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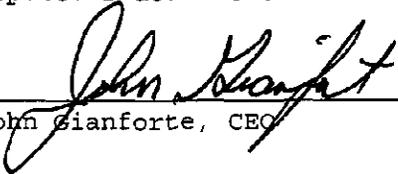
MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/
NORTHWEST LOUISIANA FAMILY CRISIS CENTER
FINANCIAL STATEMENTS
JUNE 30, 2008

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 1/21/09

CERTIFICATE OF AUDIT

This is to certify that to the best of my knowledge and belief, Mental Health Solutions, Inc. d/b/a Health Access/Northwest Louisiana Family Crisis Center has: (1) engaged Heard, McElroy and Vestal LLP, CPA's (HNV), to perform an audit in accordance with the provisions of OMB Circular A-133 for the year ended June 30, 2008; (2) HNV has completed the audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the circular; and (3) the information below is accurate and completely reflects the results of this audit, as presented in the auditor's report. I declare that the foregoing is true and correct.



John Gianforte, CEO

12/30/08
Date

1. The auditor issued an unqualified opinion.
2. The auditor's report indicated no substantial doubt about Mental Health Solutions, Inc. d/b/a Health Access/Northwest Louisiana Family Crisis Center's ability to continue as a going concern.
3. The auditor issued an unqualified opinion on the compliance for major programs.
4. This report will be mailed to the following:

✓
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804

Division of Community Services
Grants Management
P. O. Box 3318
Baton Rouge, LA 70821

Department of Public Safety and Corrections
P. O. Box 94304
Capital Station
Baton Rouge, LA 70804

Department of Social Services
Office of Community Service
333 Laurel Street
Baton Rouge, LA 70821

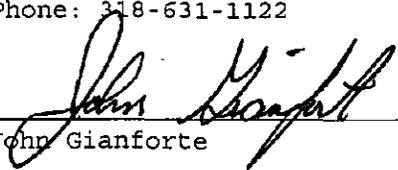
5. The auditee qualified as a high-risk auditee.
6. There was no federal funding as indicated in the audit report.

Certificate of Audit
Page 2

7.

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER

Mental Health Solutions, Inc.
d/b/a Health Access/Northwest Louisiana Family Crisis Center
Federal ID Number: 72-0904707
John Gianforte, CEO
Phone: 318-631-1122

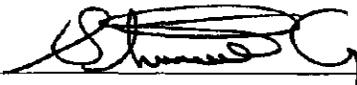


John Gianforte

12/30/08
Date

9. Auditor information:

Heard, McElroy & Vestal LLP, CPA's
333 Texas Street 15th Floor
Shreveport, Louisiana, 71101
Phone: 318-429-1525



Heard, McElroy & Vestal, LLP, CPA's

12.30.08
Date

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 SUPPLEMENTARY INFORMATION
 FOR YEAR ENDED JUNE 30, 2008

<u>Non Major Programs</u>	<u>Contract Description</u>	<u>Terms of Contract (Description)</u>	<u>Contract</u>	<u>CFDA</u>	<u>Revenue FYE 6/30/08</u>	<u>Amount Due @ 6/30/08</u>	<u>Matching Required</u>	<u>Expenditures FYE 6/30/08</u>
			\$		\$	\$	Yes	\$
State of Louisiana	Office of Comm. Serv.	Independent Liv. 7/1/07-6/30/08	\$247,200	92.556	82,400	3,301	Yes	105,713
Caddo Parish	Juvenile Justice Sys	7/5/07-6/30/08			115,405	10,240		194,364
<u>Major Programs</u>								
State of Louisiana	Outpatient Counseling	(Medicaid)	N/A	93.217	653,555	17,404	No	615,487
Total					<u>\$ 851,360</u>	<u>\$ 30,945</u>		<u>\$ 915,564</u>

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

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HEARD McELROY & VESTAL

LLP
CERTIFIED PUBLIC ACCOUNTANTS

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ROBERT L. DEAN, CPA
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ROY E. PRESTWOOD, CPA
A. D. JOHNSON, JR., CPA
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BENJAMIN C. WOODS, CPA/ABV, CVA
ALICE V. FRAZIER, CPA
OF COUNSEL
GILBERT R. SHANLEY, JR., CPA
C. CODY WHITE, JR., CPA, APC
J. PETER GAFFNEY, CPA, APC

November 10, 2008

Board of Directors
Mental Health Solutions, Inc.
dba Health Access
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of financial position of the Mental Health Solutions, Inc. dba Health Access as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Board'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 the Mental Health Solutions, Inc. dba Health Access as of June 30, 2008, and the changes in its net assets and 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 a report dated November 10, 2008 on our consideration of Mental Health Solutions, Inc. dba Health Access' internal control over financial reporting and 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.

