

**RAPIDES PRIMARY HEALTH  
CARE CENTER, INC.**

**AUDITED FINANCIAL STATEMENTS**

**FEBRUARY 28, 2021  
(WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2020)**

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
February 28, 2021  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rapides Primary Health Care Center, Inc.  
Alexandria, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Rapides Primary Health Care Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 28, 2021, and the related statement of operations and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rapides Primary Health Care Center, Inc. as of February 28, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Rapides Primary Health Care Center, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended February 29, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other-Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of Rapides Primary Health Care Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rapides Primary Health Care Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rapides Primary Health Care Center, Inc.'s internal control over financial reporting and compliance.

*Brown, Egger & Co.*

Ridgeland, Mississippi  
December 21, 2021

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Statement of Financial Position  
February 28, 2021  
(With Summarized Financial Information for 2020)

EXHIBIT I

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 2,386,592	\$ 3,449,905
Patient care receivables, less allowance of \$1,335,400 for doubtful accounts	288,808	1,251,553
Grants receivable	568,913	96,454
Employee advances	22,173	24,731
Investment in LPCA	<u>3,000</u>	<u>3,000</u>
Total Current Assets	<u>3,269,486</u>	<u>4,825,643</u>
Fixed Assets:		
Land	82,919	77,978
Building and improvements	3,978,905	3,626,299
Furniture and equipment	1,553,697	1,270,016
Vehicles	742,558	619,778
Construction in Progress	<u>2,557,193</u>	<u>705,561</u>
Total Fixed Assets	8,915,272	6,299,632
Less: Accumulated depreciation	<u>(2,194,319)</u>	<u>(1,973,630)</u>
Net Fixed Assets	<u>6,720,953</u>	<u>4,326,002</u>
Other Assets:		
Deposits	<u>1,500</u>	<u>1,500</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 9,991,939</u></b>	<b><u>\$ 9,153,145</u></b>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 334,014	\$ 388,661
Deferred revenue	96,454	953,958
Payroll taxes payable	63,996	75,628
Other payroll deductions payable	54,382	40,725
Salaries payable	31,813	35,017
Accrued annual leave	<u>30,793</u>	<u>26,368</u>
Total Current Liabilities	<u>611,452</u>	<u>1,520,357</u>
Total Liabilities	<u>611,452</u>	<u>1,520,357</u>
Net Assets:		
Without donor restrictions		
Undesignated (Operating)	3,111,933	3,759,186
Investment in fixed assets, net of related debt	<u>6,268,554</u>	<u>3,873,602</u>
Total Net Assets	<u>9,380,487</u>	<u>7,632,788</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 9,991,939</u></b>	<b><u>\$ 9,153,145</u></b>

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

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Statement of Operations and Changes in Net Assets  
For the Year Ended February 28, 2021  
(With Summarized Financial Information for 2020)

	<u>Without Donor Restrictions</u>	
	<u>2021</u>	<u>2020</u>
SUPPORT AND REVENUES (Note 2)		
Support:		
Federal grants and contracts	\$ 4,474,039	\$ 2,098,576
Total Support	<u>4,474,039</u>	<u>2,098,576</u>
Revenue:		
Health care services, net of charity, bad debts and contractual adjustments of \$(635,532)	863,146	2,549,106
Interest income	23,915	36,803
Other income	1,893	4,848
In-kind revenues	<u>701,356</u>	<u>542,942</u>
Total Revenue	<u>1,590,310</u>	<u>3,133,699</u>
TOTAL SUPPORT AND REVENUES	<u>6,064,349</u>	<u>5,232,275</u>
EXPENSES		
Program Services		
Medical services	2,349,618	2,785,793
Dental services	614,017	934,237
Community services	<u>445,867</u>	<u>-</u>
Total Program Services	<u>3,409,502</u>	<u>3,720,030</u>
Supporting Services		
Management and general	<u>907,148</u>	<u>1,083,592</u>
Total Supporting Services	<u>907,148</u>	<u>1,083,592</u>
TOTAL EXPENSES	<u>4,316,650</u>	<u>4,803,622</u>
Change in net Assets	1,747,699	428,653
Net Assets, Beginning of Year	<u>7,632,788</u>	<u>7,204,135</u>
NET ASSETS, END OF YEAR	<u>\$ 9,380,487</u>	<u>\$ 7,632,788</u>

