

**SOUTHWEST LOUISIANA AREA
HEALTH EDUCATION CENTER
FOUNDATION**

LAFAYETTE, LOUISIANA

FINANCIAL REPORT

Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Southwest Louisiana Area Health
Education Center Foundation
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SWLAHEC as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SWLAHEC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SWLAHEC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SWLAHEC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SWLAHEC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant auditing findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

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* 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025, on our consideration of SWLAHEC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the SWLAHEC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SWLAHEC's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

November 17, 2025

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024**

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and Interest Bearing Deposits	\$ 2,061,913	\$ 2,307,324
Due from Other Agencies	1,168,872	1,304,568
Investments	1,299,567	1,169,993
Prepaid Expenses	41,333	41,298
Total Current Assets	<u>4,571,685</u>	<u>4,823,183</u>
 PROPERTY AND EQUIPMENT (NET)	 <u>2,026,565</u>	 <u>2,009,402</u>
 OTHER ASSETS		
Certificate of Deposit	276,888	-
Utility Deposits	2,556	4,502
Total Other Assets	<u>279,444</u>	<u>4,502</u>
 TOTAL ASSETS	 <u>\$ 6,877,694</u>	 <u>\$ 6,837,087</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 144,580	\$ 112,499
Accrued Liabilities	190,886	195,225
Deferred Revenue	387,639	189,550
Notes Payable - Current Portion	9,454	277,777
Total Current Liabilities	<u>732,559</u>	<u>775,051</u>
 LONG-TERM LIABILITIES	 <u>245,241</u>	 <u>268,769</u>
 TOTAL LIABILITIES	 <u>977,800</u>	 <u>1,043,820</u>
 NET ASSETS		
Without Donor Restrictions	5,810,663	5,744,760
With Donor Restrictions	89,231	48,507
Total Net Assets	<u>5,899,894</u>	<u>5,793,267</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 6,877,694</u>	 <u>\$ 6,837,087</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND OTHER SUPPORT		
Grant Revenue	\$ 7,529,663	\$ 9,740,290
Interest Income	71,227	87,828
Gain (Loss) on Investment Transactions:		
Unrealized	46,258	45,931
Realized	63,404	45,696
Miscellaneous Revenue	<u>18,769</u>	<u>27,791</u>
Total Unrestricted Revenues and Other Support	7,729,321	9,947,536
NET ASSETS RELEASED FROM DONOR RESTRICTIONS		
Satisfaction of Equipment Acquisition Restrictions	<u>(40,724)</u>	<u>(20,790)</u>
 Total Revenues, Other Support, and Net Assets Released From Donor Restrictions	 <u>7,688,597</u>	 <u>9,926,746</u>
EXPENSES		
Program Services:		
Health Education	6,436,438	7,733,967
Supporting Services:		
Management and General	<u>1,186,256</u>	<u>1,015,568</u>
Total Expenses	<u>7,622,694</u>	<u>8,749,535</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>65,903</u>	<u>1,177,211</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Grant - Equipment	65,438	34,447
Equipment Acquisition Restrictions	<u>(24,714)</u>	<u>(13,657)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>40,724</u>	<u>20,790</u>
CHANGE IN NET ASSETS	106,627	1,198,001
NET ASSETS AT BEGINNING OF YEAR	<u>5,793,267</u>	<u>4,595,266</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,899,894</u>	<u>\$ 5,793,267</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year June 30, 2025

