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HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
FINANCIAL STATEMENTS
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 ~~DEC 30 1998~~

G E O R G E E. M C G O V E R N I I I

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George E. McGovern III C.P.A.
George A. Burton, Jr. C.P.A.

Independent Auditor's Report

November 15, 1998

To the Board of
Health Access, Inc.

I have audited the accompanying statement of financial position of Health Access, Inc. (a nonprofit organization) as of June 30, 1998, and the related statements of activities, functional expense and cash flows for the year then ended. This financial statement is the responsibility of the Organization's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

The data included as supplemental information on Schedule 1 is presented as additional information and does not necessarily include all of the information required by generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Access, Inc. as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles. In accordance with *Government Auditing Standards*, I have also issued a report dated November 15, 1998 on my consideration of the Company's compliance with laws and regulations.

Sincerely,


George E. McGovern III
Certified Public Accountant

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 182
Accounts Receivable:	
(Net of Allowance \$25,000)	
Grants	65,331
Other	<u>4,275</u>
Total Current Assets	<u>69,788</u>
Fixed Assets & Capitalized Leases	
Buildings	87,022
Building Improvements	90,216
Furniture & Fixtures	39,480
Office Equipment	33,264
Computer Equipment	41,428
Less Accumulated Depreciation & Amortization	<u>(182,049)</u>
Net Depreciable Fixed Assets	109,361
Land	<u>11,669</u>
Total Fixed Assets	<u>121,030</u>
Other Assets	
Security Deposit	<u>1,574</u>
Total Assets	<u>\$ 192,392</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Cash Deficit	\$ 16,989
Accounts Payable and Accrued Expenses	134,673
Payroll Taxes Payable	15,707
Notes Payable - Current Portion	36,973
Capital Lease Obligations - Current Portion	<u>4,255</u>
Total Current Liabilities	<u>208,597</u>
Long-Term Liabilities	
Long-Term Debt	45,132
Capital Lease Obligations	<u>2,846</u>
Total Long-Term Liabilities	<u>47,978</u>
Total Liabilities	<u>256,575</u>
Net Assets (Deficit)	
Unrestricted Net Assets (Deficit)	(64,183)
Temporarily Restricted Net Assets	0
Permanently Restricted Net Assets	<u>0</u>
Total Net Assets (Deficit)	<u>(64,183)</u>
Total Liabilities and Net Assets	<u>\$ 192,392</u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1998

Changes in Unrestricted Net Assets:

Public Support	
Contributions	\$ 1,000
United Way	15,540
Chapter I Funding	<u>26,675</u>
Total Public Support	<u>43,215</u>
Revenue	
Program Service Fees	0
Fees From Agencies	<u>773,716</u>
Total Revenue	<u>773,716</u>
Other Revenue	
Interest Income	243
Miscellaneous	<u>35,853</u>
Total Other Revenue	<u>36,096</u>
Total Public Support and Revenue	<u>\$ 853,027</u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1998

Expenses	
Program Services:	
Family Preservation	\$ 193,826
Independent Living	24,631
Residential Treatment Facility	305,004
Partial Hospital	0
Case Management	0
Caddo Parish Juvenile Home	<u>27,712</u>
Total Program Services	551,173
Supporting Services	
Management and General	293,505
Fundraising	<u>3</u>
Total Expenses	<u>\$ 844,681</u>
Decrease in Unrestricted Net Assets	\$ 8,346
Prior Period Adjustment (Note 9)	(77,894)
Increase in Temporarily Restricted Net Assets	0
Increase in Permanently Restricted Net Assets	<u>0</u>
Decrease in Net Assets	(69,548)
Net Assets at Beginning of Year	<u>5,365</u>
Net Assets (Deficit) at End of Year	<u><u>\$(64,183)</u></u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1998

