

LIVING WELL FOUNDATION
(A Component Unit of
Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Financial Statements
For the Year Ended December 31, 2021

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

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For the Year Ended December 31, 2021

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*Denotes Schedule



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Living Well Foundation
West Monroe, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the **Living Well Foundation** (the Foundation), a component unit of Hospital Service District No. 1 of Ouachita Parish, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Foundation as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Foundation, 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 basis for our audit opinions.

Responsibilities of the 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 the Foundation's ability to continue as a going concern for twelve months beyond the financial

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statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 opinions. 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 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, misrepresentation, 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 amount and disclosure 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 the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 4 through 9 and page 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be

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an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Compensation, Benefits and Other Payments to CEO is fairly stated, in all material respects, in relation to the basic 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 April 22, 2022 on our consideration of the Foundation'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 to solely 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 Foundation'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 the Foundation's internal control over financial reporting and compliance.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana
April 22, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
(PART A)**

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2021

Our discussion and analysis of the Living Well Foundation (the Foundation) (A Component Unit of Hospital Service District No. 1 of Ouachita Parish) provides an overview of the Foundation's activities for the year ended December 31, 2021. The Foundation, formerly Ward Five Healthcare Foundation, is a Louisiana nonprofit quasi-governmental entity. Please read our discussion and analysis in conjunction with the Foundation's financial statements that begin on page 10.

OVERVIEW OF THE FINANCIAL STATEMENTS

Although the Foundation is a quasi-governmental entity, it uses governmental accounting principles; therefore, it is considered a governmental entity for financial statement presentation.

This discussion and analysis is intended to serve as an introduction to the Foundation's basic financial statements. The Foundation's basic financial statements comprise three components: 1) government-wide financial statements (GWFS), 2) fund financial statements (FFS), and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements.

The Foundation's government-wide financial statements report information about the Foundation using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Statement of Net Position* presents information on all of the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The *Statement of Activities* presents the current year's revenues and expenses and other information showing how the Foundation's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Foundation, like state and local governments and other quasi-governmental entities, uses fund accounting. The Foundation's General Fund is categorized as a major governmental fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However,

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unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Likewise, this information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Foundation maintains one governmental fund—the General Fund. The Foundation adopts an annual appropriated budget for the General Fund, and a budgetary comparison statement is provided for this fund to demonstrate compliance with its budget.

Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Foundation's progress in funding its obligation to promote the general health of the community. Required supplementary information can be found on pages 4 through 9 and page 30.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the year ended December 31, 2021, the Foundation's assets exceeded liabilities by \$48,032,009. The majority of the Foundation's assets are in investments and associated cash equivalents with a market value of \$47,639,026 and total par value of \$47,227,812, at December 31, 2021.

The principal amount (\$46,199,652) is restricted by the cooperative endeavor agreement with the Hospital Service District No. 1 of Ouachita Parish (the District) who transferred the money to the Foundation.

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(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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A summary of the Foundation's net position is as follows:

Living Well Foundation		December 31,	
Summary of Net Position		2021	2020
Current and other assets	\$	48,158,942	\$ 48,684,467
Capital assets		17,679	22,255
Total assets	\$	<u>48,176,621</u>	<u>\$ 48,706,722</u>
Current liabilities	\$	<u>144,612</u>	<u>\$ 205,446</u>
Total liabilities	\$	<u>144,612</u>	<u>\$ 205,446</u>
Invested in capital assets	\$	17,679	\$ 22,255
Restricted		46,199,652	46,199,652
Unrestricted		1,814,678	2,279,369
Total net position	\$	<u><u>48,032,009</u></u>	<u><u>\$ 48,501,276</u></u>

Governmental Activities

The Foundation's net position decreased \$469,268 during the current year of operation as compared to its \$163,631 increase in net position during the prior year. Investment income decreased by \$803,446 in 2021 due to the large number of called/redeemed notes and the resultant high amount of cash on hand at very low interest rates with little investment opportunity, the increased premiums on new purchases, and overall lower earnings potential based on the market status.

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Management's Discussion and Analysis
 For the Year Ended December 31, 2021

Living Well Foundation
Summary of Governmental Activities

	For the Year Ended December 31,	
	2021	2020
Revenues		
General revenues		
Investment income	\$ 48,274	\$ 851,720
Event revenue	19,400	17,340
Grants	25,000	50,000
Gifts and endowments	269	2,930
Miscellaneous Income	376	6,568
Total general revenues	93,319	928,558
Total revenues	93,319	928,558
Expenses		
Health and welfare	562,586	764,927
Increase (Decrease) in net position	(469,267)	163,631
Net position at beginning of the year	48,501,276	48,337,645
Net position at end of year	\$ 48,032,009	\$ 48,501,276

FINANCIAL ANALYSIS OF THE FOUNDATION'S FUND

As previously noted, the Foundation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the Foundation present its General Fund as a major governmental fund. Further, the changes discussed in the section below provide explanations of the fund's activities during the year.