Heard, McElroy & Vestal, LLP

HMV

A PROFESSIONAL SERVICES FIRM
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MENTAL HEALTH SOLUTIONS, INC.
 D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
 STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2008

ASSETS

Current Assets

Cash	\$ 11,949
Accounts Receivable - Grants	30,945
Advance - Employee	<u>16,513</u>
 Total Current Assets	 <u>59,407</u>

Fixed Assets and Capitalized Leases

Office Equipment	38,691
Computer Equipment	17,937
Professional Material (Books)	40,000
Less Accumulated Depreciation and Amortization	<u>(69,567)</u>
 Net Depreciable Fixed Assets and Capitalized Leases	 <u>27,061</u>

Total Fixed Assets 0

Other Assets - Deposits 2,068

Total Assets \$ 88,536

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 1,738
Payroll and Payroll Taxes Payable	45,039
Due to Department of Labor, Current Portion	8,196
Note Payable - Related Party	<u>64,640</u>
 Total Current Liabilities	 <u>119,613</u>

Long Term Debt to Department of Labor,
Net of Current Portion 27,176

Total Liabilities 146,789

Net Assets

Unrestricted Net Assets	(58,253)
Temporarily Restricted Net Assets	0
Permanently Restricted Net Assets	<u>0</u>
 Total Net Assets	 <u>(58,253)</u>

Total Liabilities and Net Assets \$ 88,536

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

MENTAL HEALTH SOLUTIONS, INC.
 D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2008

Changes in Unrestricted Net Assets	
Public Support	
United Way	<u>\$ 17,172</u>
Total Public Support	<u>17,172</u>
Revenue	
Independent Living	82,400
Family Preservation	653,555
Other	1,834
Juvenile Justice Grant	<u>115,405</u>
Total Revenue	<u>853,194</u>
Total Public Support and Revenue	<u>870,366</u>
Expenses	
Program Services	
Family Preservation	760,556
Independent Living	<u>98,977</u>
Total Program Services	859,533
Supporting Services	
Management and General	<u>56,031</u>
Total Expenses	<u>915,564</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(45,198)</u>
Increase (Decrease) in Net Assets	(45,198)
Net Assets (Deficit) at Beginning of Year	18,249
Prior Period Adjustment	<u>(31,304)</u>
Net Assets (Deficit) at End of Year	<u>\$ (58,253)</u>

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

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

	<u>Family Preservation</u>	<u>Independent Living</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 552,983	\$ 76,682	\$ 629,665	\$ 8,245	\$ 637,910
Payroll Taxes and Fringe Benefits	<u>52,407</u>	<u>7,267</u>	<u>59,674</u>	<u>781</u>	<u>60,455</u>
Total Salaries and Payroll Taxes and Fringe Benefits	<u>605,390</u>	<u>83,949</u>	<u>689,339</u>	<u>9,026</u>	<u>698,365</u>
Professional Fees	46,793	0	46,793	613	47,406
Supplies	12,167	1,687	13,855	181	14,036
Telephone	9,562	1,326	10,888	143	11,031
Occupancy	21,286	2,952	24,238	317	24,555
Interest	0	0	0	4,789	4,789
Rental and Repairs/ Equipment	15,914	2,207	18,121	237	18,358
Travel	22,169	3,074	25,243	331	25,574
Licenses	0	0	0	0	0
Postage and Printing	0	0	0	0	0
Utilities	0	0	0	0	0
Insurance	20,509	2,844	23,353	306	23,659
Depreciation	0	0	0	11,870	11,870
Bank Charges	0	0	0	24,432	24,432
Training	0	0	0	3,685	3,685
Other	<u>6,765</u>	<u>938</u>	<u>7,703</u>	<u>101</u>	<u>7,804</u>
Total Expenses	<u>760,556</u>	<u>98,977</u>	<u>859,533</u>	<u>\$ 56,031</u>	<u>\$ 915,564</u>
Allocation of Management and General	<u>49,296</u>	<u>6,735</u>	<u>56,031</u>		
Total Functional Expenses	<u>\$ 809,852</u>	<u>\$ 105,712</u>	<u>\$ 915,564</u>		