	<u>Program Services</u>		
	<u>Family Preservation</u>	<u>Independent Living</u>	<u>Residential Treatment Facility</u>
Salaries	\$ 89,907	\$ 22,917	\$ 81,771
Payroll Taxes, Etc.	<u>8,334</u>	<u>2,124</u>	<u>7,580</u>
Total Salaries and Related Expenses	98,241	25,041	89,351
Professional Fees	78,545	0	165,149
Supplies	287	(410)	12,187
Telephone	0	0	0
Postage and Shipping	0	0	0
Occupancy	0	0	26,385
Interest	0	0	0
Rental and Maintenance of Equipment	0	0	0
Travel and Transportation	314	0	1,401
Conferences, Conventions, and Meetings	0	0	0
Special Assistance to Individuals	0	0	783
Insurance	0	0	0
Other	439	0	627
Bad Debt	16,000	0	0
Depreciation of Building and Equipment	<u>0</u>	<u>0</u>	<u>9,121</u>
Total Expenses	193,826	24,631	305,004
Allocation of Management and General	<u>106,396</u>	<u>14,470</u>	<u>155,969</u>
Total Functional Expenses	<u>\$ 300,222</u>	<u>\$ 39,101</u>	<u>\$ 460,973</u>

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

<u>Program Services</u>		<u>Support Services</u>			
<u>Caddo Parish Juvenile Home (Case Mgmt.)</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
\$ 12,375	\$ 206,970	\$ 99,326	\$ 0	\$ 99,326	\$ 306,296
1,147	19,185	9,209	0	9,209	28,394
13,522	226,155	108,535	0	108,535	334,690
14,030	257,724	32,458	0	32,458	290,182
0	12,064	13,597	0	13,597	25,661
0	0	10,775	0	10,775	10,775
0	0	1,510	0	1,510	1,510
0	26,385	50,061	0	50,061	76,446
0	0	8,454	0	8,454	8,454
0	0	9,931	0	9,931	9,931
160	1,875	1,005	0	1,005	2,880
0	0	5,860	0	5,860	5,860
0	783	0	0	0	783
0	0	13,457	0	13,457	13,457
0	1,066	5,426	3	5,429	6,495
0	16,000	25,000	0	25,000	41,000
0	9,121	7,436	0	7,436	16,557
27,712	551,173	293,505	3	293,508	844,681
16,670	293,505	293,505	0	293,505	0
<u>\$ 44,382</u>	<u>\$ 844,678</u>	<u>\$ 0</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 844,681</u>

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

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1998

Cash Flows from Operating Activities:	
Change in Net Assets	<u>\$ 8,346</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation & Amortization	16,557
Prior Period Adjustment (See Note 8)	<u>(77,894)</u>
Total Adjustments	<u>(61,337)</u>
Changes in Operating Assets and Liabilities:	
Accounts Receivable	51,704
Cash Deficit	16,989
Accounts Payable and Accrued Expenses	62,168
Payroll Taxes Payable	(71,667)
Other Liabilities	<u>(4,146)</u>
Net Change in Operating Assets and Liabilities	<u>55,048</u>
Cash Flows from Investing Activities:	
Purchase of Equipment	<u>(1,839)</u>
Net Cash (Used) By Investing Activities	<u>(1,839)</u>
Cash Flows from Financing Activities:	
Borrowing Debt	15,030
Advances to Related Party	(5,000)
Advances from Related Party	2,225
Principal Payments on Current Debt	(17,306)
Principal Payments on Lease Obligations	<u>(3,941)</u>
Net Cash Provided (Used) By Financing Activities	<u>(8,992)</u>
Net Decrease in Cash and Cash Equivalents	(8,774)
Cash and Cash Equivalents - Beginning of Year	<u>8,956</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 182</u></u>

Note: During the year, the Company paid \$8,454 in interest and \$0 for income taxes.

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

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. 12:201(7). The 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, 1995, 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, 1995.

Financial Statement Presentation

On July 1, 1995, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center is required to report information regarding its financial position and activities according to the three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. As permitted by this Statement, Health Access, Inc., d/b/a Northwest Louisiana Family Crisis Center has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. The reclassification had no cumulative effect on the change in net assets for the year ended June 30, 1996.

