
LOUISIANA RURAL HEALTH ASSOCIATION
(A NOT FOR PROFIT ASSOCIATION)
Napoleonville, Louisiana

FINANCIAL STATEMENTS

DECEMBER 31, 2020

LOUISIANA RURAL HEALTH ASSOCIATION
(A NOT FOR PROFIT ASSOCIATION)
Napoleonville, Louisiana

FINANCIAL STATEMENTS

DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT ACCOUNTANTS' REVIEW REPORT</u>	1-2
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-12
<u>SUPPLEMENTARY INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	13
<u>OTHER REPORTS/SCHEDULES</u>	
Independent Accountants' Report on Applying Agreed-Upon Procedures	14-16
Louisiana Attestation Questionnaire	17-19
Schedule of Findings	20
Management Letter	21
Management's Corrective Action Plan	22



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Louisiana Rural Health Association
Napoleonville, Louisiana

We have reviewed the accompanying financial statements of the Louisiana Rural Health Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in Government Auditing Standards, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter Paragraphs

Supplementary Information

The accompanying supplementary schedule of compensation, benefits, and other payments to agency head included on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Other Reporting Requirements

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated October 8, 2021, on the results of our agreed-upon procedures on pages 14 through 16. The Louisiana Attestation Questionnaire is presented on pages 17 through 19.



Gonzales, Louisiana
October 8, 2021

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ORGANIZATION)

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 96,975
Certificate of deposit	7,118
Grants receivable	<u>1,524</u>
Total Current Assets	<u>105,617</u>

Property and equipment, net	<u>103,582</u>
-----------------------------	----------------

TOTAL ASSETS	<u><u>\$ 209,199</u></u>
--------------	--------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 3,510</u>
---------------------------------------	-----------------

TOTAL LIABILITIES	<u>3,510</u>
-------------------	--------------

NET ASSETS

Without donor restrictions	146,728
With donor restrictions	<u>58,961</u>

TOTAL NET ASSETS	<u>205,689</u>
------------------	----------------

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 209,199</u></u>
----------------------------------	--------------------------

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ORGANIZATION)

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<u>OPERATING ACTIVITIES</u>			
<u>REVENUES AND OTHER SUPPORT</u>			
Grants	\$ -	\$ 151,568	\$ 151,568
Contracts	-	122,383	122,383
Membership dues	15,460	-	15,460
Sponsorship dues	19,000	-	19,000
Conferences	6,611	-	6,611
Miscellaneous income	5,673	-	5,673
Net assets released from restrictions			
Satisfaction of contractual and grant award restrictions	239,326	(239,326)	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	286,070	34,625	320,695
<u>EXPENSES</u>			
Program services:			
Member services	1,472	-	1,472
Grants and contracts	238,689	-	238,689
Supporting Services:			
General and administrative	98,096	-	98,096
Total expenses	<hr/>	<hr/>	<hr/>
	338,257	-	338,257
Change in net assets from operations	(52,187)	34,625	(17,562)
<u>NONOPERATING ACTIVITIES</u>			
Investment income	191	-	191
Total nonoperating activities	<hr/>	<hr/>	<hr/>
	191	-	191
Change in net assets	(51,996)	34,625	(17,371)
<u>NET ASSETS AT BEGINNING OF YEAR, as restated</u>	<hr/>	<hr/>	<hr/>
	198,724	24,336	223,060
<u>NET ASSETS AT END OF YEAR</u>	<hr/>	<hr/>	<hr/>
	\$ 146,728	\$ 58,961	\$ 205,689