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



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Statement of Functional Expenses  
For the Year Ended February 28, 2021  
(With Summarized Financial Information for 2020)

	PROGRAM SERVICES				SUPPORTING SERVICES	2021 Total Expenses	2020 Total Expenses
	Medical Services	Dental Services	Community Services	Total Program Services	Management and General		
Personnel	\$ 780,836	194,880	-	975,716	526,553	\$ 1,502,269	\$ 1,644,890
Fringe benefits	163,036	40,759	-	203,795	109,736	313,531	412,708
Travel	22,479	5,720	1,283	29,482	13,520	43,002	90,445
Supplies	39,823	85,543	227,543	352,909	30,957	383,866	405,474
Equipment rental	1,126	563	-	1,689	563	2,252	2,576
Contractual	407,659	155,450	177,328	740,437	86,203	826,640	1,177,095
Accounting and audit	13,766	6,883	-	20,649	6,883	27,532	28,337
Legal	-	-	-	-	-	-	21,508
Dues and subscriptions	5,625	2,812	-	8,437	2,812	11,249	16,548
Utilities	25,020	12,687	-	37,707	11,168	48,875	53,517
Equipment repairs & maint.	10	5	-	15	5	20	-
Building repairs & maint.	(6,355)	10,459	2,345	6,449	12,124	18,573	22,402
Insurance	22,241	11,651	-	33,892	10,753	44,645	51,658
Staff recruitment	(437)	-	-	(437)	1,665	1,228	305
Advertisement & marketing	390	740	36,565	37,695	(1,875)	35,820	46,100
Security	1,124	562	-	1,686	562	2,248	2,316
Training and development	2,343	1,171	-	3,514	1,171	4,685	12,745
Telephone	46,151	19,775	-	65,926	20,390	86,316	66,205
Postage	844	422	-	1,266	422	1,688	3,611
Printing	85	79	803	967	79	1,046	3,356
Space cost	3,570	1,785	-	5,355	2,385	7,740	6,306
Interest	-	-	-	-	212	212	28
Bank charges	1,893	947	-	2,840	947	3,787	5,340
Waste removal	5,216	5,216	-	10,432	1,256	11,688	10,143
Board expenses	468	234	-	702	234	936	19,325
Janitorial services	33	17	-	50	17	67	893
Property and other taxes	732	366	-	1,098	366	1,464	1,850
Acquisition of fixed assets	-	181,534	629,664	811,198	1,804,441	2,615,639	573,280
Transferred to fixed assets	-	(181,534)	(629,664)	(811,198)	(1,804,441)	(2,615,639)	(573,280)
Other	238	120	-	358	12,870	13,228	10,373
In-kind expenses	<u>701,356</u>	<u>-</u>	<u>-</u>	<u>701,356</u>	<u>-</u>	<u>701,356</u>	<u>542,942</u>
Total expenses before depreciation	<u>2,239,272</u>	<u>558,846</u>	<u>445,867</u>	<u>3,243,985</u>	<u>851,978</u>	<u>4,095,963</u>	<u>4,658,996</u>
Depreciation	<u>110,346</u>	<u>55,171</u>	<u>-</u>	<u>165,517</u>	<u>55,170</u>	<u>220,687</u>	<u>144,626</u>
Total Expenses	<u>\$ 2,349,618</u>	<u>614,017</u>	<u>445,867</u>	<u>3,409,502</u>	<u>907,148</u>	<u>\$ 4,316,650</u>	<u>\$ 4,803,622</u>