Governmental Fund

The focus of the governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the Foundation's net resources available for spending at the end of the fiscal year.

As of December 31, 2021, the Foundation had \$48,158,942 in assets and \$144,612 in liabilities. The Foundation's fund balance (total assets less total liabilities) decreased by \$469,268 from \$48,249,593 to \$48,014,330.

The Governmental Fund's only fund is the General Fund.

The inclusion of capital assets(\$17,679) on the Statement of Net Assets is the only difference when comparing to the Balance Sheet to the Statement of Net Assets. The differences between

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For the Year Ended December 31, 2021

the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance, is comprised of depreciation expense (\$6,126) and equipment purchases (\$1,550).

GENERAL BUDGETARY ANALYSIS

General Fund

The Foundation uses formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual include the original adopted budget amounts and the final amended budget amounts. The original budget adopted November 5, 2020, was based on estimated revenues, estimated expenses, and other financial information known to the Foundation at the time of the budget's adoption. Amendments to the original budget are made throughout the year as changes in operations, expected funding levels, and estimated expenditures occur. The final amended budget is prepared at the time the Foundation anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations. The fiscal year 2021 budget was amended August 5, 2021.

CAPITAL ASSETS

During 2021, capital assets increased by \$4,575 due to the purchase of new equipment (\$1,550) less depreciation expense (\$6,126).

ECONOMIC FACTORS AND FUTURE OUTLOOK

The Foundation's budgeted revenues and expenditures for 2021 reflect a continued effort to use its investment income to award grants or support initiatives to nonprofit organizations that have demonstrated the ability to improve the community by promoting and improving the health and well-being of the citizens in the Service Area of the Foundation.

The ongoing impact from the COVID-19 pandemic, and the recovery efforts, as well as existing service area conditions related to health and well-being of the populations indicate that gaps continue to exist in services and programs within the Foundation's service area. Within the Foundation's mission and goals, and with close scrutiny to market conditions related to earnings, activities in grant-making will continue to be evaluated for large impact projects. While earnings continue to be challenged by low interest rates on appropriate investments for the Foundation, grant-making will also require focused strategies to ensure the ability to serve its mission within the revenues available. It is the intent of the Foundation to seek earnings, while respecting the principles of safety, liquidity, and yield, in order to grant, while also positioning the portfolio for future opportunities as interest rates rise over time. The Foundation is currently positioned in investments that provide both low risk and low volatility to the portfolio.

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Management's Discussion and Analysis
For the Year Ended December 31, 2021

CONTACTING THE FOUNDATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Foundation's finances and to show its accountability for the money it expends. If you have questions about this report or need additional financial information, contact Dave N. Norris, Jr. (Board Chair 2022), or Jim Allbritton (Vice Chair, Finance/Investment Committee 2022) of the Foundation, at P.O. Box 2773, West Monroe, LA 71294 or by phone at 318-396-5066.

BASIC FINANCIAL STATEMENTS

Living Well Foundation
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Governmental Fund-Balance Sheet (FFS) /
Governmental Activities-Statement of Net Position (GWFS)

December 31, 2021

	Balance Sheet		Adjustments		Statement of
	Major Fund				Net Position
	General Fund				
Assets					
Cash	\$ 312,295	\$	-	\$	312,295
Cash equivalent	6,012,920		-		6,012,920
Investments	41,626,106		-		41,626,106
Investment income receivable	191,605		-		191,605
Accounts receivable	5,823		-		5,823
Prepaid expenses	9,157		-		9,157
Other assets	1,036		-		1,036
Capital assets, net	-		17,679		17,679
Total assets	\$ 48,158,942	\$	17,679	\$	48,176,621
Liabilities					
Accounts payable	\$ 1,657	\$	-	\$	1,657
Grants payable	128,379		-		128,379
Accrued liabilities	14,576		-		14,576
Total liabilities	\$ 144,612		-		\$ 144,612
Fund balance / net position					
Fund balance					
Nonspendable for					
prepaid expenses	\$ 9,157	\$			
Restricted	46,199,652				
Unassigned	1,805,521				
Total fund balance	48,014,330		(48,014,330)		
Total liabilities and fund balance	\$ 48,158,942				
Net position					
Net investment in capital assets		\$	17,679	\$	17,679
Restricted			46,199,652		46,199,652
Unrestricted			1,814,678		1,814,678
Total net position		\$	17,679	\$	48,032,009

The accompanying notes are an integral part of this statement.