	Calcasieu Parish Health Unit	PMHCA (Launch)	MCHC (FIMR)	Tulane
Compensation and Related Expenses				
Salaries	\$ 634,760	\$ 321,445	\$ 314,533	\$ 149,559
Employee Benefits				
Medical and Dental Insurance	88,841	31,558	25,840	8,199
401(k) Retirement Contributions	20,576	9,906	12,535	4,581
Payroll Taxes	48,635	24,337	22,815	10,845
	792,812	387,246	375,723	173,184
Conference Registration	-	7,175	100	-
Contractual Services	-	176,743	45,950	-
Depreciation	-	-	-	-
Equipment	-	-	-	-
Incentives	-	-	-	-
Insurance	10,822	5,529	5,328	2,500
Interest	-	-	-	-
Marketing Expense	-	-	-	-
Meetings Expense	-	-	-	-
Other	399	8,386	-	-
Postage	-	-	-	-
Printing	-	-	-	-
Professional Fees	-	-	-	-
Rental Expense	-	-	-	-
Repairs and Maintenance	-	-	-	-
Stipends	-	-	-	-
Sponsorship Expenses	-	-	-	-
Subscriptions	-	747	-	-
Supplies	-	14,431	768	-
Travel and Transportation	1,170	4,031	6,841	8,197
Utilities and Telephone	-	1,747	-	-
TOTAL	\$ 805,203	\$ 606,035	\$ 434,710	\$ 183,881

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
For the Year June 30, 2025**

	Nurse Family Partnership	Well Ahead	Cameron Parish Police Jury	Navigator
Compensation and Related Expenses				
Salaries	\$ 183,219	\$ (325)	\$ 77,967	\$ 760,626
Employee Benefits				
Medical and Dental Insurance	16,424	-	8,160	114,609
401(k) Retirement Contributions	7,305	-	3,075	23,438
Payroll Taxes	<u>13,998</u>	<u>-</u>	<u>5,937</u>	<u>59,308</u>
	220,946	(325)	95,139	957,981
Conference Registration	-	-	-	2,062
Contractual Services	-	125,104	-	539,840
Depreciation	-	-	-	-
Equipment	-	-	-	8,319
Incentives	-	-	-	15
Insurance	435	-	1,307	14,087
Interest	-	-	-	-
Marketing Expense	-	155	-	86,745
Meetings Expense	-	-	-	289
Other	-	-	-	2,561
Postage	10	-	-	715
Printing	-	-	-	42,217
Professional Fees	-	-	-	-
Rental Expense	-	-	-	-
Repairs and Maintenance	-	-	-	-
Stipends	-	-	-	-
Sponsorship Expenses	-	-	-	15,975
Subscriptions	-	-	-	18,448
Supplies	35,778	150	-	30,534
Travel and Transportation	10,572	-	-	112,232
Utilities and Telephone	<u>1,188</u>	<u>-</u>	<u>-</u>	<u>44,285</u>
TOTAL	<u>\$ 268,929</u>	<u>\$ 125,084</u>	<u>\$ 96,446</u>	<u>\$ 1,876,305</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
For the Year June 30, 2025**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 216,470	\$ 270,227	\$ 675,791	\$ 3,604,272	\$ 645,574	\$ 4,249,846
Employee Benefits						
Medical and Dental Insurance	29,800	38,381	88,489	450,301	79,749	530,050
401(k) Retirement Contributions	6,987	6,888	25,382	120,673	20,543	141,216
Payroll Taxes	16,250	20,744	62,081	284,950	39,942	324,892
	269,507	336,240	851,743	4,460,196	785,808	5,246,004
Conference Registration	-	-	666	10,003	1,780	11,783
Contractual Services	-	-	119,235	1,006,872	164,646	1,171,518
Depreciation	-	-	-	-	65,600	65,600
Equipment	-	-	2,204	10,523	-	10,523
Incentives	-	-	2,581	2,596	-	2,596
Insurance	3,709	4,517	13,635	61,869	78,057	139,926
Interest	-	-	-	-	19,939	19,939
Marketing Expense	-	-	27,539	114,439	-	114,439
Meetings Expense	-	-	22,131	22,420	7,448	29,868
Other	-	-	31,247	42,593	3,546	46,139
Postage	-	-	3,959	4,684	519	5,203
Printing	-	-	3,828	46,045	874	46,919
Professional Fees	-	-	-	-	3,043	3,043
Rental Expense	-	-	61,031	61,031	-	61,031
Repairs and Maintenance	-	-	-	-	2,284	2,284
Stipends	-	-	123,073	123,073	-	123,073
Sponsorship Expenses	-	-	-	15,975	3,794	19,769
Subscriptions	-	-	3,233	22,428	3,012	25,440
Supplies	-	-	76,792	158,453	20,763	179,216
Travel and Transportation	7,158	697	64,769	215,667	9,200	224,867
Utilities and Telephone	-	-	10,351	57,571	15,943	73,514
TOTAL	\$ 280,374	\$ 341,454	\$ 1,418,017	\$ 6,436,438	\$ 1,186,256	\$ 7,622,694