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>PROGRAM SERVICES</u>			<u>SUPPORT SERVICES</u>	<u>Total Expenses</u>
	<u>Member Services</u>	<u>Grants and Contracts</u>	<u>Total</u>	<u>General and Administrative</u>	
Salaries and wages	\$ -	\$ 62,311	\$ 62,311	\$ 47,786	\$ 110,097
Bank charges	-	-	-	364	364
Committees and memberships	-	-	-	400	400
Contract services	-	140,214	140,214	-	140,214
Depreciation expense	-	85	85	3,643	3,728
Director's meetings	-	-	-	2,100	2,100
Insurance	-	1,893	1,893	8,900	10,793
Miscellaneous expenses	-	343	343	3,845	4,188
Payroll taxes	-	4,406	4,406	3,996	8,402
Professional and legal	-	-	-	7,470	7,470
Rentals	-	-	-	4,918	4,918
Supplies	-	23,356	23,356	11,671	35,027
Telephone	-	1,300	1,300	1,504	2,804
Travel and lodging	1,472	4,781	6,253	-	6,253
Utilities	-	-	-	1,499	1,499
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 1,472</u>	<u>\$ 238,689</u>	<u>\$ 240,161</u>	<u>\$ 98,096</u>	<u>\$ 338,257</u>

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ORGANIZATION)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	
Cash received from members, events and grants	\$ 326,503
Cash paid to suppliers for goods and services	(217,130)
Cash paid to employees	<u>(121,004)</u>
Net cash used by operating activities	<u>(11,631)</u>
 <u>CASH FLOW FROM INVESTING ACTIVITIES</u>	
Purchases of property and equipment	(2,512)
Changes in Certificate of Deposit	<u>(191)</u>
Net cash used by investing activities	<u>(2,703)</u>
 Net decrease in cash and cash equivalents	 (14,334)
 Cash and cash equivalents at beginning of year	 <u>111,309</u>
 Cash and cash equivalents at end of year	 <u>\$ 96,975</u>
 <u>RECONCILEMENT OF CHANGE IN NET ASSETS TO</u>	
<u>NET CASH USED BY OPERATING ACTIVITIES</u>	
Change in net assets	\$ (17,371)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	3,728
Decrease in accounts receivable	5,617
Decrease in accounts payable and accrued expenses	<u>(3,605)</u>
Net cash used by operating activities	<u>\$ (11,631)</u>

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1- Summary of Significant Accounting Policies

Association and Purpose

The Louisiana Rural Health Association is a not-for-profit Association formed to provide leadership on rural health issues in Louisiana through advocacy, communication and education. Its current programs include:

Education: Members and the general public are invited to participate in a series of education lectures and conferences located throughout Louisiana and the gulf coast. These educational conferences are a forum to update and educate members and the general public on a variety of rural health topics and concerns. The primary support for this program is through member and public registration fees, sponsorship fees, contracts, membership dues and donated services.

Health Initiative: Through coordination and partnership with other agencies, the LRHA is involved in several health initiatives designed to develop comprehensive adaptable strategic plans that develop rural health networks, coordinate training activities and emergency response issues, develop rural health awareness and general health advocacy. The primary support for this program is through federal grants and contracts.

Basis of Presentation

The financial statements of Louisiana Rural Health Association have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Association to report information regarding its financial position and activities according to the following net classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of Louisiana Rural Health Association'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 Louisiana Rural Health Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Louisiana Rural Health Association's ongoing program services. Nonoperating activities are limited to resources from activities considered to be of a more unusual or nonrecurring nature.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1- Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Association's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Certificates of Deposit

Certificates of Deposit (CD's) represent CD's with initial maturities of greater than three months. They are recorded at the face value plus accrued interest, which approximates fair value.

Concentration of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents and a certificate of deposit. The Association maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Association's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Association has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. At December 31, 2020, there are no contributions receivable.

Grants Receivable

Uncollectible accounts receivable is charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management believes all grants receivable is collectible at year end.

Property and Equipment, net

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 5 to 39 years. The Association's policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. The Association's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1- Summary of Significant Accounting Policies (continued)

Donated Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

There were no donated services for the Year ended December 31, 2020.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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 and disclosures. Actual results could differ from those estimates.

Functional Expenses

The cost of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and management and general services. Such allocations are determined by management on an equitable basis. All expenses were allocated based on time and effort.

Income Tax Status

The Association is exempt from income tax under Section 501(c) (3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Association has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1- Summary of Significant Accounting Policies (continued)

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2 – Availability and Liquidity

The following table represents the Association’s financial assets as of December 31, 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Financial assets at year-end:	
Cash and cash equivalents	\$ 96,975
Receivables	1,524
Investments in certificates of deposit	7,118
Total financial assets	<u>\$ 105,617</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual and grant award restrictions	<u>\$ 58,961</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 46,656</u>

As part of the Association’s liquidity plan, excess cash is invested in short-term investments, including money market accounts, certificates of deposit, and other investments.

