioned audit report contained an unqualified opinion.
- (2) Our audit report did not disclose any material weaknesses or other conditions in internal control which are required to be reported under OMB Circular A-133.
- (3) We issued an unqualified report on compliance for major programs.
- (4) Our audit report did not disclose any material weaknesses or other conditions in internal control over major programs which are required to be reported by OMB Circular A-133.
- (5) Our audit report did not disclose any material noncompliance in major programs, as described in §.510(a)(2).
- (6) Our audit did not disclose any questioned costs, as described in §.510(a)(3).
- (7) The major programs were identified as the Community Health Center Program.
- (8) The auditee's above mentioned programs were classified as Type A using \$300,000 of total federal awards expended as the threshold.
- (9) The auditee does qualify as a low risk auditee under §.530.

This report is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities.

Yours truly,

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