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

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Statement of Cash Flows  
For the Year Ended February 28, 2021  
(With Summarized Financial Information for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS USED FOR OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 1,747,699	\$ 428,653
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	220,687	144,626
Bad debt expense	348,475	(134,506)
Decrease (increase) in:		
Patient care receivables	614,270	(206,638)
Employee advances	2,558	(5,729)
Grants receivable	(472,459)	184,980
Increase (decrease) in:		
Accounts payable	(54,644)	(203,381)
Deferred revenue	(857,504)	330,080
Payroll taxes payable	(11,632)	27,564
Other payroll deductions payable	13,657	16,471
Salaries payable	(3,204)	(62,087)
Accrued annual leave	4,425	6,811
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,552,328</u>	<u>526,844</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	<u>(2,615,639)</u>	<u>(573,280)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(2,615,639)</u>	<u>(573,280)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Other financing activities	<u>(2)</u>	<u>1</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(2)</u>	<u>1</u>
NET INCREASE (DECREASE) IN CASH	(1,063,313)	(46,435)
CASH, BEGINNING OF YEAR	<u>3,449,905</u>	<u>3,496,340</u>
CASH, END OF YEAR	<u>\$ 2,386,592</u>	<u>\$ 3,449,905</u>

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



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**NOTE 1 - ABOUT THE ORGANIZATION**

Rapides Primary Health Care Center, Inc., (the "Center"), a non-profit corporation was incorporated in the State of Louisiana on May 19, 1992. The Center was organized to provide efficient and effective health care through the operation of a health delivery system designed to meet the medical needs of the community i.e., early detection diagnosis, and treatment of illness and injuries; to facilitate an understanding of the desirability of initiating a program of preventive medicine; and to generally improve and promote the improvement of the community, civilly, and socially. The Center provides comprehensive primary health care to area residents, with particular care for the social-economically disadvantaged. The area served is Central Louisiana. The services are provided through an outpatient Center with a referral program, health education, and limited medical services for hospitalization.

The fiscal year of the Center is March 1 through February 28.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. *Basis of Accounting*** - The financial statements of Rapides Primary Health Care Center, Inc., are presented on the accrual basis of accounting.
- B. *Basis of Presentation*** - The Center is required to report information regarding its financial position and activities according to two classes of net assets: Net assets with donor restrictions and nets assets without donor restrictions. In addition, the organization is required to present a statement of functional expenses.
- C. *Cash and Cash Equivalents*** - For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less that are not restricted for specific purposes.
- D. *Donated Property and Equipment*** - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies donor restricted net assets to donor unrestricted net assets at that time.
- E. *Donated Services*** - Donated services are recognized as contributions in accordance with FASB Accounting Standards Codification (ASC) 958, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center.
- F. *Functional Expense Allocation*** - The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Operations and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**G. Fund Accounting** - The accounts of the Center are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

**H. Property and Equipment** - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. The following estimated useful lives are generally used:

Buildings	40 years
Furniture and fixtures	5 - 20 years
Equipment	5 - 15 years
Software	3 - 5 years

Expenses for additions, major renewals, and betterments are capitalized and expenses for maintenance and repairs are charged to operations as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposal are credited as charged to operations currently.

Asset acquired with a unit cost of \$5,000 is capitalized and depreciated over their estimated useful lives.

The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition, as well as any disposition proceeds is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding source.

**I. Restricted and Unrestricted Revenue and Support** - Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Operations as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

**J. Employees' Annual Leave** - The Center charges annual leave earned by employees which has not been used by them at the end of a period to the period that the leave is earned. At February 28, 2021, employees had \$30,793 in accrued vacation benefits, which are reflected in the financial statements.

**K. 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.



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**L. Net Patient Service Revenues and Provision for Bad Debt** - Net patient service revenue is reported at the estimated net realized amounts from patients, third-party payors, and others for services rendered, including estimated retroactive and prospective adjustments under reimbursements agreements with third-party payors. Third-party payors retain the right to review and propose adjustments to amounts reported by the Center. Such 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 grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Additions to the allowance for doubtful accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance. The amount of the provision for bad debt is based upon management's assessment of historical expected net collections, business and economic conditions, trends in Federal and state governmental health care coverage, and other collection indicators. Services rendered to individuals when payment is expected and ultimately not received are written off to the allowance for doubtful accounts.