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year June 30, 2024**

	Calcasieu Parish Health Unit	PMHCA (Launch)	Unwind	MCHC (FIMR)	COVID-19
Compensation and Related Expenses					
Salaries	\$ 584,553	\$ 260,817	\$ 243,010	\$ 268,785	\$ 42,571
Employee Benefits					
Medical and Dental Insurance	69,927	31,440	27,755	25,560	3,338
401(k) Retirement Contributions	16,728	10,384	3,816	8,165	1,287
Payroll Taxes	<u>45,220</u>	<u>18,142</u>	<u>19,693</u>	<u>19,473</u>	<u>3,746</u>
	716,428	320,783	294,274	321,983	50,942
Conference Registration	-	8,492	35	-	-
Contractual Services	-	149,587	899,898	19,950	49,060
Depreciation	-	-	-	-	-
Equipment	-	-	4,087	-	-
Incentives	-	8,312	2,470	-	-
Insurance	11,654	5,259	4,727	5,410	935
Interest	-	-	-	-	-
Marketing Expense	-	-	12,225	-	-
Meetings Expense	-	-	1,528	-	-
Other	-	6,300	-	-	-
Postage	-	-	564	14	-
Printing	-	-	6,534	113	-
Professional Fees	-	-	-	-	-
Rental Expense	-	5,500	-	-	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	562	324	-	396
Supplies	31	24,064	15,252	2,197	948
Travel and Transportation	-	12,462	21,850	5,529	19,386
Utilities and Telephone	<u>-</u>	<u>2,290</u>	<u>19,484</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 728,113</u>	<u>\$ 543,611</u>	<u>\$ 1,283,252</u>	<u>\$ 355,196</u>	<u>\$ 121,667</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
For the Year June 30, 2024**

	Nurse Family Partnership	Well Ahead	Cameron Parish Police Jury	Navigator
Compensation and Related Expenses				
Salaries	\$ 179,996	\$ 67,471	\$ 74,151	\$ 580,403
Employee Benefits				
Medical and Dental Insurance	15,648	9,662	7,860	85,714
401(k) Retirement Contributions	5,049	2,714	2,957	14,733
Payroll Taxes	<u>13,425</u>	<u>4,995</u>	<u>5,774</u>	<u>45,795</u>
	214,118	84,842	90,742	726,645
Conference Registration	-	-	-	725
Contractual Services	60	391,264	-	595,368
Depreciation	-	-	-	-
Equipment	-	-	-	982
Incentives	-	-	-	10
Insurance	641	1,365	1,499	13,735
Interest	-	-	-	-
Marketing Expense	-	45	-	28,581
Meetings Expense	-	-	-	180
Other	2,476	325	-	830
Postage	152	-	-	4,504
Printing	-	482	-	14,274
Professional Fees	-	-	-	-
Rental Expense	-	-	-	-
Repairs and Maintenance	-	-	-	-
Stipends	-	3,786	-	-
Sponsorship Expenses	-	-	-	-
Subscriptions	-	-	-	5,618
Supplies	110,906	928	-	36,411
Travel and Transportation	12,425	-	-	65,995
Utilities and Telephone	<u>1,681</u>	<u>-</u>	<u>-</u>	<u>33,971</u>
TOTAL	<u>\$ 342,459</u>	<u>\$ 483,037</u>	<u>\$ 92,241</u>	<u>\$ 1,527,829</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
For the Year June 30, 2024**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 233,324	\$ 236,141	\$ 853,278	\$ 3,624,500	\$ 545,807	\$ 4,170,307
Employee Benefits						
Medical and Dental Insurance	30,327	38,974	80,927	427,132	75,422	502,554
401(k) Retirement Contributions	6,014	8,247	22,252	102,346	14,835	117,181
Payroll Taxes	17,932	18,699	66,700	279,594	39,091	318,685
	287,597	302,061	1,023,157	4,433,572	675,155	5,108,727
Conference Registration	-	-	2,981	12,233	492	12,725
Contractual Services	-	-	190,812	2,295,999	126,208	2,422,207
Depreciation	-	-	-	-	50,615	50,615
Equipment	-	-	117	5,186	-	5,186
Incentives	-	-	24,030	34,822	-	34,822
Insurance	4,839	4,801	(18,941)	35,924	66,610	102,534
Interest	-	-	-	-	12,147	12,147
Marketing Expense	-	-	15,331	56,182	-	56,182
Meetings Expense	-	-	8,603	10,311	5,286	15,597
Other	-	-	2,498	12,429	4,187	16,616
Postage	-	-	2,990	8,224	1,072	9,296
Printing	-	-	6,575	27,978	1,238	29,216
Professional Fees	-	-	-	-	8,912	8,912
Rental Expense	-	-	112,957	118,457	-	118,457
Repairs and Maintenance	-	-	-	-	1,297	1,297
Stipends	-	-	120,075	123,861	-	123,861
Sponsorship Expenses	-	-	-	-	11,500	11,500
Subscriptions	-	-	3,338	10,238	2,734	12,972
Supplies	-	-	93,499	284,236	25,897	310,133
Travel and Transportation	7,625	1,577	49,388	196,237	6,272	202,509
Utilities and Telephone	-	-	10,652	68,078	15,946	84,024
TOTAL	\$ 300,061	\$ 308,439	\$ 1,648,062	\$ 7,733,967	\$ 1,015,568	\$ 8,749,535