Health Access, Inc. d/b/a/ Northwest Louisiana Family Crisis Center also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," on July 1, 1995. In accordance with SFAS No 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The adoption had no cumulative effect on net assets at the date of the adoption. In addition, Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Basis of Accounting

The accompanying financial statements of Health Access, Inc. have been prepared on the accrual 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.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

1. Summary of Significant Accounting Policies (Continued)

Description of Programs

Family Preservation - Provides an intensive outpatient 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 counseled 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.

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.

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.

Public Support and Revenue

Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center receives its grant and contract support primarily from the State Department of Human Services and other State Agencies. Support received from those grants and contracts is recognized on a "net funded" basis whereby State Department of Human Services, Division of Mental Health Services funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees, Medicaid income, and Medicare income in determining grant funds to be recognized. Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center receives client fees, Medicaid income, and Medicare income for billable client services and recognized these fees and income when earned.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

1. Summary of Significant Accounting Policies (Continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fixed Assets

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 (4-5 percent per year for building and improvements, and 20 percent for furniture and fixture).

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

Receivables and Allowance for Uncollectible Accounts

Receivables consist primarily of cost reimbursement requests outstanding at year-end related to various contracts from governmental and private agencies.

Allocation of Supporting Service Expenditures

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.

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 those estimates.

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)(2)(A)(vi).

Advertising

Nondirect response advertising are expensed.

Sick Pay, Vacation Pay, Retirement Benefits

The corporation has no retirement plans nor does it compensate its employees for unused sick or vacation time.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

1. Summary of Significant Accounting Policies (Continued)

Impairment

The carrying value of property, equipment and intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future cash flows is less than book value. For the years presented, no adjustment was necessary.

2. Accounts Receivable

Accounts receivable consists of the following:

Services	\$ 65,331
Sale of Medicare Provider Number	<u>25,000</u>
	90,331
Less - Allowance for Uncollectible Accounts	<u>(25,000)</u>
	<u>\$ 65,331</u>

These accounts receivable are pledged to secure the notes at Hibernia National Bank.

3. Notes Payable and Long-Term Debt

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

Note payable to Hibernia National Bank in monthly installments of \$690.47, including interest at 10.5%, secured by deposits on account and real estate, final payment due October, 2002.	\$ 29,318
Note dated September 16, 1996, payable to Minden Bank & Trust, in monthly installments of \$985, including interest at 11%, secured by deposits on account and all equipment, final payment due September 25, 1999.	14,940
Note dated January 29, 1997, payable to Minden Bank & Trust, in monthly installments of \$660, including interest at 11%, secured by deposits on account, final payment due January 25, 2000.	22,817

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

3. Notes Payable and Long-Term Debt (Continued)

Short term note, interest payable quarterly, line of credit, payable Citizens Bank & Trust, secured by certificate of deposit of Board Member	<u>15,030</u>
Total Notes Payable and Long-Term Debt	82,105
Less: Notes Payable - Current Portion	<u>(36,973)</u>
Total Long-Term Debt	<u>\$ 45,132</u>

Maturities of Long-Term Debt
Fiscal Year Ended

	<u>Principal</u>
1999	\$ 36,973
2000	16,723
2001	13,915
2002	11,275
2003	<u>3,219</u>
Total	82,105
Less: Current Portion	<u>(36,973)</u>
Total Long-Term Debt	<u>\$ 45,132</u>

4. Capital Lease Obligations

The organization leases certain office equipment under various agreements which are classified as capital leases. As of June 30, 1998, office equipment purchased under capital leases has a cost of \$22,611 and accumulated amortization of \$14,928 and amortization expense of \$4,523 which is included in office equipment and amortization expense respectively.

As of June 30, 1998, approximate future minimum lease payments under capital leases are as follows:

<u>Fiscal Year Ended</u>	
1999	\$ 4,004
2000	<u>4,004</u>
Total Future Minimum Lease Payments	8,008
Less: Amount Representing Interest	<u>(907)</u>
Present Value of Future Minimum Lease Payments	7,101
Less Current Portion	<u>(4,255)</u>
Long-Term Portion	<u>\$ 2,846</u>

5. Operating Leases

At of June 30, 1998, the organization was obligated under cancelable operating leases for office space and residential housing. The leases have a 30 day out clause in the event of 10% budget cut. Rent expense under operating leases totaled \$40,131.