**M. Reclassifications** - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**N. Classification of Net Assets** - Net Assets of Rapides Primary Health Care Center, Inc. are classified based on the presence or absence of donor-imposed restrictions. Net Assets are comprised of two groups as follows:

a) **Net Assets Without Donor Restrictions** - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

b) **Net Assets With Donor Restrictions** - Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by action of the Center. Certain restrictions may need to be maintained in perpetuity.

**NOTE 3 - FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Center in estimating its fair value disclosures for financial instruments:

**Cash and cash equivalents:** the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

The estimated fair values of the Center's financial instruments, none of which are held for trading purposes, are as follows:

	Carrying Amount	Fair Value
Financial assets:		
Cash and cash equivalents	\$2,386,592	\$2,386,592

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**NOTE 4 - CONCENTRATIONS OF CREDIT RISK ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS**

The Federal Deposit Insurance Corporation (FDIC) currently insures up to \$250,000 of substantially all depository accounts held at each financial institution. At various times during the year, the Center's cash deposits may exceed the federally insured limits and at February 28, 2021, its uninsured deposits totaled \$2,343,216. The Center has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 5 - LIQUIDITY AND AVAILABILITY**

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safety of its available funds. The Center's primary sources of liquidity are cash and cash equivalents and unexpended grant funds available for withdrawal. See Note 3 for information regarding the Center's cash and cash equivalents and Note 6 for grant balances and conditions.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing activities of family medicine, OB/GYN, dental, pharmacy, and mental health as well as the conduct of services undertaken to support those activities to be general expenditures. In-kind donations of pharmaceuticals are not included in the analysis as these pharmaceuticals are provided without cost to our patients.

In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by grant funds. As a Federally Qualified Health Center, the Center receives significant grant funds from the U.S. Department of Health and Human Services with restrictions to be used in accordance with grant requirements. Refer to the statement of cash flows which identifies the sources and uses of the Center's cash.

At February 28, 2021, the following tables show the total financial assets held by the Corporation and the amounts of those financial assets that could be made readily available within one year of the balance sheet date to meet general expenditures:

Financial assets at year-end	2021	2020
Cash and cash equivalents	\$ 2,386,592	\$ 3,449,905
Patient care receivables, net	288,808	1,251,553
Grants receivable	568,913	96,454
Accounts receivable, other	22,173	24,731
Total financial assets at year end	\$ 3,266,486	\$ 4,822,643



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**NOTE 6 - GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable at February 28, 2021 was \$568,913 and are due from the following funding sources at year end.

	Amount
U. S. Dept. of Health and Human Services	\$ 472,459
State of Louisiana Dept. of Health and Hospital	96,454
Total	\$ 568,913

**NOTE 7 - PATIENT ACCOUNTS RECEIVABLE AND RELATED ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Patient accounts receivable, prior to adjustment for the allowance for doubtful accounts, is summarized as follows at February 28, 2021:

Accounts receivable	Amount
Patients	\$ 728,959
Government	895,249
	\$ 1,624,208

Allowance for doubtful accounts is summarized as follows at February 28, 2021:

Allowance for doubtful accounts	Amount
Patients	\$ 1,335,400

**NOTE 8 - PATIENT SERVICE REVENUE**

A summary of patient service revenue, net of contractual adjustments and discounts, is as follows at February 28, 2021.

	Amount
Patient Service Revenue	\$ 1,498,678
Less: contractual adjustments under third-party reimbursement program and discounts	(287,056)
Provision for bad debts	(348,476)
Total Contractual adjustment and bad debt	(635,532)
Net Patient Service Revenue	\$ 863,146

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**NOTE 9 - FIXED ASSETS**

The following is a summary schedule of fixed assets and related accumulated depreciation carried in the general property fund.