NOTE 3 – Cash and Cash Equivalents

Louisiana Rural Health Association maintains money in local financial institutions, which may at times exceed the FDIC limits. Management believes the risk is limited. At December 31, 2020, there was not any uninsured cash balance.

At December 31, 2020, the cash (book balance) was \$96,975.

NOTE 4 – Investment in Certificate of Deposit

Certificate of deposit totaled \$7,118 for 2020. Initial maturity at purchase of the certificate is 60 months. At December 31, 2020, interest rate was 2.72%, with interest paid monthly.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – Operating Lease

As of May 1, 2011, LRHA entered into a one-year operating lease with Assumption Community Hospital for the rental of land. The lease is currently year-to-year. On May 1, 2015, an amendment to the lease was signed changing the lease payment to \$3,000 per year. Total rental payments made during the year ended December 31, 2020 totaled \$3,000.

NOTE 6 – Property and Equipment, net

Property and equipment, net consisted of the following at December 31, 2020:

Property and equipment	\$ 146,318
Less: accumulated depreciation	<u>(42,736)</u>
Property and equipment, net	<u>\$ 103,582</u>

NOTE 7 – Net Assets

Net assets with donor restrictions were as follows for the year ended December 31, 2020:

Specific Purpose

Grant and Contracted services	<u>\$ 58,961</u>
-------------------------------	------------------

Net assets without donor restrictions for the year ended December 31, 2020 are as follows:

Undesignated	<u>\$ 146,728</u>
--------------	-------------------

Net assets released from net assets with donor restrictions are as follows for the year ended December 31, 2020:

Satisfaction of Purpose Restrictions

Grant and Contracted services	<u>\$ 239,626</u>
-------------------------------	-------------------

NOTE 8 – Related Party Transactions

On September 30, 2020 the Association was awarded a grant from the Delta Regional Authority to train rural health clinics, schools, and long-term care facilities in Louisiana how to profitably implement telemedicine services, keeping clinics, open and saving jobs. On October 13, 2020 the Association contracted with Louisiana Virtual Medicine Alliance (LVMA) to provide consulting services in meeting the specified grant guidelines. LVMA then subcontracted consulting positions within the scope of the contract to Southern EVALS. Louisiana Rural Health Association's Board President at the time the contract was signed and current board member, is the founder and chief executive officer of Southern EVALS. Southern EVALS was paid \$46,167 for services related to the Delta Regional Authority grant as of December 31, 2020.

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – Restatement of Prior Year Net Assets

Net assets of the Association were restated as of December 31, 2019 to decrease net assets without donor restrictions and increase net assets with donor restrictions by \$24,336. The change to prior period net assets is the result of net assets with donor restrictions not being recognized properly as of December 31, 2019.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Net Assets, December 31, 2019, as previously reported	\$ 217,419	\$ -
Adjustment for accounts receivable	7,141	-
Adjustment for accounts payable	(1,500)	-
Adjustment for Net Assets with donor restrictions	<u>(24,336)</u>	<u>-</u>
Net Assets, December 31, 2019, as restated	<u>\$ 198,724</u>	<u>\$ 24,336</u>

NOTE 10 – Subsequent Events

Management has evaluated subsequent events through October 8, 2021, which is the date that the financial statements were available to be issued. Louisiana Rural Health Association is not aware of any material subsequent events.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ORGANIZATION)

SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head: Stacy Fontenot, Executive Director

Purpose	Amount
Salary	\$ 69,660
Benefits- insurance	-
Benefits- retirement	-
Cell phone	844
Dues	-
Reimbursements	458
Travel	582
Registration fees	-
Housing	-
Meals	-
Total	<u><u>\$ 71,544</u></u>



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To Louisiana Rural Health Association Board of Directors
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Louisiana Rural Health Association and the Louisiana Legislative Auditor (the specified parties), on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Association's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

The Association provided us with the required list.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Six disbursements were selected from each grant. It was noted that four of six grants with grant award expenditures for the fiscal year did not have at least six disbursement transactions. Therefore, all disbursements were selected for those grants.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

No exceptions noted.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

No exceptions noted.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

Louisiana Rural Health Association does not have a formal set of policies and procedures for cash disbursements. However, we noted that invoices were present for all disbursements, matched the associated payments, and checks were signed by the executive director.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

No exceptions noted.