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 106,627	\$ 1,198,001
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	65,600	50,615
Unrealized (Gain) on Investment Transactions	(46,258)	(45,931)
Changes in Current Assets and Liabilities:		
Due from Other Agencies	135,696	295,279
Prepaid Expenses	(35)	(17,969)
Other Assets	1,946	-
Accounts Payable	32,081	(78,287)
Accrued Liabilities	(4,339)	29,794
Deferred Revenue	<u>198,089</u>	<u>(104,931)</u>
Net Cash Provided By Operating Activities	<u>489,407</u>	<u>1,326,571</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Redemption of Certificates of Deposit	-	775,000
Purchase of Certificate of Deposit	(276,888)	-
Purchase of Fixed Assets	(82,763)	(976,894)
Proceeds from Sale of Securities	514,269	785,055
Purchase of Securities	<u>(597,584)</u>	<u>(799,914)</u>
Net Cash (Used In) Investing Activities	<u>(442,966)</u>	<u>(216,753)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on Line of Credit	-	546,546
Repayment of Line of Credit	(546,546)	-
Proceeds from Long-Term Debt	273,273	-
Repayment of Long-Term Debt	<u>(18,579)</u>	<u>-</u>
Net Cash (Used In) Provided By Financing Activities	<u>(291,852)</u>	<u>546,546</u>
NET CHANGE IN CASH AND EQUIVALENTS	(245,411)	1,656,364
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,307,324</u>	<u>650,960</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,061,913</u></u>	<u><u>\$ 2,307,324</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	<u>\$ 19,939</u>	<u>\$ 12,147</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) is a Louisiana nonprofit corporation chartered on March 7, 1991. The mission of SWLAHEC is to improve health status through access to information, education and health services. The Organization seeks to improve health through numerous programs focusing on two main areas: 1) recruiting and educating health professionals and 2) educating the public on how to live healthier lives.

SWLAHEC is an independent nonprofit organization and a member of the national network of Area Health Education Centers (AHECs) operating in 48 states. AHECs are administered by the U.S. Health Resources and Services Administration's Bureau of Health Professions. The AHEC network was launched in 1972 by federal legislation.

Basis of Accounting – The financial statements of SWLAHEC have been prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Basis of Presentation – The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents – For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments – The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in change in net assets in the accompanying Statement of Activities.