<u>Fixed Assets</u>	<u>Balance at 03/01/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance at 02/28/2021</u>
<b>Non-Depreciable Assets</b>					
Land	\$ 77,978	4,941	-	-	\$ 82,919
Construction in progress	<u>705,561</u>	<u>1,937,232</u>	<u>(85,600)</u>	<u>-</u>	<u>2,557,193</u>
Total Non-Depreciable Assets	<u>783,539</u>	<u>1,942,173</u>	<u>(85,600)</u>	<u>-</u>	<u>2,640,112</u>
<b>Depreciable Assets</b>					
Buildings and Improvements	3,626,299	352,606	-	-	3,978,905
Furniture and Equipment	1,049,769	186,923	-	-	1,236,692
Computer software	220,247	96,758	-	-	317,005
Motor vehicle	<u>619,778</u>	<u>122,780</u>	<u>-</u>	<u>-</u>	<u>742,558</u>
Total Depreciable Assets	<u>5,516,093</u>	<u>759,067</u>	<u>-</u>	<u>-</u>	<u>6,275,160</u>
Less: Accumulated Depreciation	<u>(1,973,630)</u>	<u>(220,689)</u>	<u>-</u>	<u>-</u>	<u>(2,194,319)</u>
Net Fixed Assets	<u>\$ 4,326,002</u>	<u>2,480,551</u>	<u>(85,600)</u>	<u>-</u>	<u>\$ 6,720,953</u>

Depreciation expense for the year ended February 28, 2021 totaled \$220,689.

**NOTE 10 - CORPORATE INCOME TAXES**

The Center is exempt from corporate Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes. Therefore, no provision has been made for Federal or state corporate income taxes in the accompanying financial statements.

The Center has analyzed its tax positions taken for filings with the Internal Revenue Service. It believes that its tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations, or cash flows. The Organization's federal and state income tax returns for 2020, 2019, and 2018 are subject to examination by the federal, state, and local taxing authorities, generally for three years after they are filed.

**B. Construction in Progress**

The Center has under construction the following projects:

<u>Name of Project:</u>	<u>Estimated Cost of Project</u>	<u>Construction Balance 03/01/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 02/28/2021</u>	<u>Estimated Cost to Complete</u>
Brown Road Site	\$2,557,193	665,105	892,088	-	2,557,193	\$ -
Bunkie Site	40,456	40,456	-	(40,456)	-	-
Mobile Dental Unit	<u>452,400</u>	<u>-</u>	<u>45,144</u>	<u>(45,144)</u>	<u>-</u>	<u>-</u>
Total	<u>\$3,050,049</u>	<u>705,561</u>	<u>937,232</u>	<u>(85,600)</u>	<u>2,557,193</u>	<u>\$ -</u>

All remaining projects are estimated to be completed during fiscal year 2022.

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**NOTE 11 - RETIREMENT PLAN**

The Center has a Simple IRA plan that was established on August 28, 2002. The Plan is a tax-deferred retirement plan where each employee establishes an IRA account. Both the employee and employer contributions are deposited in the account. The Center makes matching contributions up to three (3) percent of an employee's compensation. For the year ended February 28, 2021, the Center incurred \$31,288 in pension expense, which is recorded in employees benefits.

**NOTE 12 - SUMMARY OF FUNDING AND SUPPORT**

Rapides Primary Health Care Center's operations are funded through restricted grants from the U.S. Department of Health and Human Services. Other grants and contracts are received from state and local government agencies. The grants and contracts for the current period are shown below.

Source	Grant Number	Period	Amount
U. S. Dept. of HHS	H80CS00244 (Section 330)	3/1/2020 - 2/28/2021	\$ 526,694
U. S. Dept. of HHS	H80CS00244D0 (Affordable Health Care Act)	3/1/2020 - 2/28/2021	2,604,586
U. S. Dept. of HHS	(COVID-19) Coronavirus Aid, Relief and Economic Security (CARES ACT)	3/1/2020 - 2/29/2021	602,906
U. S. Dept. of HHS	(COVID-19) FY 2020 Coronavirus Supplement	3/15/2020 - 3/14/2021	60,446
U. S. Dept. of HHS	(COVID-19) FY 2020 Expanding Capacity for Coronavirus Testing (ECT)	5/01/2020 - 4/30/2021	331,204
U. S. Dept. of HHS	C13CS31953	9/1/19 - 2/29/2020	230,936
U. S. Dept. of HHS	COVID-19 Provider Relief Fund	9/1/19 - 2/29/2020	117,267
TOTAL			<u>\$ 4,474,039</u>