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

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Cash Flows from Operating Activities	
Changes in Net Assets	\$(45,198)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation and Amortization	<u>11,870</u>
Total Adjustments	<u>(33,328)</u>
Changes in Operating Assets and Liabilities	
(Increase) Decrease in Accounts Receivable - Grants	12,891
Advance to Employee	34,558
Decrease in Cash Deficit	(22,288)
Decrease in Accounts Payable and Taxes	(13,947)
(Decrease) Increase in Payroll and Payroll Taxes Payable	1,311
Prior Year Adjustment	<u>(31,304)</u>
Net Changes in Operating Assets and Liabilities	<u>(18,779)</u>
Cash Flows (Used) In Operating Activities	<u>(52,107)</u>
Cash Flows Used for Investing Activities	
Purchase of Equipment	<u>(584)</u>
Net Cash (Used) by Investing Activities	<u>(584)</u>
Cash Flows from Financing Activities	
Increase in Note Payable - Related Party	<u>64,640</u>
Net Cash Provided By Financing Activities	<u>64,640</u>
Net Increase in Cash and Cash Equivalents	11,949
Cash and Cash Equivalents at Beginning of Year	<u>0</u>
Cash and Cash Equivalents at End of Year	<u>\$ 11,949</u>

Note: During the year, the Company paid \$4,789 in interest and \$0 for income taxes.

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

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

1. Summary of Significant Accounting Policies

Description of Organization

Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center was organized as a nonprofit corporation without capital stock under the laws of the State of Louisiana as defined in Louisiana R.S. 12:201(7). The Organization was formed for the purpose of operating a facility for the comprehensive treatment of child abuse and neglect, and other nonprofit activities. The activities are limited to those that are permissible for tax-exempt corporations under Internal Revenue Code Section 501 (c) (3). On June 5, 1995, the organization changed its corporate name from Northwest Louisiana Family Crisis Center, Inc. to Health Access, Inc. d/b/a Northwest Louisiana Family Crisis Center, by an Amendment to the Articles of Incorporation which was recorded by the State of Louisiana on June 23, 1995. During the prior years, the Company changed its name to Mental Health Solutions, Inc. (MHS).

Basis of Accounting

The accompanying financial statements of Mental Health Solutions, Inc. d/b/a Health Access/Northwest Louisiana Family Crisis Center have been prepared on the accrual basis of accounting. All resources for various purposes are current unrestricted funds available for operations. Therefore, the organization has no temporarily restricted net assets or permanently restricted net assets.

Description of Programs

Family Preservation - Provides an intensive outpatient counseling program designed to prevent out-of-home placement of an individual. Services are provided in the home, school, or work place.

Outpatient Counseling - Counseling is provided by Mental Health Solutions, Inc. d/b/a Health Access/Northwest Louisiana Family Crisis Center's staff and contract counselors for parents, children, couples and entire families. Fees are generated from assistance provided by government agencies or by direct payments from the counseled individuals.

Independent Living - Provides a series of classes that are intended to teach foster care youth the skills they will need when they enter an independent living situation. The purpose of the classes is to allow individualization of the program to fit each participant's developmental and educational needs. The program requires 25% matching.

Case Management - Provides a community-based service system which addresses the needs of persons with mental illness, mental retardation and other developmental disabilities, and/or alcohol and drug abuse problems to live, work and participate in the community.

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

1. Summary of Significant Accounting Policies (Continued)

LCLE - Provides psycho-social skill training for identified children to assist them in interpersonal relationships and building self-esteem.