Living Well Foundation
(A component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Reconciliation of the Governmental Fund-Balance Sheet (FFS)
to the Governmental Activities-Statement of Net Position (GWFS)
December 31, 2021

Fund Balance	\$ 48,014,330
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Amounts reported for governmental activities in the Statement of Net Position are different because

The cost of capital assets purchased is reported as an expenditure in the Governmental Funds. The Statement of Net Position includes those capital assets among the assets of the Foundation as a whole. The cost of those capital assets will be allocated over their estimated useful lives (as depreciation expense) to Health and Welfare as reported as Governmental Activities in the Statement of Activities.

Property and equipment	\$ 50,467	
Accumulated depreciation	<u>(32,788)</u>	<u>17,679</u>

Net Position	\$ <u><u>48,032,009</u></u>
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Living Well Foundation
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Governmental Fund-Statement of Revenues, Expenditures and Changes in Fund Balance (FFS)
Governmental Activities-Statement of Activities (GWFS)
For the Year Ended December 31, 2021

	Statement of Revenues, Expenditures and Changes in Fund Balance			Statement of Activities
	Major Fund		Adjustments	
	General Fund			
Revenues				
General revenues				
Investment income, net	\$ 48,274	\$ -	\$ -	\$ 48,274
Event revenue	19,400	-	-	19,400
Grant	25,000	-	-	25,000
Gifts and endowments	269	-	-	269
Miscellaneous income	376	-	-	376
	<u>93,319</u>	<u>-</u>	<u>-</u>	<u>93,319</u>
Expenditures / expenses				
Current				
Health & welfare				
Grants, initiatives and programs				
Grant awards - current year	286,500	-	-	286,500
Grant awarded- restricted	21,383	-	-	21,383
Dental hygiene initiative	29,108	-	-	29,108
East Ouachita Parish-grant award	-	-	-	-
Special project-WM Med Clinic grant award	-	-	-	-
Grants, initiatives and programs, gross	<u>336,991</u>	<u>-</u>	<u>-</u>	<u>336,991</u>
Unspent grant awards				
Return of unspent grant awards	(52,491)	-	-	(52,491)
Total unspent grant awards	<u>(52,491)</u>	<u>-</u>	<u>-</u>	<u>(52,491)</u>
Grants, initiatives and programs, net	<u>284,500</u>	<u>-</u>	<u>-</u>	<u>284,500</u>
All other charges				
Accounting	12,089	-	-	12,089
Annual update event	5,319	-	-	5,319
Auditing	19,500	-	-	19,500
Bank fees	455	-	-	455
Community meetings	441	-	-	441
Conference/training/travel	1,243	-	-	1,243
Contractual services	4,708	-	-	4,708
Depreciation expense	-	6,126	-	6,126
Dues and subscriptions	63	-	-	63
Equipment	1,550	(1,550)	-	-
Equipment rental	3,520	-	-	3,520
Insurance	13,849	-	-	13,849
Investment fees	47,778	-	-	47,778
Legal fees	8,660	-	-	8,660
Loss on disposition of capital assets	-	-	-	-
Maintenance/repair	825	-	-	825
Marketing/media/PR/printing	1,890	-	-	1,890
Miscellaneous	150	-	-	150
Office rent	9,600	-	-	9,600
Postage and freight	585	-	-	585
Salaries and benefits	130,591	-	-	130,591
Storage	555	-	-	555
Supplies	2,506	-	-	2,506
Telephone and communications	6,027	-	-	6,027
Utilities	1,607	-	-	1,607
Total of all other charges	<u>273,511</u>	<u>4,576</u>	<u>-</u>	<u>278,087</u>
Total expenditures / expenses	<u>558,011</u>	<u>4,576</u>	<u>-</u>	<u>562,587</u>
Excess (deficiency) of revenues over expenditures / expenses	(464,692)	(4,576)	-	(469,268)
Fund balance/net position at beginning of year	<u>48,479,022</u>	<u>22,255</u>	<u>-</u>	<u>48,501,277</u>
Fund balance/net position at end of year	<u>\$ 48,014,330</u>	<u>\$ 17,679</u>	<u>\$ -</u>	<u>\$ 48,032,009</u>

The accompanying notes are an integral part of this statement.

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**Reconciliation of the Governmental Fund-Statement of Revenues, Expenditures
 and Changes in Fund Balance (FFS) to Governmental Activities -
 Statement of Activities (GWFS)**
 For the Year Ended December 31, 2021

Change in fund balance	\$	(464,692)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in the Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Equipment	\$	1,550	
Depreciation		<u>(6,126)</u>	<u>(4,576)</u>
Change in net position	\$		<u><u>(469,268)</u></u>

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(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Notes to the Financial Statements
For the Year Ended December 31, 2021

Introduction

The Living Well Foundation (the Foundation) was created on August 17, 2006. On December 7, 2010, the Board of Directors (the Board) voted to amend the Foundation's Articles of Incorporation to change the Foundation's name from Ward Five Healthcare Foundation to the Living Well Foundation. The Foundation is the sole component unit member of Hospital Service District No. 1 of Ouachita Parish (the District).

