

**OZARK TRI-COUNTY HEALTH CARE CONSORTIUM D/B/A  
ACCESS FAMILY CARE**

**UNIFORM GUIDANCE REPORTS AND SCHEDULES  
YEAR ENDED APRIL 30, 2017**

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## **Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Directors  
Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Neosho, Missouri

We have audited, in accordance with the 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, the financial statements of Ozark Tri-County Health Care Consortium d/b/a Access Family Care (a not-for-profit organization) (the "Organization"), which comprise the balance sheet as of April 30, 2017, and the related statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2017.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness as item 2017-01.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-02.

### ***Organization's Response to Finding***

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Anders Minkler Heber & Helms LLP". The signature is written in a cursive style.

September 28, 2017



## **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Neosho, Missouri

### ***Report on Compliance for Each Major Federal Program***

We have audited Ozark Tri-County Health Care Consortium d/b/a Access Family Care's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended April 30, 2017. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the Organization's 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2017.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-02. Our opinion on each major federal program is not modified with respect to this matter.

The Organization's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-02, that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the Organization as of and for the year ended April 30, 2017, and have issued our report thereon dated September 28, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



September 28, 2017

**Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Schedule of Findings and Questioned Costs  
Year Ended April 30, 2017**

**Summary of Auditors' Results**

***Financial Statements***

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weaknesses identified? **Yes**

Significant deficiencies identified not considered to be a material weakness? **No**

Noncompliance material to the financial statements noted? **No**

***Federal Awards***

Internal control over major programs:

Material weaknesses identified? **No**

Significant deficiencies identified not considered to be a material weakness? **Yes**

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 516? **Yes**

**Major Programs:**

U.S. Department of Health and Human Services Consolidated Health Centers - 93.224

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? **Yes**

**Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Schedule of Findings and Questioned Costs  
Year Ended April 30, 2017**

**Findings Required to be Reported by *Government Auditing Standards***

**2017-01 - Merger with Area Community Health Emmissaries ("ACHE")**

*Condition:* The Organization recorded the merger with ACHE incorrectly under generally accepted accounting principles in the United States ("US GAAP").

*Cause:* The Organization recorded the assets and liabilities of ACHE with the difference recorded to net assets. Under US GAAP, a contribution is recognized when assets acquired are greater than liabilities assumed.

*Effect:* Incorrect recording of net assets resulting from the merger with ACHE.

*Recommendation:* This is an isolated incident. However, if the Organization pursues any mergers in the future, management should ensure accurate recording of the merger by researching appropriate standards prior to the merger.

*Views of Responsible Officials and Planned Corrective Actions:* An adjustment has been recorded as of April 30, 2017 to record the balance as contribution income.

**Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Schedule of Findings and Questioned Costs  
Year Ended April 30, 2017**

**Findings Required to be Reported by the Uniform Guidance**

**U.S. Department of Health and Human Services**

**2017-02 - Program Income**

*Condition:* Patients were given inappropriate sliding scale fee adjustments based on supporting income documentation in accordance with the Organization's policy.

*Criteria:* Out of 4,199 patients who received sliding scale fee adjustments, a sample of 40 patients who received sliding scale fee adjustments were tested. One patient was billed an inappropriate amount based on the Organization's sliding scale fee adjustment.

*Cause:* Organization personnel were not utilizing the appropriate master spreadsheet to calculate the sliding scale fee adjustment.

*Effect:* Improper sliding scale fee adjustments were given.

*Recommendation:* Management should ensure all personnel understand the sliding scale fee policy and adhere to the requirements and guidelines set forth in the policy. Because the policy affects program income, procedures should be implemented to ensure that all patients are billed the appropriate amount based on the sliding fee scale and only individuals who qualify under the policy guidelines receive sliding fee scale adjustments.

*Views of Responsible Officials and Planned Corrective Actions:* The CFO will review the master spreadsheet to ensure the table is calculating correctly from the poverty schedule. Training will also be provided to Organization personnel.

**U.S. Department of Health and Human Services**

**Consolidated Health Centers**

**CFDA No:** 93.224

**Grant No:** H80CS00673

**Grant period:** May 1, 2016 through April 30, 2017

**Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Summary Schedule of Prior Audit Findings  
Year Ended April 30, 2017**

No matters were reportable.

**Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Schedule of Expenditures of Federal Awards  
Year Ended April 30, 2017**

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Amount Expended</u>
<b>U.S. Department of Health and Human Services</b>			
Consolidated Health Centers	93.224	H80CS00673	\$ 4,594,388
Pass-through programs from the Missouri Primary Care Association Women and Minority Health Care Outreach	93.778	1105MO5ADM	19,484
Total U.S. Department of Health and Human Services			<u>4,613,872</u>
<b>Centers for Disease Control</b>			
Pass-through programs from the Missouri Department of Health and Senior Services Show Me Healthy Women Through Breast Cancer and Cervical Funding	93.752	5U58DP003924-05B 5U58DP003924-04B 5U58DP003924-03B	59,985
Total Centers for Disease Control			<u>59,985</u>
Total Expenditures of Federal Awards			<u>\$ 4,673,857</u>

**Ozark Tri-County Health Care Consortium d/b/a  
Access Family Care  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended April 30, 2017**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Ozark Tri-County Health Care Consortium d/b/a Access Family Care (the "Organization") under programs of the federal government for the year ended April 30, 2017. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity numbers are presented where available.

**3. Relationship to Basic Financial Statements**

Federal awards included in the accompanying schedule of expenditures of federal awards are reported as grant revenue in the Organization's basic financial statements.