Prepaid Expenses – Insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

Property and Equipment – The Organization capitalizes all expenditures in excess of \$5,000 for property and equipment at historical cost at the date of acquisition. Property and equipment purchased with grant funds, excluding those purchased under the LSUHSC agreement as discussed below, are considered to be temporarily restricted. In the absence of donor stipulations regarding how long the asset must be used, SWLAHEC has adopted a policy of implying a time restriction that expires over the useful life of the assets. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Estimated useful lives for buildings are 39 years and equipment, furniture and fixtures have useful lives ranging from 5 to 10 years.

The cost of office furniture and equipment purchased under the cooperative endeavor between LSUHSC and SWLAHEC has not been capitalized. Title to the equipment purchased under this agreement remains with LSUHSC. The total cost of equipment at June 30, 2025 and 2024, purchased under the cooperative endeavor with LSUHSC, was \$101,391 and \$101,391, respectively.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Allowance for Credit Losses – SWLAHEC considers accounts receivable/due from other agencies to be fully collectible; accordingly, no allowance for credit losses has been recorded at June 30, 2025 and 2024.

The Organization generally does not require collateral, and the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

Contributions and Support – All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires net assets with donor restrictions are reclassified as net assets without donor restrictions in the statement of activities.

Deferred Revenue – Deferred revenue represents funding received for which the related expenses have not been incurred by the Organization. At June 30, 2025 and 2024 deferred revenues were \$387,639 and \$189,550, respectively.

Advertising – Advertising costs are expensed as incurred. Marketing and advertising costs incurred during the fiscal years ended June 30, 2025 and 2024 was \$114,439 and \$56,182 respectively.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Financial Awards – Revenues for direct and indirect federal contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis and based on the units of service for those contracts which are on a fee for service basis. In the Statement of Activities, these revenues are referred to as ‘grant revenue’. Related contract receivables are referred to as ‘due from other agencies’ in the Statement of Financial Position.

Donated Services – SWLAHEC receives donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statements of activities because the criteria for recognition under Accounting Standards Codification (ASC) 958-605-50-1 have not been satisfied.

Impairments – Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2025, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management’s estimate of the recoverability of these assets.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Compensated Absences – Employees of the Organization earn leave in varying amounts depending upon length of service. Accrual is capped at either 15 or 20 days depending upon years of service. As such, no employee may have more than 20 days of service accrued at any time. Subject to the above limitation, unused time is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 2025 and 2024, accrued annual leave totaled \$175,334 and \$165,027, respectively, and are included in accrued liabilities in the Statement of Financial Position.

Revenue Recognition - The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statement of Financial Position. Amounts deferred as of June 30, 2025 and 2024, totaled \$387,639 and \$189,550, respectively.

Fair Value Considerations - Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity's short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

Income Taxes – The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than private foundation, therefore has no provision for federal income taxes. However, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the fiscal year under audit.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Net Assets – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of SWLAHEC's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SWLAHEC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

(B) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$4,807,240 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$2,061,913 and receivables of \$1,168,872, and investments of \$1,299,567. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

(C) DUE FROM OTHER AGENCIES

Due from other agencies consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
State of Louisiana	\$ 89,840	\$ 158,767
Federal Government	851,339	908,214
Other	<u>227,693</u>	<u>237,587</u>
Total	<u>\$ 1,168,872</u>	<u>\$ 1,304,568</u>

(D) INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best described based upon quoted market prices.

The organization utilizes fair value measurements to record fair value adjustments to investments and to determine fair value disclosures. Investments are recorded at fair value on a recurring basis. The Organization has no assets or liabilities recorded at their fair value on a nonrecurring basis.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(D) INVESTMENTS AND FAIR VALUE MEASUREMENTS – (continued)

The Organization uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of June 30, 2025 and 2024, all of the Organizations investments are a Level 1.