A cooperative endeavor agreement which outlines the scope of services to be performed by the Foundation was signed by representatives of the Foundation and the District on January 31, 2007. The Foundation agrees to administer activities related to rendering care to the sick and injured or in the promotion of health, to cooperate with other public and private institutions and agencies engaged in providing hospital and other health care services to residents of the district, and to participate in activities designed and conducted to promote the general health of the community, including but not limited to the following services:

Identifying, selecting, funding and conducting clinical or other programs to improve the health of the residents of the District and the community;

Identifying, selecting and providing grants to nonprofit charitable organizations and public agencies that provide health and wellness related services in the District and the community;

Promoting, supporting and conducting educational programs that enable residents of the community to improve their health and wellness; and

Engaging in fund raising activities for the support of the Foundation and that assist in achieving its goals of community health and wellness.

The Foundation's area of service includes the following eight northeastern Louisiana parishes: Caldwell, Franklin, Jackson, Lincoln, Morehouse, Ouachita, Richland, and Union.

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Foundation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Although the Foundation is a quasi-governmental entity, it uses governmental accounting principles, and therefore, is considered a governmental entity for financial statement presentation. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Notes to the Financial Statements
For the Year Ended December 31, 2021

B. Financial Reporting Entity

The Foundation was officially incorporated on August 17, 2006, in accordance with the Louisiana Nonprofit Corporation Law and operates a program of social welfare for the aid and support of the needy within the meaning of Article 7, Section 14(B)(1) of the Louisiana Constitution. The Board consists of twelve members, eight of which are recommended by the nominee recommendation committee, nominated by the Board, and elected by the District. The remaining four members are nominated and elected by the Ouachita Parish Police Jury (the Police Jury).

GASB Statement 61 provides for the issuance of primary government financial statements that are separate from those of the reporting entity (the Police Jury); therefore, the Foundation's financial statements are not a substitute for the reporting entity's financial statements of the District or the reporting entity's financial statements of the Police Jury. The accompanying financial statements have been prepared in conformity with GAAP as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity of the District or the Police Jury, and therefore, are intended to reflect only the financial statements of the Foundation.

Under provisions of GASB Statement 61, the Foundation is considered a component unit of the District because the District elects the majority of the Board and can impose its will on the Foundation. The District is considered a component unit of the Police Jury which is the reporting entity of the Parish. As a component unit, the accompanying financial statements of the Foundation should be included within the reporting of the primary government (the District), either blended into those financial statements or separately reported as a discrete component unit.

The accompanying basic financial statements present information only on the fund maintained by the Foundation and do not present information on the District or the Police Jury.

C. Fund Accounting

The financial transactions of the Foundation are recorded in individual funds, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that includes its assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates a fund according to its intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Notes to the Financial Statements
For the Year Ended December 31, 2021

The minimum number of funds is maintained consistent with legal and managerial requirements.

The Foundation uses the following fund type:

Governmental Funds

Governmental funds account for the Foundation's general governmental activities including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental Funds that do not meet the dollar tests for major funds. The General Fund is the only governmental fund, it is always a major fund, and is defined as follows:

General Fund - The General Fund is the general operating fund of the Foundation. It accounts for all of its financial resources except those required to be accounted for in another fund.

D. Basis of Accounting / Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the Foundation as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized when committed in accordance with *Accounting and Financial Reporting for Non-exchange transactions*.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenue and other

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financing source and decreases (i.e. expenditures and other financing uses) in net current assets.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to pay current period liabilities.

Expenditures are recorded when the related fund liability is incurred.

E. Budgetary Practices

A preliminary operating budget based on the modified accrual basis of accounting for the General Fund is prepared annually by the Finance/Investment Committee. The proposed budget is reviewed by the Board and thereafter by the Board of Commissioners of the District and revised as deemed necessary.

The budgetary data included in the accompanying financial statements includes the originally adopted budget and any amendments thereto.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. For financial statement purposes, the Foundation considers cash in its checking account to be the only cash item and all amounts included in its investment accounts to be investments, regardless of classification or maturity.