Independent Living Mentor Program - Program to provide steady encouragement and reliable support from a positive role model to foster care youth and youth in the Young Adult Program as they learn life skills and use those life skills to transition into independent living. The program is funded by the Temporary Assistance to Needy Families (TANF). The program requires 25% matching.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three (3) months or less to be cash equivalents.

Public Support and Revenue

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

Contributions

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

Fixed Assets

Mental Health Solutions, Inc. d/b/a Health Access/Northwest Louisiana Family Crisis Center records assets at cost and follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$500. Depreciation of buildings and equipment is provided on a straight-line basis and double declining balance method over the estimated useful lives of the assets (4-5 percent per year for building and improvements, and 14-20 percent for other equipment).

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

1. Summary of Significant Accounting Policies (Continued)

Receivables and Allowance for Uncollectible Accounts

Receivables consist primarily of cost reimbursement requests outstanding at year-end related to various contracts from governmental and private agencies. No allowance for uncollectibles is considered necessary.

Allocation of Supporting Service Expenditures

The Organization's policy is to allocate indirect expenses of administrative overhead (supporting services) to programs based on various direct costs related to each program.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Corporation has been granted tax exempt status as provided by Section 501(c)(3) of the Internal Revenue Code. In addition, the Company has been classified as an organization described in Section 170(b)(2)(A)(vi).

Advertising

Nondirect response advertising cost are expensed as incurred. During the year, the total advertising cost was less than \$1,100.

Sick Pay, Vacation Pay, Retirement Benefits

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

Impairment

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

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

2. Accounts Receivable

Accounts receivable consists of the following:

Outpatient Counseling	\$ 17,404
Juvenile Justice	10,240
United Way	0
Independent Living	<u>3,301</u>
Medication Management	<u>\$ 30,945</u>

3. Operating Leases

As of June 30, 2008, the Organization was obligated under cancelable operating leases for office space. The lease is dated March 22, 2008, and is for the period May 1, 2008 - April 30, 2017. The lease required a security deposit of \$2,067.73 and monthly payments as follows:

5/01/07 - 5/01/12	\$2,067.73/month
5/01/12 - 5/01/15	\$2,124.38/month
5/01/15 - 4/01/17	\$2,171.58/month

In addition to the monthly rent, additional annual rentals are due based upon percentage allocation of taxes/common area expense.

	<u>Payments</u>	<u>Imputed Interest</u>	<u>Minimum Rentals</u>
6/09	\$ 24,813	\$ 12,387	\$ 12,426
6/10	24,813	11,356	13,457
6/11	24,813	10,239	14,574
6/12	24,869	9,030	15,839
6/13	25,489	7,690	17,799
6/14	25,488	6,212	19,276
6/15	25,536	4,612	20,924
6/16	26,059	2,854	23,205
6/17	<u>23,887</u>	<u>928</u>	<u>22,959</u>
	<u>\$225,767</u>	<u>\$ 65,308</u>	<u>\$160,459</u>

4. Statement of Cash Flows

Total interest paid for the year was \$4,789, none of which was capitalized and this was paid to related employees or family members of employees.

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

5. Subsequent Events/Contingent Liabilities/Legal Matters

Legal Matters

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

6. Contributions

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

7. Economic Dependency

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

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

8. Contingencies

The Company has accrued \$16,000 for anticipated settlement charges regarding a lawsuit by a previous employee.

9. Related Party

The Company borrowed from the employee and employee family members during the year. These monies were interest bearing at a rate from 12-25% resulting in a balance due @ year end of \$64,640.

10. Depreciation Expense and Equipment

<u>Life</u>	<u>Balance</u> 6/30/07	<u>Change</u>	<u>Balance</u> 6/30/08
5-7 yrs. Office Equipment	\$ 38,691	\$ 0	\$ 38,691
5-7 yrs. Computer Equipment	17,353	584	17,937
7 yrs. Professional Material (Books)	<u>40,000</u>	<u>0</u>	<u>40,000</u>
	96,044	584	96,628
Less Accumulated Depreciation & Amortization	<u>(57,697)</u>	<u>(11,870)</u>	<u>(69,567)</u>
	<u>\$ 38,347</u>	<u>\$ (11,286)</u>	<u>\$ 27,061</u>

