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MENTAL HEALTH SOLUTIONS, INC.  
D/B/A HEALTH ACCESS/  
NORTHWEST LOUISIANA FAMILY CRISIS CENTER  
FINANCIAL STATEMENTS  
JUNE 30, 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 1-24-07

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December 6, 2006

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, 2006, 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, 2006, 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 December 20, 2006 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

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MENTAL HEALTH SOLUTIONS, INC.  
 D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER  
 STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2006

ASSETS

Current Assets

Accounts Receivable - Grants	\$ 33,139
Advance - Employee	<u>38,495</u>
Total Current Assets	<u>71,634</u>

Fixed Assets and Capitalized Leases

Office Equipment	29,552
Computer Equipment	17,353
Professional Material (Books)	40,000
Less Accumulated Depreciation and Amortization	<u>( 44,698)</u>

Net Depreciable Fixed Assets and Capitalized Leases 42,207

Total Fixed Assets 0

Total Assets \$ 113,841

LIABILITIES AND NET ASSETS

Current Liabilities

Cash Deficit	\$ 3,185
Accounts Payable	5,225
Payroll and Payroll Taxes Payable	34,497
Notes Payable - Related Party	<u>32,556</u>

Total Current Liabilities 75,463

Long Term Debt to Department of Labor,  
Net of Current Portion 42,631

Total Liabilities 118,094

Net Assets (Deficit)

Unrestricted Net Assets (Deficit)	( 4,253)
Temporarily Restricted Net Assets	0
Permanently Restricted Net Assets	<u>0</u>

Total Net Assets (Deficit) ( 4,253)

Total Liabilities and Net Assets \$ 113,841

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, 2006

Changes in Unrestricted Net Assets	
Public Support	
United Way	<u>\$ 19,095</u>
Total Public Support	<u>19,095</u>
Revenue	
Independent Living	82,400
Family Preservation	782,663
Write Off of Liabilities	41,982
Other	<u>25,317</u>
Total Revenue	<u>932,362</u>
Total Public Support and Revenue	<u>951,457</u>
Expenses	
Program Services	
Family Preservation	688,231
Independent Living	<u>34,168</u>
Total Program Services	722,399
Supporting Services	
Management and General	<u>101,175</u>
Total Expenses	<u>823,574</u>
Increase (Decrease) in Unrestricted Net Assets	<u>127,883</u>
Increase (Decrease) in Net Assets	127,883
Net Assets (Deficit) at Beginning of Year	<u>(132,136)</u>
Net Assets (Deficit) at End of Year	<u>\$ ( 4,253)</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, 2006

	<u>Family Preservation</u>	<u>Independent Living</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 444,307	\$ 23,481	\$ 467,788	\$ 31,145	\$ 498,933
Payroll Taxes and Fringe Benefits	<u>64,370</u>	<u>3,402</u>	<u>67,772</u>	<u>4,512</u>	<u>72,284</u>
Total Salaries and Payroll Taxes and Fringe Benefits	<u>508,677</u>	<u>26,883</u>	<u>535,560</u>	<u>35,657</u>	<u>571,217</u>
Professional Fees	41,703	0	41,703	13,089	54,792
Supplies	19,284	1,019	20,303	1,352	21,655
Telephone	8,856	468	9,324	621	9,945
Occupancy	24,528	1,296	25,824	1,720	27,544
Interest	0	0	0	19,018	19,018
Rental and Repairs/ Equipment	5,975	316	6,291	419	6,710
Travel	39,631	2,094	41,725	2,778	44,503
Licenses	0	0	0	205	205
Postage and Printing	0	0	0	1,068	1,068
Utilities	0	0	0	0	0
Insurance	19,539	1,033	20,572	1,370	21,942
Depreciation	0	0	0	13,877	13,877
Bank Charges	0	0	0	7,063	7,063
Training	0	0	0	1,533	1,533
Other	<u>20,038</u>	<u>1,059</u>	<u>21,097</u>	<u>1,405</u>	<u>22,502</u>
Total Expenses	<u>688,231</u>	<u>34,168</u>	<u>722,399</u>	<u>\$ 101,175</u>	<u>\$ 823,574</u>
Allocation of Management and General	<u>96,389</u>	<u>4,786</u>	<u>101,175</u>		
Total Functional Expenses	<u>\$ 784,620</u>	<u>\$ 38,954</u>	<u>\$ 823,574</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, 2006

Cash Flows from Operating Activities	
Changes in Net Assets	<u>\$ 127,883</u>
Adjustments to Reconcile Change in Net Assets	
to Net Cash Provided by Operating Activities	
Depreciation and Amortization	13,877
Forgiveness of Tax Liability	<u>( 41,982)</u>
Total Adjustments	<u>( 28,105)</u>
Changes in Operating Assets and Liabilities	
(Increase) Decrease in Accounts Receivable - Grants	( 13,063)
Advance to Employee	( 19,989)
Decrease in Cash Deficit	( 4,704)
Decrease in Accounts Payable and Taxes	( 9,150)
(Decrease) Increase in Payroll and Payroll Taxes Payable	<u>( 13,772)</u>
Net Changes in Operating Assets and Liabilities	<u>( 60,678)</u>
Cash Flows Used In Operating Activities	<u>39,100</u>
Cash Flows Used for Investing Activities	
Purchase of Equipment	<u>( 6,081)</u>
Net Cash Used by Investing Activities	<u>( 6,081)</u>
Cash Flows from Financing Activities	
Repayment of Debt - Related Party	<u>( 33,019)</u>
Net Cash Provided (Used) By Financing Activities	<u>( 33,019)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	0
Cash and Cash Equivalents at Beginning of Year	<u>0</u>
Cash and Cash Equivalents at End of Year	<u>\$ 0</u>

Note: During the year, the Company paid \$19,018 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, 2006

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, 2006

1. Summary of Significant Accounting Policies (Continued)

LACLE - 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, 2006

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 \$1,000.