G. Investments

The Foundation maintains an independent third-party custodian managed investment account with diversification in a money market account, certificates of deposit, and notes/bonds with maturities of four years or less unless approved by the Executive Committee and the express written approval of any two commissioners of HSD, per the Investment Policy. During 2021, based upon market conditions, the Foundation invested in large CD instruments through self-direction at local banks and in compliance with the Investment Policy. These CDs are included in the investment valuations on the financial statements. All investments acquired after August 1, 2018, require written approval by the Vice Chair of the Finance/Investment Committee and the written approval of one additional member of either the Finance/Investment Committee or the Executive

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Committee together with the express written approval of any two commissioners of the Hospital Service District (HSD). The policy of the Foundation is to hold until maturity unless strategic market opportunities present for swaps or calls which improve the Foundation's positions and which are presented by the investment manager and approved by the Board and HSD. Each of these accounts has the following characteristics except where differentiated:

Credit risk – The Foundation minimizes credit risk, which is the risk due to the failure of the security issuer or backer, by investing in the following instruments:

- a. direct United States Treasury obligations;
- b. bonds; debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America or such other instruments that are federally sponsored;
- c. direct security repurchase agreements of any federal book entry only securities enumerated in paragraphs in (a) or (b) above;
- d. time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks or share accounts and share certificate;
- e. accounts of federally or state-chartered credit unions issuing time certificates of deposit;
- f. mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies;
- g. Investment of funds in such mutual or trust fund institutions shall be limited to 25% of the monies considered available for investment; and
- h. Investment grade (A-1/P-1) commercial paper of domestic United States corporations.

Investments in derivatives of the above instruments require authorization by the Foundation's Board members and prior establishment of internal controls for any derivatives to ensure that the risks inherent in derivatives are adequately managed.

Concentration of credit risk – The investments shall be diversified by:

- a. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- b. Limiting investment in securities that have higher credit risks;
- c. Investing in securities with varying maturities; and
- d. Continuously investing a portion of the portfolio in readily available funds such as money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

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In establishing specific diversification strategies, portfolio maturities are staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected provide stability of income and reasonable liquidity.

Interest rate risk – The Foundation manages its exposure to declines in fair values by managing the maturities of its investment portfolio to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools, and limiting the average maturity of the portfolio.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Capital Assets

Capital Assets are reported in the governmental activities in the government-wide financial statements. The Foundation considers assets with an initial individual cost of \$1,000 or more and an estimated life of 1 year or more as a capital asset. Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that any salvage value would be immaterial.

Half-year straight-line depreciation is used based on the following useful lives:

Seven years – Signage
Seven years – Furniture & Fixtures
Seven to twenty years – Designs
Five to seven years – Equipment
Fifteen years – Leasehold Improvements

J. Grants Payable

The Foundation awards grants annually to entities that promote the health and enhance the quality of life of all residents within the eight northeastern Louisiana parishes of the Foundation's service area based on an application process. When grants are approved by the Board, they are recorded as a payable at that time and are disbursed according to the terms of the grant agreement at a certain point in the future.

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In 2021, due to the ongoing impact and potential recovery from the COVID-19 pandemic, the Foundation Board of Directors, with approval from the Hospital Service District #1, voted to hold a special funding cycle earlier than its typical fall grant cycle, specifically the Special Grant Cycle 2021. This cycle was necessary to address needs related to the pandemic and recovery, and the status of non-profit qualifying agencies within the service area.

In addition, based on specific identified gaps and needs, the Foundation voted to provide special funding in a one-time grant for a new autism treatment center in a pediatric clinic.

From a previously awarded grant of \$50,000 from the Blue Cross and Blue Shield Foundation of Louisiana, the Foundation continued to fund and oversee the ongoing projects through completion in 2021, including food distribution, a specialty outdoor classroom, and activity kits and outreach services for kids.

The Foundation received a grant in 2021 from the WellAhead Louisiana State Dental Sealant Initiative for \$25,000. These funds were awarded to third-party recipients to administer dental sealants to kids aged 6-14 in schools in Morehouse, Richland, and Ouachita Parishes during the school year 2021-2022. Those recipients include Richland Parish Hospital, CommuniHealth Services, and ULM Dental Hygiene Program.

From time to time, and within the scope of its mission and vision, the Foundation's Board of Directors approves funding for specific initiatives, outside of the normal grant-making cycle, to serve identified areas of need. Those initiatives include dental hygiene clinics with the University of Louisiana at Monroe Dental Hygiene Program, and the establishment of school-based health centers within sustainable funding models. The focus of these initiatives is to assist those who are needy, who have less access, who are under- or un-insured, and who can benefit from the services through onsite models of delivery of care. These initiatives comply with the findings of the Community Needs Assessment and the Community Plan and are approved annually by the Board and the Hospital Service District #1 as presented for funding.

K. Compensated Absences

The Foundation has the following policy relating to vacation:

Full-time employees with less than 1 year of service earn 1 day of vacation for each full month worked prior to January 1, up to a maximum of 10 vacation days; 1-5 years of service earn 12 vacation days each year; 6-10 years of service earn 18 vacation days each year; and over 10 years of service earn 24 vacation days each

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year. Per the policy change by the Board of Directors in 2015, there are no benefits paid for part-time employees unless negotiated differently upon hire.

Vacation is credited at the beginning of each calendar year. Upon termination of employment, unused vacation is paid to employees as applicable per policy at the employee's current rate of pay.

