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SAVOY CANCER CENTER, INC.

Financial Report

Year Ended December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8/29/07

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Savoy Cancer Center, Inc.
Mamou, Louisiana

We have audited the accompanying statement of financial position of Savoy Cancer Center, Inc. (a nonprofit organization), consisting of the Savoy Cancer Center Operations Fund and the Town of Mamou Cancer Center Building Fund as of December 31, 2006 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Savoy Cancer Center, Inc. as of December 31, 2006 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 31, 2007, on our consideration of Savoy Cancer 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the financial statements of the Savoy Cancer Center, Inc.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 31, 2007

FINANCIAL STATEMENTS

SAVOY CANCER CENTER, INC.

Mamou, Louisiana

Statement of Financial Position

December 31, 2006

With Comparative Totals for December 31, 2005

	Savoy Cancer Center Operations Fund	Town of Mamou Cancer Center Building Fund	Totals (Memorandum Only)	
	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 238,020	\$ -	\$ 238,020	\$ 128,366
Accounts receivable, net	666,579	-	666,579	807,959
Interest receivable	-	-	-	1,278
Due from Savoy Medical Center	2,726	-	2,726	4,201
Inventory	125,277	-	125,277	89,200
Prepaid expenses	56,144	-	56,144	59,518
Total current assets	<u>1,088,746</u>	<u>-</u>	<u>1,088,746</u>	<u>1,090,522</u>
Restricted assets:				
Interest bearing deposits:				
Revenue bond sinking fund	-	-	-	180,849
Revenue bond depreciation and contingency fund	-	209,079	209,079	205,469
Investments:				
Revenue bond reserve fund	-	-	-	500,000
Total restricted assets	<u>-</u>	<u>209,079</u>	<u>209,079</u>	<u>886,318</u>
Property and equipment, net	<u>-</u>	<u>3,695,900</u>	<u>3,695,900</u>	<u>3,945,177</u>
Total assets	<u>\$1,088,746</u>	<u>\$3,904,979</u>	<u>\$4,993,725</u>	<u>\$5,922,017</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 120,886	\$ -	\$ 120,886	\$ 163,986
Accrued expenses	12,706	-	12,706	10,621
Compensated absences payable	29,240	-	29,240	12,026
Interest payable	-	-	-	1,278
Revenue bonds payable	-	368,000	368,000	-
Payable from restricted assets:				
Revenue bonds payable	-	-	-	850,000
Interest payable - revenue bonds	-	-	-	64,532
Total current liabilities	<u>162,832</u>	<u>368,000</u>	<u>530,832</u>	<u>1,102,443</u>
Long - term liabilities				
Revenue bonds payable, net	<u>-</u>	<u>2,612,078</u>	<u>2,612,078</u>	<u>3,170,000</u>
Total liabilities	162,832	2,980,078	3,142,910	4,272,443
Net assets:				
Unrestricted and owned by Town of Mamou	<u>925,914</u>	<u>924,901</u>	<u>1,850,815</u>	<u>1,649,574</u>
Total liabilities and net assets	<u>\$1,088,746</u>	<u>\$3,904,979</u>	<u>\$4,993,725</u>	<u>\$5,922,017</u>

The accompanying notes are an integral part of this statement.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Statement of Activities
Year Ended December 31, 2006
With Comparative Totals for Year Ended December 31, 2005

	Savoy Cancer Center Operations Fund	Town of Mamou Cancer Center Building Fund	Totals (Memorandum Only)	
	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>
Support and revenue (unrestricted):				
Support:				
Fundraising	\$ 15,710	\$ -	\$ 15,710	\$ -
Contributions	1,741	-	1,741	200
Total support	<u>17,451</u>	<u>-</u>	<u>17,451</u>	<u>200</u>
Revenue:				
Net patient service revenue	<u>2,830,416</u>	<u>-</u>	<u>2,830,416</u>	<u>2,702,281</u>
Total support and revenue	<u>2,847,867</u>	<u>-</u>	<u>2,847,867</u>	<u>2,702,481</u>
Expenses:				
Program services:				
Salaries and benefits	776,596	-	776,596	574,033
Maintenance contracts	97,604	-	97,604	98,202
Drugs and medications	1,218,021	-	1,218,021	879,341
Supplies and materials	20,042	-	20,042	29,368
Disposal service	3,372	-	3,372	3,226
Hospital meals	2,486	-	2,486	604
Laundry services	586	-	586	297
Total program services	<u>2,118,707</u>	<u>-</u>	<u>2,118,707</u>	<u>1,585,071</u>
Support services:				
Salaries and benefits	250,952	-	250,952	192,275
Attorney fees	1,150	-	1,150	5,422
Bond issue cost	-	9,848	9,848	-
Depreciation expense	-	253,041	253,041	261,410
Dues and subscriptions	4,672	-	4,672	6,015
Repairs and maintenance	20,841	-	20,841	17,325
Utilities	53,042	-	53,042	41,007
Advertising	22,781	-	22,781	11,136
Office supplies and expenses	26,841	-	26,841	21,879
Telephone	14,930	-	14,930	18,387
Insurance	111,041	-	111,041	85,123
Fundraising expense	7,490	-	7,490	-
Miscellaneous fees	21,784	-	21,784	27,488
Legal and professional fees	14,861	-	14,861	14,575
Total support services	<u>550,385</u>	<u>262,889</u>	<u>813,274</u>	<u>702,042</u>
Total expenses	<u>2,669,092</u>	<u>262,889</u>	<u>2,931,981</u>	<u>2,287,113</u>