Investments at June 30, 2025 and 2024, are summarized as follows:

<u>2025</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Common Stocks	\$ 339,477	\$ 429,508	\$ 90,031
Mutual Funds	<u>811,708</u>	<u>870,059</u>	<u>58,351</u>
Total	<u>\$ 1,151,185</u>	<u>\$ 1,299,567</u>	<u>\$ 148,382</u>
 <u>2024</u>	 <u>Cost</u>	 <u>Fair Value</u>	 <u>Unrealized Gain (Loss)</u>
Common Stocks	\$ 310,205	\$ 371,689	\$ 61,484
Mutual Funds	<u>757,863</u>	<u>798,304</u>	<u>40,441</u>
Total	<u>\$ 1,068,068</u>	<u>\$ 1,169,993</u>	<u>\$ 101,925</u>

Investment revenues are reported net of related external and direct internal investment expenses in the statement of activities. The amount of expenses netted with revenues was \$12,139 and \$10,956 for the years ended June 30, 2025 and 2024, respectively.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(E) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 256,424	\$ 256,424
Building	1,837,215	815,442
Furniture, Fixtures and Equipment	301,105	235,667
Improvements	48,613	48,613
Construction in Progress	<u>-</u>	<u>1,004,448</u>
	2,443,357	2,360,594
Less: Accumulated Depreciation	<u>(416,792)</u>	<u>(351,192)</u>
Total Fixed Assets	<u>\$ 2,026,565</u>	<u>\$ 2,009,402</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$65,600 and \$50,615, respectively.

(F) LONG-TERM DEBT

On November 1, 2024, the Organization converted their construction line of credit into a term loan with a balance of \$273,273 payable in 22 monthly payments \$1,669.36 with one final payment of \$258,032 due on October 29, 2026. The loan bears interest at 4.0% per annum. The payments are based on the amortization over 240 months.

Long-term debt consisted of the following as of June 30, 2025:

Total Long-Term Debt	\$ 254,695
Less: Current Maturities	<u>(9,454)</u>
Total Long-Term Debt	<u>\$ 245,241</u>

Maturities of long-term debt are as follows:

Year Ending June 30,	
2026	\$ 9,454
2027	<u>245,241</u>
Total	<u>\$ 254,695</u>

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(G) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Equipment	<u>\$ 89,231</u>	<u>\$ 48,507</u>

(H) NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or the expiration of time during the years ended June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Equipment	<u>\$ 24,714</u>	<u>\$ 13,657</u>

(I) RETIREMENT BENEFITS

SWLAHEC maintains a 401(k) Retirement Plan for its employees. Generally, all employees are eligible to participate in the plan. The Organization's contribution was 4 percent of gross payroll for each eligible participant in fiscal years 2025 and 2024. Contributions made for the fiscal years ended June 30, 2025 and 2024 were \$141,216 and \$117,181, respectively.

(J) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

(K) SUMMARY OF GRANTS/CONTRACT FUNDING

Approximately 34% of the total fiscal year 2025 grants and contract revenues are provided by the State of Louisiana Department of Health and Hospitals through various grant programs. Approximately 5% is provided by the Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Health Sciences Center (LSUHSC).

LSUHSC has been awarded a grant by the state government, and the agreement entered into between LSUHSC and SWLAHEC for providing services fulfills the purpose of the grant. Another 29% of the total fiscal year 2025 grants and contracts revenue is provided by the U.S. Department of Health and Human Services for the Navigator grant. In addition, the Organization has entered into various agreements with state and local agencies to provide various health related services amounting to the remaining 32% of grant and contract revenues.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(K) SUMMARY OF GRANTS/CONTRACT FUNDING – (continued)

SWLAHEC is funded through the following grants and contracts for the year ended June 30, 2025:

<u>Funding Source</u>	<u>Award Number</u>	<u>Support</u>
State of Louisiana Department of Health and Hospitals:		
HIV Prevention Program	LAGOV: 2000664383	\$ 55,466
MCHC (formerly FIMR)	LAGOV: 2000754977	477,118
Nurse Family Partnership Program	LAGOV: 2000816860	298,114
WIC IV	LAGOV: 2000643595	313,691
WIC V	LAGOV: 2000650551	370,611
PMHCA (formerly Launch)	LAGOV: 2000825862	801,767
Well Ahead	LAGOV: 2000903124	232,378
Immunization Cooperative Agreement- COVID-19	LAGOV: 2000540771	17,700
Center for Disease Control and Prevention		
Vaccine Equity and Access Program	NH23IP22653	30,000
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine		260,417
U.S. Department of Health and Human Services:		
Navigator Grant	NAVCA210438-02-00	2,153,509
Calcasieu Parish Police Jury		888,821
Cameron Parish Police Jury		104,888
Tulane University		224,316
AHEC of a SMILE		18,437
Harm Reduction		201,910
LA Bridge – Opioid STR		284,189
Other		653,924
The Health Enrichment Network:		
Eat, Move, Grow		<u>142,407</u>
Total		<u>\$7,529,663</u>

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

(L) CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with one high-quality financial institution. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of June 30, 2025, the Organization's cash balances were underinsured by \$1,956,195.

The fair values of SWLAHEC's financial instruments are as follows:

Cash and short-term investments – The carrying amount approximates fair value because of the short maturities of those investments.

The majority of SWLAHEC's revenues and accounts receivable are from contracts with the Louisiana Department of Health and Hospitals (DHH) and the U.S. Department of Health and Human Services. The contracts are administered by DHH under programs which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on the Organization could be severe.

(M) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to Ashley Orphe, Executive Director for the year ended June 30, 2025 is as follows:

<u>Purpose</u>	
Salary	\$ 130,718
Benefits – Insurance	\$ 8,737
Benefits – Retirement	\$ 5,229
Benefits – Per Diem, Travel	\$ 4,733
Benefits – Continuing Education	\$ 5,774

(N) SUBSEQUENT EVENTS

Subsequent events were evaluated through November 17, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**INTERNAL CONTROL, COMPLIANCE
AND OTHER GRANT INFORMATION**

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025**

Program Title	Assistance Listing #	Federal Assistance I.D. Number	Pass-Through Grantor Number	Expenditures	Paid to Subrecipients
DIRECT PROGRAMS:					
U.S. Department of Health and Human Services-					
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	NAVCMS240462-01-00	-	\$ 1,597,854	\$ 358,897
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	NAVCA210438-02-00	-	555,655	110,139
				<u>2,153,509</u>	<u>469,036</u>
PASS-THROUGH PROGRAMS:					
U.S. Department of Health and Human Services-					
State Department of Health and Hospitals:					
Virgina Graeme Baker Pool and Spa Safety (MCHC) Injury Prevention and Control Research and State and Community Based Programs (MCHC)	87.002	N/A	LAGOV: 2000754977	73,580	-
State Rural Hospital Flexibility Program (Well Ahead)	93.136	N/A	LAGOV: 2000754977	21,945	-
Immunization Cooperative Agreements - COVID	93.241	N/A	LAGOV: 2000903124	45,100	-
Small Rural Hospital Improvement Grant Program	93.268	N/A	LAGOV: 2000540771	17,700	-
National and State Tobacco Control Program (Well Ahead)	93.301	N/A	LAGOV: 2000903124	13,200	-
	93.387	N/A	LAGOV: 2000903124	79,458	-
The National Cardiovascular Health Program (Well Ahead)	93.426	N/A	LAGOV: 2000903124	39,628	-
Preventing Maternal Deaths: Supporting Maternal Review (MCHC)	93.478	N/A	LAGOV: 2000754977	58,181	-
Diabetes Control Programs and Evaluation (Well Ahead)	93.988	N/A	LAGOV: 2000903124	40,772	-
Fetal Infant Mortality Review (MCHC)	93.994	N/A	LAGOV: 2000754977	323,412	-
Nurse Family Partnership (NFP)	93.994	N/A	LAGOV: 2000816860	72,728	-
Maternal and Child Health Block Grant (PMHCA)	93.994	N/A	LAGOV: 2000825862	47,979	-
Maternal Depression (PMHCA)	93.110 *	N/A	LAGOV: 2000825862	440,394	-
Maternal Depression (PMHCA) -COVID 19	93.110 *	N/A	LAGOV: 2000825862	313,394	-
Maternal, Infant, and Early Childhood Home Visiting Program (NFP)	93.870	N/A	LAGOV: 2000816860	225,386	-
HIV Prevention Activities - Health Department Based	93.940	N/A	LAGOV: 2000664383	55,466	-
				<u>1,868,323</u>	<u>-</u>