**NOTE 13 - BANK LINE OF CREDIT**

Rapides Primary Health Care Center, Inc. has available an unsecured line-of-credit agreement dated June 10, 2012, which is renewable with Capital One Bank in which the Center may borrow up to \$150,000. Borrowing under the line bears an interest rate of 3.250%. As of February 28, 2021 the outstanding balance on the line-of-credit was zero.



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**NOTE 14 - COMMITMENT AND CONTINGENCIES**

**Annual Leave**

The cost of employee's unused annual leave at February 28, 2021 in the amount of \$30,793 is included in the financial statements. See Note 2.J. above.

**Other Contingencies**

Rapides Primary Health Care Center, Inc. maintains general liability, property, fidelity, managed care professional liability, directors and officers, and other insurance coverage in amounts the Center believes to be adequate. The Center requires contracting health care providers to maintain malpractice insurance coverage in amounts customary in the industry.

In the ordinary course of its business, Rapides Primary Health Care Center, Inc. is a party to claims and legal actions by enrollees, providers and others. After consulting with legal counsel, the Center is of the opinion that any liability that may ultimately be incurred as a result of these claims, legal actions, audits, or investigations will not have a material adverse effect on the financial position or results of operations of Rapides Primary Health Care Center, Inc.

**NOTE 15 - DEFERRED REVENUE**

Deferred Revenue consist of the following at February 28, 2021.

<u>Grant Program</u>	<u>Balance at 03/01/2020</u>	<u>Current Year Grant Award</u>	<u>Current Year Cost Incurred</u>	<u>Balance at 02/28/2021</u>
HHS Section 330 grant	\$ -	526,694	(526,694)	\$ -
Affordable Care Act	857,504	1,747,082	(2,604,586)	-
HHS Capital Assistance Grant	-	230,936	(230,936)	-
State of Louisiana Division of Administration (Roof Repair Grant)	<u>96,454</u>	<u>-</u>	<u>-</u>	<u>96,454</u>
Total	<u>\$ 953,958</u>	<u>2,504,712</u>	<u>(3,362,216)</u>	<u>\$ 96,454</u>



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to the Financial Statements  
February 28, 2021

**NOTE 16 - CONCENTRATION OF CONTRIBUTIONS OR GRANTS**

Approximately 73.78% of the Center's funding is provided from grants from the U.S. Department of Health and Human Services.

**NOTE 17 - SUMMARIZED 2020 FINANCIAL INFORMATION**

The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended February 28, 2020 from which the summarized information was derived.

**NOTE 18 - SUBSEQUENT EVENTS**

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of Rapides Primary Health Care Center, Inc. evaluated the activity of the Organization through December 21, 2021, which is the date the financial statements are available to be issued.

**NOTE 19 - COVID-19 FINANCIAL STATEMENT IMPACTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

SUPPLEMENTARY INFORMATION

SCHEDULE A

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
 Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Chief Executive Officer  
 As of February 28, 2021

In accordance with Act 706 passed during the 2014 regular Louisiana Legislative Session, the compensation, benefits, reimbursements and other payments to the Chief Executive Officer are presented as follows for Mrs. Patricia L. Lewis:

<u>Category</u>	<u>Amount</u>	<u>Total</u>
Salary	\$ 185,000	
Incentive pay - (bonus)	-	
Total salary and incentive pay		\$ 185,000
Benefits:		
Health insurance	\$ 8,950	
Social security	8,211	
Medicare	2,542	
Retirement	<u>19,946</u>	
Total benefits		39,649
Travel:		
Conference	4,120	
Airfare and lodging	5,780	
Per diem and registration	1,730	
Travel allowance	7,200	
Telephone/data	<u>1,752</u>	
Total travel		<u>20,582</u>
Total Compensation, Benefits, Travel, and Other Expenses		<u>\$ 245,231</u>