(continued)

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Statement of Activities (Continued)
Year Ended December 31, 2006
With Comparative Totals for Year Ended December 31, 2005

	Savoy Cancer Center Operations Fund	Town of Mamou Cancer Center Building Fund	Totals (Memorandum Only)	
	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>
Excess (deficiency) of revenues over expenses	<u>178,775</u>	<u>(262,889)</u>	<u>(84,114)</u>	<u>415,368</u>
Nonoperating revenues (expenses):				
Transfers from (to) other fund	(155,808)	155,808	-	-
Appropriation from Town of Mamou	-	368,223	368,223	444,262
Appropriation from Savoy Memorial Foundation	-	3,359	3,359	-
Interest income	336	6,757	7,093	11,249
Interest expense - revenue bonds	-	(92,194)	(92,194)	(205,698)
Interest expense - other	-	(1,126)	(1,126)	(10,167)
Total nonoperating revenues (expenses)	<u>(155,472)</u>	<u>440,827</u>	<u>285,355</u>	<u>239,646</u>
Increase in unrestricted net assets	23,303	177,938	201,241	655,014
Net assets, beginning	<u>902,611</u>	<u>746,963</u>	<u>1,649,574</u>	<u>994,560</u>
Net assets, ending	<u>\$ 925,914</u>	<u>\$ 924,901</u>	<u>\$1,850,815</u>	<u>\$1,649,574</u>

The accompanying notes are an integral part of this statement.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Statement of Cash Flows
Year Ended December 31, 2006
With Comparative Totals for Year Ended December 31, 2005

	Savoy Cancer Center Operations Fund <u>2006</u>	Town of Mamou Cancer Center Building Fund <u>2006</u>	Totals (Memorandum Only) <u>2006</u> <u>2005</u>	
Cash flows from operating activities:				
Excess (deficiency) of revenues over expenses	\$ 178,775	\$ (262,889)	\$ (84,114)	\$ 415,368
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	-	253,041	253,041	261,410
Bond issuance cost	-	9,848	9,848	-
Deferred loss on refunding	-	7,347	7,347	-
(Increase) decrease in net accounts receivable	141,380	-	141,380	(497,083)
(Increase) decrease in due from Savoy Medical Center	1,475	-	1,475	(4,201)
Increase in inventory	(36,077)	-	(36,077)	(10,871)
(Increase) decrease in prepaid expenses	3,374	-	3,374	(30,190)
Decrease in accounts payable	(43,100)	-	(43,100)	(21,263)
Increase (decrease) in accrued expenses	2,085	-	2,085	(2,165)
Increase in compensated absences payable	17,214	-	17,214	4,806
Net cash provided (used) by operating activities	<u>265,126</u>	<u>7,347</u>	<u>272,473</u>	<u>115,811</u>
Cash flows from noncapital financing activities:				
Transfers from (to) other fund	(155,808)	155,808	-	-
Appropriation from Savoy Memorial Foundation	-	3,359	3,359	-
Appropriation from Town of Mamou	-	368,223	368,223	444,262
Net cash provided (used) by noncapital financing activities	<u>(155,808)</u>	<u>527,391</u>	<u>371,583</u>	<u>444,262</u>
Cash flows from capital financing activities:				
Proceeds from refunding bonds	-	3,289,000	3,289,000	-
Repayment of bonds	-	(3,347,117)	(3,347,117)	-
Principal paid on revenue bonds	-	(499,000)	(499,000)	(330,000)
Interest paid on revenue bonds	-	(156,726)	(156,726)	(211,749)
Interest paid - Savoy Memorial Foundation	-	(2,404)	(2,404)	(10,000)
Net cash used by noncapital financing activities	<u>-</u>	<u>(716,247)</u>	<u>(716,247)</u>	<u>(551,749)</u>

(continued)

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Statement of Cash Flows (Continued)
Year Ended December 31, 2006
With Comparative Totals for Year Ended December 31, 2005