Beginning February 27, 1995, Health Access, Inc. has been paying for the organization's CEO's obligation under a cancelable operating lease for an automobile. Vehicle expense under operating leases totaled \$9,931.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

6. Statement of Cash Flows

Total interest paid for the year was \$8,454, none of which was capitalized.

7. Subsequent Events/Contingent Liabilities/Legal Matters

Legal Matters

This organization is the defendant in various lawsuits arising principally in normal course of operations. In the opinion of Management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

8. Contributions

Total contributions include \$0 of in-kind contributions for various fund-raising activities.

9. Prior Period Adjustment

A prior period adjustment was made to record \$40,183 of prior year due to the following:

Overstatement of Receivables - Medicare	\$(67,400)
Overstatement Prior Year of Payroll Taxes Payable/Payable	55,006
Under Accrual of Wages/Contracts Payable	<u>(65,500)</u>
	(77,894)
Beginning Net Assets Per Original Report	<u>5,365</u>
<i>Beginning Net Assets as Adjusted</i>	<u><u>\$(72,529)</u></u>

A summary of the adjustments to the prior year audit follows:

	<u>As Reported</u>	<u>As Adjusted</u>	<u>As Changed</u>
Revenues	\$ 820,381	\$(67,400)	\$752,981
Expenditures	<u>821,343</u>	<u>(10,494)</u>	<u>831,837</u>
Change in Net Assets	<u>\$(962)</u>	<u>\$(77,894)</u>	<u>\$(78,856)</u>
Current Assets	\$ 264,812	\$(67,400)	\$197,412
Current Liabilities	<u>259,447</u>	<u>(10,494)</u>	<u>269,941</u>
Net Assets	<u>\$ 5,365</u>	<u>\$(77,894)</u>	<u>\$(72,529)</u>

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

10. Economic Dependency

The organization receives the majority of its revenue from Medicaid, Medicare, and state revenues which include federal pass-through monies.

If significant budget cuts are made at the federal and/or state level, the amount of the funds of the Organization could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

11. Contingencies

The corporation is currently seeking recoupment of loss of revenue and recoupment of expenses from employees/vendors which rendered professional services in the past. The amount of expected recoupment is not recorded in these financial statements.

12. Related Party

During the year, the following transpired between the corporation's CEO and the corporation:

Beginning Balance of Non Interest Bearing Receivable	\$ 1,500
Borrowing	5,000
Payments	<u>(2,225)</u>
Ending Balance	<u>\$ 4,275</u>

13. Depreciation Expense

During the year, there was \$12,034 of depreciation expense.

14. Insurance

The corporation maintains the following:

	Carrier	Limits	Policy Period	Policy Number
General Liability	United National	\$3,000,000	8/01/97-7/31/98	GA721548
Auto	Safeco	\$1,000,000	8/01/97-7/31/98	
LA Workers Comp.	Clarendon			
Prof. Liability	United National	\$1,000,000	8/1/97-7/31/98	GA721548

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

15. Year 2000

In accordance with GASB TB 98-1, the Company has recognized potential short comings in their electronic data-processing systems and other equipment that might adversely effect their operations in the year 2000 and beyond. The following summarizes the Company's position at the end of fiscal year 1997.

Awareness Stage - The Company has developed a budget and time frame for implementation of the project plan to occur no later than 12/15/98.

Assessment Stage - The Company anticipates this to take place during the first six months of 1999. A dual system is running offsite to assure compliance.

Remediation Stage and Validation/Testing Stage will take place in the year 1999.

G E O R G E E . M C G O V E R N I I I

CERTIFIED PUBLIC ACCOUNTANT
MEMBER OF AMERICAN INSTITUTE OF
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George E. McGovern III C.P.A.
George A. Burton, Jr. C.P.A.

November 15, 1998

Independent Auditor's 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 Board of
Health Access, Inc.

I have audited the financial statements of Health Access, Inc. (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued my report thereon dated November 15, 1998. 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 Health Access, Inc.'s financial statements are free of material misstatement, I 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 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*.

