

## Preliminary 2015 Financial Audit Update

- ❖ **Opinion on the Financial Statements**
  - The financial statements present fairly, in all material respects, the financial position of HOPE Family Health Services as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years the ended in accordance with accounting principles generally accepted in the United States of America.
- ❖ **Opinion on Internal Controls Over Financial Reporting**
  - We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
- ❖ **Opinion on Compliance and Other Matters**
  - The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.
- ❖ **Opinion on Each Major Federal Program**
  - In our opinion, HOPE Family Health Services complied in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major programs for the year ended December 31, 2015
- ❖ **Prior Year Finding:** 2014-001 Procedures have not been developed to ensure that sliding fee applications are completed accurately and adequately maintained and that patient income and sliding fee discounts are correctly calculated.
  - Status of Finding in 2015-001: **RESOLVED**
- ❖ **Required Auditor Communications**
  - Significant accounting policies and unusual transactions: *There were none*
  - Management judgements and accounting estimates: *Allowance for doubtful accounts, the estimates appears reasonable.*
  - Disagreement with management: *There were no disagreement with management.*
  - Significant audit adjustments: *There were none*
  - Major issues discussed with management prior retention: *There were none*
  - Difficulties encountered in performing the audit: *There were none*
  - Uncorrected financial statements misstatements: *There were none*
- ❖ **Other matters that are opportunities for strengthening internal controls and operating efficiency**
  - Accounts payable: *ensure that expenses are correctly captured for each month and that liabilities are accurately stated.*
  - Accounts receivable: (1) *it is recommended that PPS reports be submitted to the state within fifteen days of each quarter end follow up on payments not received in a timely fashion.* (2) *PPS and Safety Net, Establish monthly accrual to record one-third of the estimated quarterly amount due.*
  - Disbursement Controls: *ensure proper coding before disbursement is completed for capital and non-capital expenditures.*

*NOTE: Auditor is requesting a board or committee meeting to present the complete Financial Audit reports on Friday June 24<sup>th</sup>, 2016*