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended February 28, 2021

Federal Grant/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grant Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Health Resource & Service Administration			
Direct Program:			
<i>Health Center Cluster Programs:</i>			
Bureau of Primary Health Care:			
Consolidated Health Centers	93.224	H80CS00244	\$ 526,694
Affordable Care Act (ACA) Grants for New Expanded Services	93.527	H80CS00244D0	<u>2,604,586</u>
			<u>3,131,280</u>
2018 Capital Assistance for Hurricane (COVID-19) Coronavirus Aid, Relief and Economic Security (CARES) Act	93.224	C13CS31953	230,936
(COVID-19) FY 2020 Coronavirus Supplement	93.224	H8CCS3944	60,446
(COVID-19) FY 2020 Expanding Capacity for Coronavirus Testing (ECT)	93.224	H8ECS38914	<u>331,204</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>4,356,772</u>
<u>U. S. Department of Health and Human Services</u> COVID-19 Provider Relief Fund	93.498	Unknown	<u>117,267</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,474,039</u>



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended February 28, 2021

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Rapides Primary Health Care Center, Inc. under programs of the federal government for the year ended February 28, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Rapides Primary Health Care Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Rapides Primary Health Care Center, Inc.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

Rapides Primary Health Care Center, Inc. does not use a negotiated indirect cost rate and has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Rapides Primary Health Care Center, Inc.  
Alexandria, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rapides Primary Health Care Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 28, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Rapides Primary Health Care Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rapides Primary Health Care Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Rapides Primary Health Care Center, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Rapides Primary Health Care Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Braun, Ewing & Co.

Ridgeland, Mississippi  
December 21, 2021





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of  
Rapides Primary Health Care Center, Inc.  
Alexandria, Louisiana

***Report on Compliance for Each Major Federal Program***

We have audited Rapides Primary Health Care Center, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Rapides Primary Health Care Center, Inc.'s major federal programs for the year ended February 28, 2021. Rapides Primary Health Care Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Rapides Primary Health Care Center, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Rapides Primary Health Care Center, Inc.'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Rapides Primary Health Care Center, Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Rapides Primary Health Care Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2021.

### **Report on Internal Control Over Compliance**

Management of Rapides Primary Health Care Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rapides Primary Health Care Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rapides Primary Health Care Center, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Brown, Egan & Co.*

Ridgeland, Mississippi  
December 21, 2021

RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
Auditee's Summary Schedule of Prior Audit Findings  
Year Ended February 28, 2021

Rapides Primary Health Care Center, Inc. did not have any audit findings for the year ended February 29, 2020.



RAPIDES PRIMARY HEALTH CARE CENTER, INC.  
 Schedule of Findings and Questioned Costs  
 Year Ended February 28, 2021

**Section 1 - Summary of Auditor's Results**

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditor's report issued on the financial statements.                              | Unmodified    |
| 2. | Material noncompliance relating to the financial statements.                              | No            |
| 3. | Internal control over financial reporting:  |               |
|    | a. Material weaknesses identified?  | No            |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |

Federal Awards:

- |    |   |               |
|----|---|---------------|
| 4. | Type of auditor's report issued on compliance for major federal programs                  | Unmodified    |
| 5. | Internal control over major programs:   |               |
|    | a. Material weaknesses identified?  | No            |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 6. | Any audit findings reported as required by the Uniform Guidance?                          | No            |
| 7. | Federal programs identified as major programs:  |               |
|    | a. U. S. Department of Health and Human Services  |               |

<u>Name of Program</u>	<u>CFDA Number</u>
Health Center Cluster Program	
Consolidated Health Centers	93.224
Affordable Care Act (ACA)	93.527

- |    |  |           |
|----|--|-----------|
| 8. | The dollar threshold used to distinguish between type A and Type B programs: | \$750,000 |
| 9. | Auditee did qualify as a low-risk auditee                                    |           |

**Section 2 - Finding Financial Statements Audit**

NONE

**Section 3 - Findings and Questioned Costs - Major Federal Award Program Audit**

NONE