Vacation is reported in the Statement of Net Position as a short-term liability and expensed in the Statement of Activities. Vacation accrued in the Statement of Net Position as of the end of the year is valued using the employee's current rate of pay. Vacation leave will be paid from future years' resources. A liability for vacation is reported in the Governmental Funds only if it is payable at year-end. As of December 31, 2021, the Foundation had \$11,682 in accrued annual leave.

L. Net Position (GWFS) / Fund Balances (FFS)

In the government-wide financial statements, net position, the difference between a government's assets and liabilities, is reflected as follows:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

Restricted Net Position – Consists of net position less related liabilities reported in the government-wide statement of net position that are subject to constraints on their use by creditors, grantors, contributors or legislature. The \$46,199,652 is the amount transferred by the District to the Foundation and can only be used with specific approvals which are set out in the Bylaws of the Foundation and in the Cooperative Endeavor Agreement between the District and the Foundation.

Unrestricted Net Position – Represents net position not appropriable for expenditures or legally segregated for a specific future use.

It is the Foundation's policy that when both restricted and unrestricted funds are available to be spent, restricted funds will be utilized first.

In the fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because

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of the state or federal laws, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the Foundation. These amounts cannot be used for any other purposes unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned – Amounts that are intended to be used for specific purposes as established by the Board designated for that purpose but do not meet the criteria to be classified as restricted or committed.

Unassigned – All amounts not included in other spendable classifications. Unassigned fund balances are the residual classification.

M. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Cash

Custodial credit risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation's policy that mitigates this risk requires each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the

Foundation that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Foundation had no custodial credit risk related to its deposits at December 31, 2021.

At December 31, 2021, the Foundation had a reconciled cash balance of \$312,295, with a bank balance of \$330,625. Out of the total bank balance, \$250,000 was secured by Federal Deposit Insurance (FDIC) and the remaining \$80,625 was covered by securities held as collateral by the trust agents of custodial bank in the name of the Foundation at year end.

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Note 3 -Investments

The portfolio of the Foundation includes U.S backed notes and bonds, Louisiana agency municipal bonds, and local bank certificates of deposits insured by pledged securities, of varying maturities of four years or less, unless otherwise approved by the Executive Committee and the express written approval of two commissioners of HSD, per the Investment Policy. These holdings, including all certificates of deposits and cash, had a modified duration of 2.0 years, and par value (without variance for market value) of \$47,227,812. In accordance with its investment policy, the Foundation anticipates holding all bonds and notes until maturity, unless there is opportunity for available calls, or swaps that are approved by the Board and HSD. As of December 31, 2021, the Foundation’s investments consist of the following securities and are carried at fair value of \$47,639,026.

Investment Type	Fair Value	% of Total
LA Muncpal Bonds	\$ 16,193,637	34.0%
Certificates of Deposit	16,012,920	33.6%
Federal Home Loan Bank	4,589,770	9.6%
Federal Farm Credit Bank	3,719,887	7.8%
Federal Home Loan Mortgage Corporation	1,996,180	4.2%
Federal National Mortgage Association	1,979,130	4.2%
U.S. Treasury Notes	1,606,145	3.4%
Federated US Treasury Cash Reserves	1,541,357	3.2%
Total	<u>\$ 47,639,026</u>	<u>100.0%</u>

Investments held with the fiscal agent who does not have discretionary use of the funds are composed of United States Treasury Strips, Treasury Bills, and Treasury Securities – State and Local Government Series (SLGS) which makes up the Foundation’s irrevocable trust and are carried at fair value. ASC Section 820 establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Foundation has the ability to access;
- Level 2 Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other

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means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There is no movement in Level 3 year to year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation's investments at December 31, 2021, are valued at quoted market prices and other relevant information generated by market transactions held by the Foundation at that date and are considered to be level 1 in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2021, is as follows:

	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Capital assets being depreciated				
Office equipment	\$ 35,508	\$ 1,550	\$ -	\$ 37,058
Furniture and fixtures	6,559	-	-	6,559
Identity/Logo Design	6,680	-	-	6,680
Signage	170	-	-	170
Total capital assets being depreciated	<u>48,917</u>	<u>1,550</u>	<u>-</u>	<u>50,467</u>
Less accumulated depreciation	<u>(26,662)</u>	<u>(6,126)</u>	<u>-</u>	<u>(32,788)</u>
Net capital assets being depreciated	<u>\$ 22,255</u>	<u>\$ (4,576)</u>	<u>\$ -</u>	<u>\$ 17,679</u>

Depreciation expense for 2021 totaled \$6,126.