	Savoy Cancer Center Operations Fund	Town of Mamou Cancer Center Building Fund	Totals (Memorandum Only)	
	2006	2006	2006	2005
Cash flows from investing activities:				
Interest received on interest-bearing deposits	336	8,034	8,370	16,082
Acquisition of property and equipment	-	(3,764)	(3,764)	(865)
Net cash provided by investing activities	336	4,270	4,606	15,217
Net increase (decrease) in cash and cash equivalents	109,654	(177,239)	(67,585)	23,541
Cash and cash equivalents, beginning of year			514,684	491,143
Cash and cash equivalents, end of year			\$ 447,099	\$ 514,684

The accompanying notes are an integral part of this statement.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Organization

The Town of Mamou (Town) owns the cancer treatment health care facilities located in Mamou, Louisiana, which are operated (See Note 2) by Savoy Cancer Center, Inc. (Center). The Center is a nonprofit organization incorporated on June 29, 1998. The Center was formed for the purpose of operating and managing a facility for treating cancer patients and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The direction, administration and management of the Center is governed by a Board of Directors or Trustees of not less than six (6) nor more than ten (10) members. The members serve terms of one to three years.

B. Financial Statement Presentation

The Center has adopted the provisions of Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". Statement No. 117 requires the Center to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

C. Basis of Accounting

The Center has adopted the provisions of Statements of Financial Accounting Standards No. 116 "Accounting for Contributions Received and Contributions Made". As such, contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Those donor-restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support.

The Center reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statement (Continued)

D. Cash and Cash Equivalents

Cash and cash equivalents includes highly liquid investments with a maturity of three months or less when purchased.

E. Accounts Receivable

Accounts receivable is reported net of an allowance for billing adjustments. The allowance is based on estimates using industry standards, by the Savoy Cancer Center, Inc. as amounts that will actually be collected from service providers.

F. Property and Equipment

The Town of Mamou owns all property and equipment. The cost of property and equipment, which has an expected useful life in excess of two years and an acquisition cost in excess of a specified price, is capitalized. Property and equipment are valued at historical cost and will be depreciated on a straight-line basis.

G. Donated Services and Materials

Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

H. 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.

I. Income Taxes

The Center is a nonprofit organization and is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

(2) Operating and Management Agreement

On September 16, 1999, an agreement was entered into between the Town and the Center for a fifteen-year (15) term. The Town is the owner of the cancer treatment facility and retains the services of the Center to provide experience, skills, supervision and necessary personnel for the operation and management of the facility. Various reporting and accountability requirements must be performed and submitted to the Town by the Center on a periodic basis. The Center will provide all services specified in the agreement at no fee to the Town.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statement (Continued)

The Town shall, on a monthly basis or intermittently, as determined by the Center, reimburse the Center for all operating expenses related to the operation and management of the facility. The Town is also required to maintain insurance coverage on behalf of the facility. This agreement may be terminated "for cause" by either party at any time during the term by giving written notice to the other. The Town has the right of termination without cause under specified circumstances in the agreement.

(3) Concentration of Credit Risk

The Center maintains its cash balances at various financial institutions where they are insured by the Federal Deposit Insurance Corporation up to \$100,000. Amounts in excess of insured limits were approximately \$104,313 at December 31, 2006.

(4) Accounts Receivable

Accounts receivable at December 31, 2006 consists of the following:

	<u>2006</u>
Billed: Completed and treatments in progress	\$ 2,246,309
Less: Allowance for billing adjustments	<u>(1,579,730)</u>
Accounts receivable	<u>\$ 666,579</u>

(5) Inventory

Inventory consists of drugs purchased and available for use in patient treatments as of December 31, 2006. Inventory is stated at the lower of cost, determined by the average costing method, or market.

(6) Restricted Assets

Restricted assets consisted of the following at December 31, 2006:

Revenue bond depreciation and contingency fund	\$ 209,079
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SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statement (Continued)

Savoy Memorial Foundation (Foundation) donated funds in the amount of \$500,000 for the purpose of establishing a debt service reserve fund for the \$5,000,000 bonds issued by the Town of Mamou and used to construct the Savoy Cancer Center facility. The long - term liability of reserve fund payable – SMF, Inc. is also attributable to this donation of funds. As documented in the February 3, 1999 minutes of the Foundation, the interest earned on these monies must be remitted to the Foundation within three days of receipt of such earnings. The \$500,000, as well as any accrued interest, must be paid to the Foundation at the time that the Bonds have been fully paid in principal and interest. On January 19, 2006, the \$5,000,000 bonds were refunded and the donated funds were paid to the Foundation.

(7) Property and Equipment

The following is a summary of property and equipment at December 31, 2006:

	<u>2006</u>
Building	\$ 2,641,444
Equipment	2,450,031
Furniture	<u>25,208</u>
Total property and equipment	5,116,683
Less: Accumulated depreciation	<u>(1,420,783)</u>
Total property and equipment, net	<u>\$ 3,695,900</u>

Depreciation expense for the year ended December 31, 2006 was \$253,041.