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, 2006

2. Accounts Receivable

Accounts receivable consists of the following:

Outpatient Counseling	\$ 26,797
Independent Living	<u>6,342</u>
Medication Management	<u>\$ 33,139</u>

3. Operating Leases

As of June 30, 2006, the Organization was obligated under cancelable operating leases for office space. The leases have a 30 day out clause.

4. Statement of Cash Flows

Total interest paid for the year was \$19,018, none of which was capitalized and all was paid to related employees or family members of employees.

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.

MENTAL HEALTH SOLUTIONS, INC.  
D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006

9. Related Party

The Company borrowed \$0 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 \$32,556 and paid \$13,780 in interest.

10. Depreciation Expense and Equipment

<u>Life</u>	<u>Balance</u> <u>6/30/05</u>	<u>Change</u>	<u>Balance</u> <u>6/30/06</u>
5-7 yrs. Office Equipment	\$ 23,471	\$ 6,081	\$ 29,552
5-7 yrs. Computer Equipment	17,353	0	17,353
7 yrs. Professional Material (Books)	<u>40,000</u>	<u>0</u>	<u>40,000</u>
	80,824	6,081	86,905
Less Accumulated Depreciation & Amortization	<u>( 30,821)</u>	<u>( 13,877)</u>	<u>( 44,698)</u>
	<u>\$ 50,003</u>	<u>\$ ( 7,796)</u>	<u>\$ 42,207</u>

11. Insurance

The Company maintains the following:

	<u>Carrier</u>	<u>Limits</u>	<u>Policy</u> <u>Period</u>	<u>Policy</u> <u>Number</u>
General Liability	United National	\$3,000,000	8/01/05-7/31/06	GA740156
Auto	Safeco	\$1,000,000	8/01/05-7/31/06	GA740156
LA Workers Comp.	Clarendon			
Prof. Liability	United National	\$1,000,000	8/01/05-7/31/06	GA740156

12. Going Concern

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's ability to continue.

MENTAL HEALTH SOLUTIONS, INC.  
 D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006

12. Going Concern (continued)

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

Payroll and Payroll Taxes Payable	
Current	\$ 1,485
Past due Louisiana Dept. of Labor (Note 15)	56,490
Accrued Payroll & Taxes	<u>19,153</u>
	77,128
Long Term Portion	<u>42,631</u>
	<u>\$ 34,497</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.

15. Write Off of Liabilities

Certain liabilities were decreased by management in 2006 and based upon agreement with certain regulatory bodies not payable and were written off in the current year. All were recorded as payables in the prior year.

Louisiana Department of Labor \$41,982

An agreement was reached with the Louisiana Department of Labor whereby the agency paid \$10,000 on May 5, 2006 and another \$10,000 on October 31, 2006. After these payments, there will be monthly installments of \$1,000 @ 12% until paid in February, 2012.

Debt Amortization	
6/07	\$13,859
6/08	7,274
6/09	8,196
6/10	9,236
6/11	10,407
6/12	<u>7,518</u>
	<u>\$56,490</u>

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December 6, 2006

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, 2006, and have issued our report thereon dated December 20, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

### **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.

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December 6, 2006

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, 2006. 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, 2006.

**HMV**

A PROFESSIONAL SERVICES FIRM  
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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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

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, M. E. Gray, Vestal, W. P.

MENTAL HEALTH SOLUTIONS, INC.  
 D/B/A HEALTH ACCESS/NORTHWEST LOUISIANA FAMILY CRISIS CENTER  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 SUPPLEMENTARY INFORMATION  
 FOR YEAR ENDED JUNE 30, 2006

Non Major Programs	Contract Description	Terms of Contract (Description)	Contract	CFDA	Revenue FYE 6/30/06	Amount Due @ 6/30/06	Matching Required	Expenditures FYE 6/30/06
State of Louisiana	Office of Independent Liv. Comm. Serv. 7/1/05-6/30/06		\$247,200	92.556	\$ 82,400	\$ 6,342	Yes	\$ 38,954
Major Programs	Outpatient Counseling	(Medicaid)	N/A	93.217	782,663	26,797	NO	784,620
State of Louisiana					\$ 865,063	\$ 33,139		\$ 823,574
Total								

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, 2006

TERM EXPIRES

John Gianforte, President/CEO  
432 Ockley  
Shreveport, LA 71105  
Phone (318) 631-1122 Ext. 19  
johngceo@bellsouth.net

N/A

Dr. Paris, Member  
4406 Curtis Loop  
Bossier City, LA 71112  
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January 1, 2008

Sandra Todaro, Chairwoman  
823 Robinson Place  
Shreveport, LA 71104  
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stodaro@bpcc.edu  
jtodaro@dldykes.org

January 1, 2008

Mr. Charlie Hennigan, Member  
3875 Line Avenue  
Shreveport, LA 71106  
Phone (318) 868-7128

January 1, 2008

Representative Earnest Baylor  
2835 Hollywood  
Shreveport, LA 71108

January 1, 2008

Dan Wimberly  
Urban Housing of America  
P. O. Box 3401  
Shreveport, LA

January 1, 2007

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, 2006

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, 2006 and have issued our report thereon dated December 1, 2006. 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, 2006.

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 \$782,663
- Independent Living - Grants totaling \$82,400

c. Identification of Major Programs:

- Medicaid - Total revenues received during the year ended 6/30/06 were as follows:

6/30/06	<u>\$782,663</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 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, 2006

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