Eligibility

No exceptions noted.

Reporting

No exceptions noted.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

No exceptions noted.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Not applicable.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

No exceptions noted.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Association's report was due on June 30, 2021. An emergency extension was requested until November 30, 2021 due to the recent major disaster declarations.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

No exceptions noted.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Management represented that there were no prior-year comments reported.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Association's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Dien, Dupuy + Ruch

Gonzales, Louisiana
October 8, 2021

**LOUISIANA RURAL HEALTH ASSOCIATION
LOUISIANA ATTESTATION QUESTIONNAIRE**

Diez, Dupuy & Ruiz, LLC (CPA Firm Name)

1124 S. Burnside Ave., Suite 300A (CPA Firm Address)

Gonzales, LA 70737 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2020 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No N/A

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No N/A

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No N/A

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “[Open Meeting FAQs](#),” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No N/A

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No N/A

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No N/A

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No N/A

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No N/A

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge.

Sandy Mae

Secretary

Date: September 27, 2021

Cindy Dula

Treasurer

Date: September 24, 2021

Eggy Gautreau

President

Date: September 24, 2021

LOUISIANA RURAL HEALTH ASSOCIATION
(A NONPROFIT ASSOCIATION)

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

I. For the year ended December 31, 2020, the Association has the following internal control finding:

2020-001 *Segregation of Duties*

Condition – Adequate segregation of duties requires the critical functions of key accounting processes be assigned to and performed by more than one individual. The Association does not have a sufficient number of employees to adequately separate the key accounting processes. Executive director is capable of initiating and executing checking and credit card transactions.



October 8, 2021

To the Board of Directors
Louisiana Rural Health Association
Napoleonville, Louisiana

RE: Management Letter
Review Report – December 31, 2020

We have performed our review of the Louisiana Rural Health Association and have applied certain analytical procedures to management's financial data and making inquiries of management. As part of the procedures and inquiries, we have the following information to report to you:

MLP – 2020-002 Ethics Code

Condition: The Louisiana Rural Health Association (LRHA) contracted with Louisiana Virtual Medicine Alliance (LVMA) to provide consulting services in meeting the specified grant guidelines under the Delta Regional Authority grant. LVMA then subcontracted consulting positions within the scope of the contract to Southern EVALS. LRHA's Board President at the time the contract was signed and current board member, is the founder and chief executive officer of Southern EVALS. The subcontract entered into by LVMA and Southern EVALS to perform consulting services related to the grant awarded to LRHA could be prohibited by the Louisiana Ethics Code (R.S. 42:1101 et seq).

Recommendation: Management should consult with legal counsel to determine if LRHA is in compliance with Louisiana Law as well as Delta Regional Authority to determine if they are in compliance with guidelines set under the grant agreement.

Sincerely,

Diez, Dupuy + Ruiz



P.O. Box 387 - Napoleonville, La 70390

October 8, 2021

Diez, Dupuy & Ruiz, LLC
1124 S. Burnside Avenue; Suite 300A
Gonzales, Louisiana

RE: Louisiana Rural Health Association
Review Report – December 31, 2020

The following is our response to the management Letter issued by Diez, Dupuy & Ruiz, LLC for the year ended December 31, 2020.

Management's Corrective Action Plan

Ethics Code: Management intends to seek legal counsel as recommended, submit the information to Delta Regional Authority for approval/disposition of the matter as well as implement a policy for administering grant programs including monitoring of subcontracts entered into.

Sincerely,

A handwritten signature in black ink that reads "Peggy Gautreau". The signature is fluid and cursive, with the first name being particularly prominent.

Peggy Gautreau, President
Louisiana Rural Health Association