All property, plant and equipment are owned by the Town of Mamou and are used as security for the revenue bonds payable.

(8) Long-Term Liabilities

The revenue bonds relate to the construction of the Savoy Cancer Center facility by the Town of Mamou. The Town adopted resolutions that contain certain covenants and agreements relating to the payment of the bonds. As described in Note 6, certain sinking fund deposits are required for future payment of principal and interest, reserve and contingency needs. In February 2006 these bonds were refunded by the Town of Mamou.

The reserve fund payable to Savoy Memorial Foundation were donated funds for the purpose of establishing a debt service reserve fund for the issuance of the revenue bonds issued by the Town and used to construct the Savoy Cancer Center facility. These funds were repaid to the Foundation on January 19, 2006.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statement (Continued)

A. Current Refunding

The Town issued \$3,289,000 of revenue bonds, Series 2006, to refund \$3,170,000 of revenue bonds, Series 1999. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$75,678 and the cost associated with issuance was \$101,439. These amounts are being netted against the new debt and amortized over the new debt's life. The transaction also resulted in an economic gain of \$9,828 and a reduction of \$95,381 in future debt service payments.

The long-term liability currently outstanding is as follows:

Revenue bonds, Series 2006

<u>Issued Amount</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>
\$3,289,000	01/19/06	09/01/14	4.20%	\$3,140,000

B. Changes in General Long-Term Liabilities

During the year ended December 31, 2006, the following changes occurred in long-term liabilities transactions and balances:

	<u>Balance 12/31/2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2006</u>	<u>Due Within One Year</u>
Revenue Bonds					
Series 1999	\$ 3,520,000	\$ -	\$3,520,000	\$ -	\$ -
Series 2006	-	3,289,000	149,000	3,140,000	368,000
Reserve fund	500,000	-	500,000	-	-
	<u>\$ 4,020,000</u>	<u>\$ 3,289,000</u>	<u>\$4,169,000</u>	3,140,000	<u>\$ 368,000</u>

Unamortized bond related items:

Less: unamortized loss on refunding	(68,331)
Less: issuance cost	<u>(91,591)</u>
	<u>\$2,980,078</u>

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statement (Continued)

Long-term debt matures as follows:

<u>Years</u>	<u>Totals</u>
2007	368,000
2008	417,000
2009	418,000
2010	378,000
2011	393,000
2012 and thereafter	<u>1,166,000</u>
	<u>\$3,140,000</u>

(9) Net Patient Service Revenue

Outpatient services related to Medicare/Medicaid program beneficiaries are paid based on a fee schedule provided by Medicare/Medicaid.

(10) Risk Management

The Center is exposed to risks of loss in the areas of general liability, management liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

INTERNAL CONTROL

AND

COMPLIANCE

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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
Savoy Cancer Center, Inc.
Mamou, Louisiana

We have audited the financial statements of the Savoy Cancer Center, Inc. (a nonprofit organization) as of and for the year ended December 31, 2006, and have issued our report thereon dated May 31, 2007. 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 Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Savoy Cancer Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Savoy Cancer Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Savoy Cancer Center, Inc.'s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Savoy Cancer Center, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Savoy Cancer Center, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by the Savoy Cancer Center, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Savoy Cancer Center, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Savoy Cancer Center, Inc.'s financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted another matter concerning financial operations that we have reported to the management of Savoy Cancer Center, Inc. in a separate letter dated May 31, 2007.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization and grant awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 31, 2007

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

**Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2006**

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>CURRENT YEAR (12/31/06) --</u>						
<u>Management Letter:</u>						
<u>Other Matters -</u>						
06-1 (ML)	Unknown	Management should agree accounts receivable subsidiary to the general ledger on a monthly basis. Performance of this procedure will allow for correct recordation of revenues.	No	Management will perform monthly reconciliation of accounts receivable and will agree amounts of the subsidiary to the general ledger.	Sam Zaubrecher, Officer Manager	Immediately

PRIOR YEAR (12/31/05) --

Internal Control:

No findings noted.

Compliance:

No findings noted.

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Retired:
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Board of Directors,
Savoy Cancer Center
Mamou, Louisiana

During our audit of the financial statements of Savoy Cancer Center for the year ended December 31, 2006, we noted certain areas in which improvements in the accounting system and financial practices should be considered.

During the review of monthly accounts receivable reports generated in Quick-Med software program, it was determined that the general ledger does not properly reflect the subsidiary balance. It is recommended that management reconcile the general ledger to the subsidiary on a monthly basis and make the appropriate adjustments as needed.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 31, 2007