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

11. Insurance

The Company maintains the following:

	<u>Carrier</u>	<u>Limits</u>	<u>Policy Period</u>	<u>Policy Number</u>
General Liability	New Hampshire	\$3,000,000	9/07/07-9/07/08	01LX89945261
Auto	Safeco	\$ 300,000	8/27/07-8/27/08	X5010798
LA Workers Comp.	LA Workers Comp			118956
Prof. Liability	New Hampshire	\$1,000,000	9/07/07-9/07/08	01LX89945262

12. Business Operations

The Company experienced cash flow shortage in the year ended 6/30/06 and failed to pay some payroll taxes. The following summarizes the liability.

The Company has geared its workforce toward operating two of its programs, ILP and Outpatient Counseling. Management is of the opinion the net revenues from these two programs should provide adequate resources for debt repayment.

The CEO has met with the federal government and has settled that issue and is currently meeting with the state agencies to devise a payment plan. Failure to increase cash flows or devise a payment plan could prove to be threatening to the agency.

The decrease in the prior year is due to payments/forgiveness of debt.

Payroll and Payroll Taxes Payable	
Wages Payroll	\$ 20,006
Past due Louisiana Dept. of Labor (Note 15)	35,372
Accrued Payroll Taxes	<u>25,033</u>
	80,411
Long Term Portion	<u>27,176</u>
	<u>\$ 53,235</u>

13. Board of Directors

No fees were paid during the year to members of the board.

14. Fair Value of Financial Instruments

The fair value of financial instruments approximates the carrying (book) value because of the short maturity of these assets.

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

15. Louisiana Department of Labor

An agreement was reached with the Louisiana Department of Labor whereby the agency paid \$10,000 on May 5, 2008 and another \$10,000 on October 31, 2008. After these payments, there are monthly installments of \$1,000 @ 12% until paid in February, 2012.

Debt Amortization

6/09	\$ 8,196
6/10	9,236
6/11	10,407
6/12	<u>7,533</u>
	<u>\$35,372</u>

16. Prior Period Adjustment

The Company had two of its employees leave during the year and a dispute resulted in payment of \$51,836 for prior advances/services rendered. In addition, the Department of Labor debt was reduced by \$20,533.

D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 SUPPLEMENTARY INFORMATION
 FOR YEAR ENDED JUNE 30, 2008
 MENTAL HEALTH SOLUTIONS, INC.

Non Major Programs	Contract Description	Terms of Contract (Description)	Contract	CFDA	Revenue FYE 6/30/08	Amount Due @ 6/30/08	Matching Required	Expenditures FYE 6/30/08
			\$		\$	\$	Yes	\$
State of Louisiana	Office of Comm. Serv.	Independent Liv. 7/1/07-6/30/08	\$247,200	92.556	82,400	3,301	Yes	105,713
Caddo Parish	Juvenile Justice Sys	7/6/07-6/30/08			115,405	10,240		194,364
<u>Major Programs</u>								
State of Louisiana	Outpatient Counseling	(Medicaid)	N/A	93.217	653,555	17,404	No	615,487
Total					<u>\$ 851,360</u>	<u>\$ 30,945</u>		<u>\$ 915,564</u>

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

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
SUPPLEMENTARY INFORMATION
BOARD OF DIRECTORS
JUNE 30, 2008

	<u>TERM EXPIRES</u>
Mr. Dan Wimberly, Chairman Urban Housing of America P.O. Box 3401 Shreveport, LA 71133 irwimberly@msn.com Phone Office (318) 621-9263 Cell (318) 423-2006	January, 2009
Mr. John Gianforte, President 432 Ockley Shreveport, LA 71105 johnqceo@mhs-mhr.com Phone (318) 631-1122 Home (318) 868-9599 Cell (318) 617-8920	N/A
Representative Earnest Baylor 2835 Hollywood, Ste 270 Shreveport, LA 71108 Larep003@legis.state.la.us Phone Office (318) 635-1850 Cell (318) 518-6913 Fax (318) 632-2050 Pager (318) 459-3177	January, 2009
Ms. Gale Hendrix 1110 Carolina Street Shreveport, LA 71104 ghendrix@bpcc.edu Phone Office (318) 678-6150 Home (318) 869-4346	January, 2009
Mrs. Sandra Todaro, Member 478 Pennsylvania Shreveport, LA 71105 stodaro@bpcc.edu Phone Office (318) 678-6352 Home (318) 865-1029 Cell (318) 458-0008	January, 2009
Richard Pool, Member 801 Rikard Lane Natchitoches, LA 71457 rpool@bpcc.edu Phone (318) 678-6302	January, 2009
Claire P. Sharp 4427 Youree Drive Shreveport, LA 71105 Phone (318) 862-2585	January, 2010