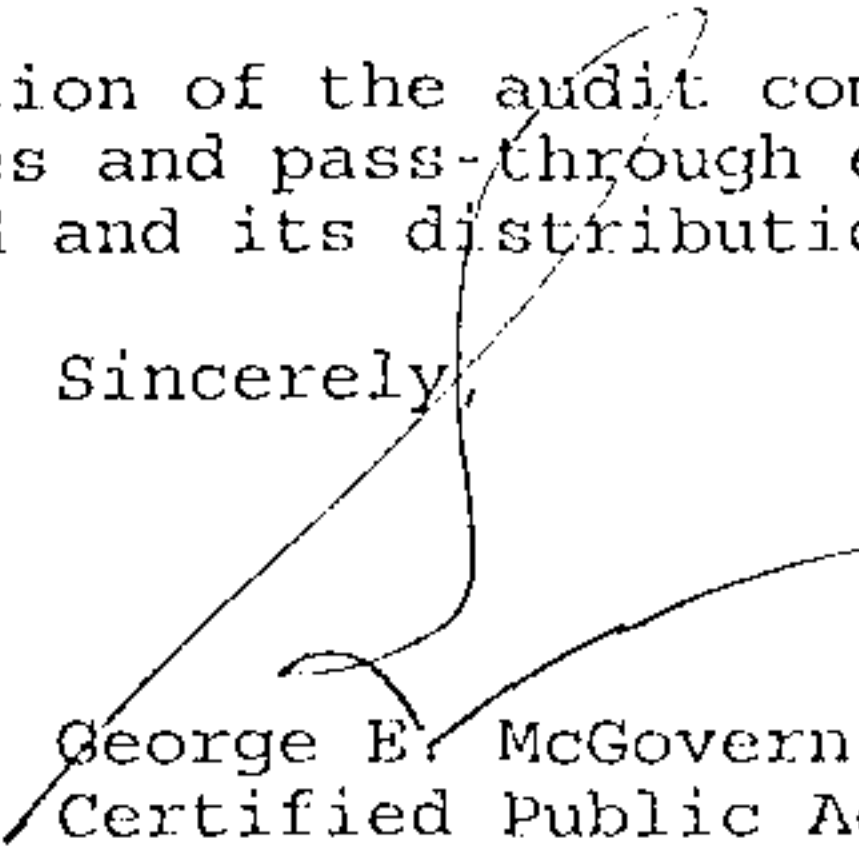
Internal Control Over Financial Reporting

In planning and performing my audit, I considered Health Access, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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 statement 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. Matters which had been noted in the previous year's audit had been corrected.

To the Board of
Health Access, Inc.
November 15, 1998

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.

Sincerely,



George E. McGovern III
Certified Public Accountant

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
REPORTABLE CONDITIONS
JUNE 30, 1998

There are no questioned or disallowed cost as of 6/30/98 and the following was discovered in the audit of fiscal year ended 6/30/97:

- Reportable Condition #1 - The organization did not find several invoices in vendor files.
- Criteria - The corporation implemented procedure to require documentation.
- Follow up - The corporation has corrected deficiency.

G E O R G E E. M C G O V E R N I I I

CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 7155
Shreveport, LA 71137-7155
318-222-7555

1543 Grimmatt Drive
Shreveport, LA 71107

George E. McGovern III C.P.A.
George A. Burton, Jr. C.P.A.

