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SAVOY CANCER CENTER, INC.

Financial Report

December 31, 2000

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 7-11-01

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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) as of December 31, 2000 and the related statements of activities, and cash flows for the years 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 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, 2000 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 23, 2001, on our consideration of Savoy Cancer Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

Ville Platte, Louisiana
May 23, 2001

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FINANCIAL STATEMENTS

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Statement of Financial Position
December 31, 2000

ASSETS

Current assets:

Cash	\$ 1,422,778
Interest receivable	8,690
Total current assets	<u>1,431,468</u>

Restricted assets:

Interest bearing deposit - reserve fund	<u>500,000</u>
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Property, plant, & equipment:

Construction in progress -	
Equipment	2,186,271
Building	<u>2,101,948</u>
Total property, plant & equipment	4,288,219
Accumulated depreciation	-
Net property, plant & equipment	<u>4,288,219</u>

Total assets	<u>\$6,219,687</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 15,780
Equipment payable	486,648
Retainage payable	85,401
Contracts payable	127,571
Interest payable	8,690
Total current liabilities	<u>724,090</u>

Long - term liabilities

Reserve fund payable - SMF, Inc.	<u>500,000</u>
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Total liabilities	1,224,090
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Contributed capital

5,000,000

Total liabilities and contributed capital	6,224,090
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Net assets:

Unrestricted (deficit)	<u>(4,403)</u>
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Total liabilities and net assets	<u>\$6,219,687</u>
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The accompanying notes are an integral part of this statement.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Statement of Activities
Year Ended December 31, 2000

Changes in unrestricted net assets:	
Support:	
Contributions	\$ 3,150
Total unrestricted support	<u>3,150</u>
Revenue:	
Interest	24,973
Miscellaneous	911
Total unrestricted revenue	<u>25,884</u>
Total support and revenue	<u>29,034</u>
Expenses:	
Attorney fees	3,598
Other fees	600
Miscellaneous fees	51
Professional fees	919
Accounting fees	3,296
Interest expense	24,973
Total expenses	<u>33,437</u>
Decrease in unrestricted net assets	(4,403)
Net assets, beginning	<u>-</u>
Net assets (deficit), ending	<u>\$ (4,403)</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, 2000

Cash flows from operating activities:	
Change in net assets	\$ (4,403)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase (decrease) in accounts payable	15,780
Increase (decrease) in equipment payable	486,648
Increase (decrease) in retainage payable	85,401
Increase (decrease) in contracts payable	127,571
Increase (decrease) in interest payable	8,690
(Increase) decrease in interest receivable	<u>(8,690)</u>
Net cash provide by operating activities	710,997
Cash flow used by investing activities:	
Payments for property, plant, & equipment - construction in progress	<u>(4,010,163)</u>
Net change in cash	(3,299,166)
Cash and cash equivalents, beginning of year	<u>4,721,944</u>
Cash and cash equivalents, end of year	<u><u>\$1,422,778</u></u>

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

Savoy Cancer Center, Inc. (Center) is a nonprofit organization incorporated on June 29, 1998. The Center was formed for the purpose of treating cancer patients. The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

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.

D. 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.

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statement (Continued)

E. 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. No depreciation expense was taken for the fiscal year ended 2000, due to the fact that operations have not begun as of December 31, 2000.

F. 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.

G. Statement of Cash Flows

The Center considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

(2) Restricted Assets

The Center considers the \$500,000 certificates of deposit a restricted asset. The monies were donated to the Center by Savoy Memorial Foundation (Foundation) for the purpose of establishing a debt service reserve fund for the bonds. 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. It was also noted in these minutes that 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.

(3) Property and Equipment

The Center expects construction of the facility to be substantially complete in May of 2001. At December 31, 2000, Construction in Progress consisted of the following:

	Estimated Construction Costs	Amount Completed	Remaining Construction Costs
	<u> </u>	<u> </u>	<u> </u>
Equipment	\$ 2,186,271	\$ 2,186,271	\$ -
Buildings	2,435,851	2,101,948	333,903
Total property and equipment	4,622,122	4,288,219	333,903
Less: accumulated depreciation	-	-	-
Property and equipment, net	<u>\$ 4,622,122</u>	<u>\$ 4,288,219</u>	<u>\$ 333,903</u>

SAVOY CANCER CENTER, INC.
Mamou, Louisiana

Notes to Financial Statement (Continued)

(4) Contributed Capital

The Center considers the \$5,000,000 bond proceeds, issued for the purpose of the construction of the Cancer Treatment Facility, an obligation of the Town of Mamou (Town). As documented in the agreement between the Center and the Town, the payment of the bond is the responsibility of the Town, with the Center reimbursing the Town for the obligation payments.

SUPPLEMENTARY INFORMATION

INTERNAL CONTROL AND COMPLIANCE

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

To the 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, 2000, and have issued our report thereon dated May 23, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Savoy Cancer Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended solely for the information and use of the Board of Directors and 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 & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
May 23, 2001