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued
For the Year Ended June 30, 2025**

Program Title	Assistance Listing #	Federal Assistance I.D. Number	Pass-Through Grantor Number	Expenditures	Paid to Subrecipients
PASS-THROUGH PROGRAMS:					
U.S. Department of Health and Human Services- continued					
Community Catalyst, Inc. Vaccine Equity and Access Program - COVID	93.185	NH23IP922653	23-7300.003-LA-SWLAHEC	\$ 30,000	\$ -
Louisiana State University Health Sciences Center: Area Health Education Centers	93.107	U77HP03041-27-00	-	121,222	-
Imperial Calcasieu Human Services Authority:					
Opioid STR (LASOR)	93.788	N/A	-	86,220	-
Opioid STR (LA Bridge)	93.788	N/A	-	284,189	-
Substance Abuse Block Grant (Harm Reduction)	93.959	N/A	-	201,910	-
Acadiana Area Human Services District:					
Substance Abuse Block Grant (Harm Reduction)	93.959	N/A	-	248,638	-
U.S. Department of Agriculture-					
State Department of Health and Hospitals:					
WIC IV	10.557 *	N/A	LAGOV: 2000643595	313,691	-
WIC V	10.557 *	N/A	LAGOV: 2000650551	370,611	-
Total Expenditures				<u>\$ 5,678,313</u>	<u>\$ 469,036</u>

* - denotes a major program.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2025**

(A) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Southwest Louisiana Area Health Education Center Foundation under programs of the federal government for the year ended June 30, 2025. 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 the 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.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) 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 reimbursements.
- (2) Pass-through entity identifying numbers are presented where available.

(C) INDIRECT COST RATE

SWLAHEC has elected not to use the de minimis indirect cost rate permitted under 2 CFR Section 200.414(f). Indirect costs, if applicable, are allocated in accordance with the entity's cost allocation plan or as specified by the terms of the federal award.



**DARNALL SIKES
& FREDERICK**

A CORPORATION OF CERTIFIED
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OTHER LOCATIONS:

Eunice Morgan City Abbeville

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Southwest Louisiana Area Health
Education Center Foundation
Lafayette, Louisiana

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 Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SWLAHEC's internal control over financial reporting (internal control) as a basis for designing our auditing 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 SWLAHEC's internal control. Accordingly, we do not express an opinion on the effectiveness of SWLAHEC'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses for significant deficiencies may exist that have not been identified.

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.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

November 17, 2025



**DARNALL SIKES
& FREDERICK**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

The Board of Directors
Southwest Louisiana Area Health
Education Center Foundation
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southwest Louisiana Area Health Education Center Foundation's (SWLAHEC) compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of SWLAHEC's major federal programs for the year ended June 30, 2025. SWLAHEC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SWLAHEC 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 June 30, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SWLAHEC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SWLAHEC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to SWLAHEC's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SWLAHEC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SWLAHEC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SWLAHEC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SWLAHEC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 SWLAHEC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

This report is intended for the information of the management and Board of Directors of Southwest Louisiana Area Health Education Center Foundation and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

November 17, 2025

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation as of and for the year ended June 30, 2025, and have issued our report thereon dated November 17, 2025. 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 audit of the financial statements as of June 30, 2025, resulted in an unmodified opinion.

Section I - Summary of Auditor's Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. *Federal Awards*

Major Programs Identification

SWLAHEC at June 30, 2025, had one major program:

- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – 10.557
- Maternal Child Health Federal Consolidated Programs – 93.110

Low-Risk Auditee

SWLAHEC is considered a low-risk auditee for the year ended June 30, 2025.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2025.

Auditor's Report - Major Programs

An unmodified opinion has been issued on SWLAHEC's compliance for its major programs as of and for the year ended June 30, 2025.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Reports - continued

Significant Deficiencies – Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

There were no prior year findings.