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JOHN W. DEAN, CPA, AICPA
MARK D. ELDREDGE, CPA
ROBERT L. DEAN, CPA
STEPHEN W. CRAIG, CPA

ROY E. PRESTWOOD, CPA
A. D. JOHNSON, JR., CPA
RON W. STEWART, CPA, AICPA
T. STAMIN C. WOODS, CPA, AICPA, CVA
ARLENE V. FRAZIER, CPA
C. GOENSEL
CLBERT R. STANLEY, JR., CPA
C. CODY WHITE, JR., CPA, AICPA
J. PETER GAFFNEY, CPA, AICPA

November 10, 2008

Board of Directors
Mental Health Solutions, Inc.
dba Health Access
Shreveport, Louisiana

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

We have audited the financial statements of Mental Health Solutions, Inc. dba Health Access as of and for the year ended June 30, 2008, and have issued our report thereon dated November 10, 2008. 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 Mental Health Solutions, Inc. dba Health Access' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Mental Health Solutions, Inc. dba Health Access' the 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 organization'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 organization's financial statements that is more than inconsequential will be prevented or detected by the organization'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 organization'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 a deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Mental Health Solutions, Inc. dba Health Access 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*.

This report is intended for the information and use of the board of directors, management, federal awarding agencies, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Heard, M. E. Roy: Vestal, UP

HEARD McELROY & VESTAL

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ALICE V. FRAZIER, CPA
OF COUNSEL
GILBERT R. SHANLEY, JR., CPA
C. CODY WHITE, JR., CPA, APC
J. PETER GAFFNEY, CPA, APC

November 10, 2008

Board of Directors
Mental Health Solutions, Inc. dba Health Access
Shreveport, Louisiana

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Compliance

We have audited the compliance of Mental Health Solutions, Inc. dba Health Access with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Mental Health Solutions, Inc. dba Health Access' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Mental Health Solutions, Inc. dba Health Access' management. Our responsibility is to express an opinion on Mental Health Solutions, Inc. dba Health Access' compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Mental Health Solutions, Inc. dba Health Access' 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. Our audit does not provide a legal determination on Mental Health Solutions, Inc. dba Health Access' compliance with those requirements.

In our opinion, Mental Health Solutions, Inc. dba Health Access complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

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Internal Control Over Compliance

The management of Mental Health Solutions, Inc. dba Health Access is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Mental Health Solutions, Inc. dba Health Access' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Mental Health Solutions, Inc. Dba Health Access' internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Heard, McElroy & Vestal, LLP

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2008

We were engaged to audit the financial statements of Mental Health Solutions, Inc. d/b/a Health Access/Northwest Louisiana Family Crisis Center as of and for the year ended June 30, 2008 and have issued our report thereon dated October 6, 2008. 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. Our report expresses an unqualified opinion on the financial statements for the year ended June 30, 2008.

Section I - Summary of Auditor's Results:

a. The report on internal control and compliance material to the financial statements reported the following items:

- Internal Control - There were no reportable conditions
- Compliance - No noncompliance that is material to the financial statements

b. Federal Awards:

- Medicaid - Grants totaling \$653,555
- Independent Living - Grants totaling \$82,400

c. Identification of Major Programs:

- Medicaid - Total revenues received during the year ended 6/30/08 were as follows:

6/30/08	<u>\$653,555</u>
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Section II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

- None

Section III - Findings and Questioned Costs for Major Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:

- None

MENTAL HEALTH SOLUTIONS, INC.
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2008

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION III MANAGEMENT LETTER	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A