November 15, 1998

Independent Auditor's Report on Supplementary Information

Schedule of Federal Financial Assistance

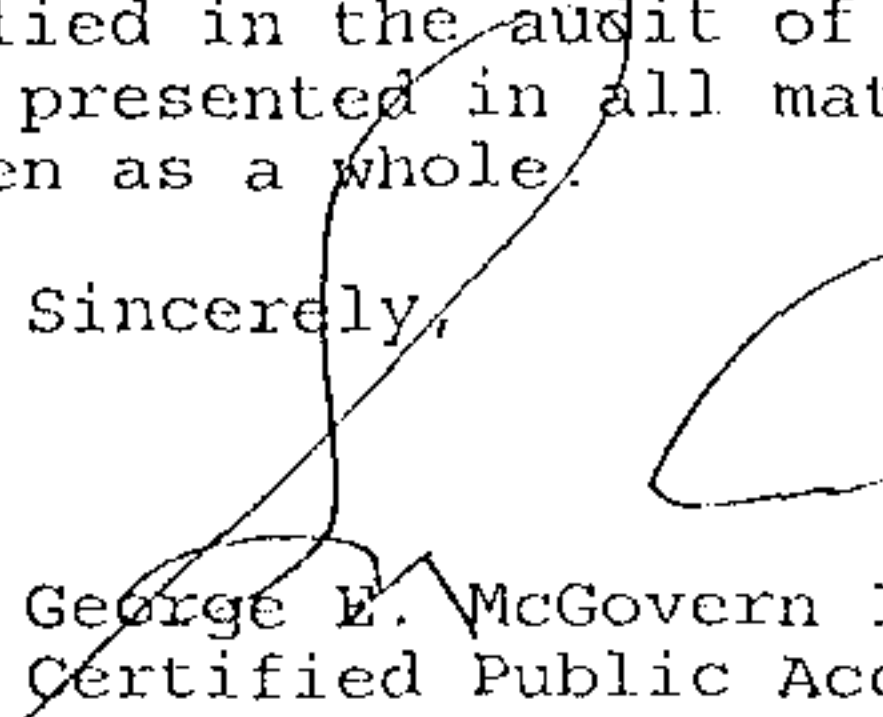
Health Access, Inc.
Shreveport, LA

I have audited the financial statements of Health Access, Inc. (a nonprofit corporation), as of and for the year ended June 30, 1998, and have issued my report thereon dated November 15, 1998. These financial statements are the responsibility of Health Access, Inc. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB A-133. Those standards and OMB A-133 require that I 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the financial statements of Health Access, Inc., taken as a whole. The accompanying schedule of federal financial assistance and schedule of Board of Directors is presented for purposes of additional analysis and is not a required part of the financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Sincerely,


George E. McGovern III
Certified Public Accountant

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 1998

<u>Non Major Programs</u>	<u>Contract Description</u>	<u>Terms of Contract (Description)</u>	<u>Contract</u>	<u>Amount Received FYE 6/30/98</u>	<u>Amount Due @ 6/30/98</u>	<u>Matching Required</u>
State of Louisiana	Office of Youth Dev.	1/1/94-12/31/98	\$555,055	\$ 95,602	\$ 9,124	No
State of Louisiana	Office of Comm. Serv.	Res'd Living	0	338,586	36,196	No
State of Louisiana	Office of Comm. Serv.	Independent Liv.	214,800	63,917	7,108	Yes
State of Louisiana	Outpatient Counseling	(Medicaid)	0	<u>160,250</u>	<u>7,525</u>	
	Subtotal			658,355	59,953	
Caddo Parish Juv. Court United Way	SWIFT	8/1/97-1/31/98 Independent Liv. (Match)	0 0	47,052 14,481	4,320 1,058	No No
Caddo Parish School Board Other		Res's Living	0	26,675 <u>16,133</u>	0 <u>25,000</u>	No
				<u>\$ 762,696</u>	<u>\$ 90,331</u>	

Note: All revenues were pass through from the above and there were no direct federal funds received.

HEALTH ACCESS, INC.
D/B/A NORTHWEST LOUISIANA FAMILY CRISIS CENTER
SUPPLEMENTARY INFORMATION
BOARD OF DIRECTORS
SCHEDULE ONE
JUNE 30, 1998

Scott Crichton, Chairman
500 Texas Street
Shreveport, LA 71101

Tenure to: Meeting, 1/1/99

George Baker
9429 Amity Way
Shreveport, LA 71103

Tenure to: Meeting, 1/1/99

Barbara Pendleton
221 Plano Street
Shreveport, LA 71118

Tenure to: Meeting, 1/1/99

Father Ron Mathews
425 McCormick Street
Bossier City, LA 71111

Tenure to: Meeting, 1/1/99

None of the above are compensated.

John Gianforte, President
2835 Hollywood
Shreveport, LA 71108

Tenure to: Employee, salary for
the year ended 6/30/98
\$72,496