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Note 5 Note 5 - Grants, Initiatives, and Programs Activities

During 2021, the Foundation awarded new grants and initiatives and disbursed previously awarded monies as follows:

Recipient / Purpose	Payable 1/1/2021	Grants Initiatives & Programs	Disbursed	Unused	Returned	Payable 12/31/2021
Grants						
American Red Cross, North Louisiana Chapter Emergency Response Vehicle to Serve Northeast Louisiana (Special Grant Cycle 2021)	\$ -	\$ 50,000	\$ (47,500)	\$ -	\$ -	\$ 2,500
ARCO Resource Access for Children and Adults with Disabilities (Fall 2019)	1,470		(1,470)			-
Ascent Health PPE Supplies for Rural Health Providers (Special Funding Cycle - COVID-19 Impact)	750		(750)			-
Biofeedback Training & Teacher Retention Support (Special Grant Cycle 2021)	-	16,000	(14,500)	-	-	1,500
Boys and Girls Clubs of North Louisiana Serving More Kids, More Often and in a More Meaningful Way (Special Grant Cycle 2021)	-	10,000	(9,500)	-	-	500
Broaden Horizons COVID-19 Relief Project (Special Funding Cycle - COVID-19 Impact)	500		(500)			-
Response and Recovery - COVID-19 (Special Grant Cycle 2021)	-	5,000	(4,500)	-	-	500
Center for Children and Families Tele-Health Counseling Services (Special Funding Cycle - COVID-19 Impact)	658		(658)			-
COVID-19 Impact: Meet the Need (Special Grant Cycle 2021)	-	30,500	(28,500)	-	-	2,000
Children's Coalition for Northeast Louisiana Dia de la Familia: Family Fun Day (Special Grant Cycle 2021)	-	5,000	(4,500)	-	-	500
Citizens Medical Center COVID-19 2020 (Special Funding Cycle - COVID-19 Impact)	1,000		(1,000)			-
Franklin Parish HSD #1 dba Franklin Medical Center Improving Mental/Behavioral Health Care (Special Grant Cycle 2021)	-	50,000	(45,000)	-	-	5,000
Health Hut La Salud de la Familia - AND BEYOND! (Fall 2019)	1,000		(1,000)			-
LA Delta Community College Nursing Electronic Health Records Documentation for Students (Fall 2019)	500		(500)			-
LA Emergency Response Network (LERN) Emergency Nurse Pediatrics Education (Fall 2019)	1,000		(1,000)			-
LA Tech University - Nursing & Entrepreneurship Community Awareness of AED Locations and Procedures (Fall 2019)	2,000		-	(7,823)	5,823	-
LA Tech University - Psychological Services Clinic Affordable Psychological Testing in Lincoln Parish (Fall 2019)	500		-	(521)	21	-
LSU Health Sciences Foundation Mobile COVID-19 Community Testing & Outreach (Special Funding Cycle - COVID-19 Impact)	1,000		(1,000)			-

Mercy Medical Health Center						
MMC Takes COVID-19 (Special Funding Cycle - COVID-19 Impact)	1,000		(1,000)			-
Morehouse Community Medical Centers, Inc.						
Mer Rouge Pediatric Expansion (Fall 2019)	1,000		(1,000)			-
FQHC Medical Clinic in South WM (Special Funding Project 2020)	125,000		-	(25,000)	-	100,000
Riser Dental Hygiene Clinic - Replacement of Chairs (Special Project Funding 2020)	500		(500)			-
Autism Services (Special Project Funding 2021)	-	12,500	(12,000)	-	-	500
Remote Patient Care Monitoring (Special Grant Cycle 2021)	-	50,000	(45,000)	-	-	5,000
Morehouse General Hospital						
Safe and Sound (Fall 2019)	1,000		(1,000)			-
COVID-19 Testing (Special Funding Cycle - COVID-19 Impact)	1,000		(1,000)			-
NE LA Children's Museum						
The Healthy Heart (Fall 2019)	500		(500)			-
NE LA Housing & Supportive Services						
Supplies to Stop COVID-19 Spread in Homeless Populations in NELA (Sp Funding Cycle - COVID)	585		(585)			-
Ouachita Outreach						
Tele-Health Counseling Services (Special Funding Cycle - COVID-19 Impact)	500		(220)	(280)	-	-
Ouachita Parish School Board						
Riverbend Community Health Park - Phase 2 (Fall 2019)	1,000		(1,000)			-
Rays of Sonshine						
COVID-19 Food Supply Crisis (Special Funding Cycle - COVID-19 Impact)	250		(250)			-
Recovery Support (Special Grant Cycle 2021)	-	12,500	(11,500)	-	-	1,000
Richland Parish Hospital						
Delhi Hospital: Ouchless ER Initiative (Fall 2019)	1,000		(934)	(66)	-	-
Salvation Army of Monroe						
Red Shield Emergency Shelter (Fall 2019)	1,000		(1,000)			-
Social Services Program COVID-19 Response (Special Funding Cycle - COVID-19 Impact)	1,000		(1,000)			-
ULM - College of Pharmacy						
Point-of-Care Test Educ., Training, & Cert. for Pharmacists (Special Grant Cycle 2021)	-	20,000	(18,500)	-	-	1,500
ULM - Occupational Therapy Clinic						
Occupational Therapy Services for Underserved Children and Adults (Fall 2019)	2,928		-	(12,673)	9,745	-
Union General Hospital						
Project Protect Against COVID-19 (Special Funding Cycle - COVID-19 Impact)	750		(750)			-
Relieved through Releasing (Special Grant Cycle 2021)	-	25,000	(22,500)	-	-	2,500
United Way of NE LA						
Housing for our Neighbors (Special Funding Cycle - COVID-19 Impact)	1,000		(1,000)			-
Wellspring Alliance						
CFDC Tele-health Counseling Program (Fall 2019)	500		(500)			-
West Monroe Police Department						
Police with Heart (Fall 2019)	431		(431)			-
Workforce Development Board SDA - 83, Inc.						
NELA Nursing Adjunct Faculty Project (Fall 2019)	500		(500)			-
Dental Hygiene Initiative						
ULM - Riser Dental Hygiene Clinic						

