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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDING

DECEMBER 31, 1998

WHOLE HEALTH OUTREACH, INC.
100 ROWLEY BOULEVARD
ARABI, LA 70032

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 7-21-99

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**WHOLE HEALTH OUTREACH, INC.
ARABI, LA 70032**

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INDEPENDENT AUDITOR'S REPORT

To the Directors:
Whole Health Outreach, Inc.

I have audited the accompanying general purpose financial statements of **Whole Health Outreach, Inc.** as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of **Whole Health Outreach, Inc.'s** management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of **Whole Health Outreach, Inc.**, as of December 31, 1998, and the results of its operations and cash flows of its general fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 17, 1999, on my consideration of **Whole Health Outreach, Inc.'s** internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations contracts and grants.


JIM MARTIN, CPA

Marrero, Louisiana
June 17, 1999



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WHOLE HEALTH OUTREACH, INC.

Balance Sheet

December 31, 1998

ASSETS

	Restricted Funds		Unrestricted Funds		Totals	
	Total		Fund		1998	1997
	AEP	Programs	Raising	Total		
Cash	\$ 11,093	\$ 11,093	\$ 4,125	\$ 4,125	\$ 15,218	\$ 15,158
Grants Receivable	5,177	5,177	0	0	5,177	11,748
Total Assets	\$ 16,270	\$ 16,270	\$ 4,125	\$ 4,125	\$ 20,395	\$ 26,906

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 6,481	\$ 6,481	\$ 0	\$ 0	\$ 6,481	\$ 8,534
Total Liabilities	\$ 6,481	\$ 6,481	\$ 0	\$ 0	\$ 6,481	\$ 8,534
Fund Balance	9,789	9,789	4,125	4,125	13,914	18,372
Total Liabilities and Fund Balance	\$ 16,270	\$ 16,270	\$ 4,125	\$ 4,125	\$ 20,395	\$ 26,906

WHOLE HEALTH OUTREACH, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance

For the period

January 1, 1998 to December 31, 1998

	Restricted Funds		Unrestricted Funds		Total Agency Revenues
	AIDS Education Project	Total Programs	Other Revenue	Total	
REVENUES					
State Grant	\$ 64,263	\$ 64,263	\$ 0	\$ 0	\$ 64,263
Donations	0	0	0	0	0
Total Revenues	64,263	64,263	0	0	64,263
EXPENDITURES					
Seminar & Workshops	140	140	0	0	140
Personnel (Contract Svcs)	49,963	49,963	0	0	49,963
Fringe Benefits	4,557	4,557	0	0	4,557
Travel	2,367	2,367	0	0	2,367
Rent (Facilities)	2,100	2,100	0	0	2,100
Office Supplies	429	429	0	0	429
Telephone	1,608	1,608	0	0	1,608
Bank Charges	0	0	6	6	6
Postage	81	81	0	0	81
Audit Fees	1,460	1,460	0	0	1,460
Advertising	30	30	0	0	30
Accounting	275	275	600	600	875
Total Expenditures	\$ 63,010	\$ 63,010	\$ 606	\$ 606	\$ 63,516
Excess of Revenues over/(under) Expenditures	1,253	1,253	(606)	(606)	647
Fund Balance - 12/31/97	3,067	3,067	12,091	12,091	15,158
Fund Balance - 12/31/98	4,320	4,320	11,485	11,485	15,805

WHOLE HEALTH OUTREACH, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Presentation

In April, 1984, the Financial Accounting Foundation established the Governmental Accounting Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Whole Health Outreach, Inc. maintains its location at 100 Rowley Boulevard in Arabi, La. Accounting records are maintained at that address.

B. Basis of Accounting

Whole Health Outreach, Inc. maintains its records on an accrual basis of accounting. Revenues are recognized when earned and expenditures are recognized when incurred. Whole Health Outreach, Inc. further uses a spending focus, meaning that they primarily account for the receipt and disbursement of resources. Based on the spending focus and the basis of accounting, GASB Statement No. 9 was not used and, therefore, alleviates the need for a cash flow statement being presented.

C. Budgets and Budgetary Accounting

The local Government Budget Act (LSA-RS 39:1301-1316) is primary guidance (and legal requirement) for local governmental units.

D. The board uses a fund (General Fund) and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Notes to the Financial Statements (continued)

The General Fund of the board is classified as a governmental fund. The General Fund accounts for the board's general activities, including the collections and disbursement of the board's general activities, including the collections and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The General Fund is the general operating fund of the board and accounts for all financial resources, except those required to be accounted for in other funds.

NOTE 2 - CASH

The agency maintained two bank accounts:

- (1) "AEP" - AIDS Education Project Account - funds received from the State for AIDS education and prevention project were deposited into this account and separate books were maintained. These funds are presented as "Restricted" funds.
- (2) "WHO" - Whole Health Outreach Account - All other funds generated by the agency were deposited into this account. These funds were monies received from donations and administrative fees and are presented as "Unrestricted" funds.

The AIDS Education Project is funded as a cost reimbursement program. The program contract period overlaps the agency's calendar year.

NOTE 3 - INCOME TAXES

Whole Health Outreach, Inc. is a not-for-profit organization that is funded by the Louisiana Department of Health and Hospitals. The organization is recognized by the Internal Revenue Service as a Section 501(c)(3) organization.

NOTE 3 - FIXED ASSETS

The agency's operations are accounted for on a spending or financial flow measurement focus and only current assets and current liabilities are included on its balance sheet.

Fixed assets are recorded as expenditures (capital outlay) when purchased with restricted funds. Because of the limited impact on the result of operation or financial position, depreciation was not charged as an operating cost.

Notes to the Financial Statements (continued)

Below is a summary of the fixed assets acquired. All fixed assets are stated at the historical cost. Donated fixed assets are stated at their estimated fair market value on the date donated.

	Description	Quantity	Date Acquired	Cost	Condition
1.	Stand for Copier	1	Jan 1991	99.00	Poor
2.	Overhead	1	1992	492.00	Good
3.	Computer	1	Jan 1996	<u>725.00</u>	Good
4.	Copier	1	Feb 1998	<u>1,200.00</u>	Good
		TOTAL		<u><u>\$ 2,516.00</u></u>	

NOTE 4 - BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board; therefore no compensation has been paid to any member in his/her capacity as a director.

NOTE 5 - AUDITS

Audits of quasi-public entities are under the provisions of LSA-RS 24:513 which states that any local auditee that receives between \$50,000 and \$350,000 in revenues and other sources in any one fiscal year, shall complete an annual compilation of financial statements with an accompanied attestation report on compliance with laws and regulations. Whole Health Outreach, Inc. is in compliance with this audit requirement for the 1998 calendar year.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Directors:
Whole Health Outreach, Inc.

I have audited the general purpose financial statements of **Whole Health Outreach, Inc.**, as of and for the year ended December 31, 1998, and have issued my report thereon dated June 17, 1999. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether **Whole Health Outreach, Inc.'s** general purpose financial statements are free of material misstatement, I performed tests of its compliance 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered **Whole Health Outreach, Inc.'s** internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration on 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 general purpose 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. I noted no matters involving the internal control over financial reporting and its operation that I 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.


JIM MARTIN, CPA

Marrero, Louisiana
June 17, 1999



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