2020 July - Dec	1,186		-	(1,928)	742	-
2021 January - June	-	9,554	(8,054)	(1,547)	47	-
2021 July - December	-	9,554	(7,650)	-	-	1,904
ULM - Mobile Dental Hygiene Unit (MDHU)						
2020 July - Dec	1,000		-	(1,519)	519	-
2021 January - June	-	5,000	(4,000)	(1,136)	136	-
2021 July - December	-	5,000	(3,725)	-	-	1,275
SBHC Initiative						
MCMC						
Relocate WMHS SBHC	11,000		(11,000)			-
Special Funding - BCBSLA Grant						
BCBSLA Remaining Funds to Award out of \$50,000 grant with matching funds of \$2,500 donation Boys and Girls Clubs of North Louisiana - recipient of remaining funds	3,210		(3,210)			-
Boys and Girls Clubs of North Louisiana						
Special Project 2020	500		(500)			-
Food Bank of NELA						
Food Distribution in Union Parish	500		(500)			-
Morehouse Community Medical Centers						
Morehouse Elementary School Outdoor Classroom	22,290		(22,290)			-
State Dental Sealant Grant						
Morehouse Community Medical Centers	-	6,100	(5,600)	-	-	500
Richland Parish Hospital - Delhi Community Health Center	-	10,560	(9,560)	-	-	1,000
ULM MDHU	-	2,520	(2,020)	-	-	500
ULM Riser Dental Hygiene Clinic	-	2,203	(2,003)	-	-	200
Total	\$ 191,508	336,991	(364,660)	(52,491)	17,031	128,379

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Note 6 - Commitments and Contingencies –

Dental Hygiene Clinics Initiative with ULM – The Living Well Foundation has a renewable 5-year Memorandum of Understanding (MOU), currently effective 2021 through 2025, with the University of Louisiana at Monroe (ULM) Dental Hygiene Program through a Dental Hygiene Initiative for the support of certain funding for a mobile dental hygiene unit and a school-based dental hygiene clinic as a separate initiative from its grant-making activities and cycles. This initiative continued through 2021 within the budgeted \$35,000 and actual funding of \$29,108. Upon completion of some segments of the initiative, unused funds were realized as follows: \$2,683 in unused funds for January to June 2021, reconciled September 2021, and previous year's unused funds of \$3,446 for July to December 2020, upon reconciliation as of February 2021.

School-Based Health Centers (SBHC) Initiative – The Foundation has previously established an initiative to fund start-up or support projects for school-based health centers in collaborations with other providers. During 2021, no projects were undertaken for school-based health centers.

Special Project Funding – West Monroe Medical Clinic (FQHC) – In 2020, the Foundation approved matching funds of \$125,000 for a specialty Medicaid clinic, as a federally qualified health center, in south West Monroe, contingent upon the partner agencies receiving Federal grant funds and commitment of other matching funds. At the date of this report, the Federal grant funds were still pending, and the project has not yet been implemented. That project is projected for some time in 2022 but with ongoing updates as to status and compliance to Federal grant provisions and timelines.

Note 7 - Retirement System

The Foundation contributes up to 3% of salaries into a SIMPLE IRA Plan, a defined contribution plan, for all eligible employees. The Foundation requires 90 days of service before an employee is added to the plan. During 2021, the Foundation contributed \$3,038 into this retirement plan.

Note 8 - Rental Expense

The Foundation leases office space for a one-year term that began April 1, 2014, with four additional yearly options to renew, with the latest renewal date and exercised option being April 2019 through March 2020, with next option and renewal due April 2024. Office rent for 2021 totaled \$9,600. The lease for office space was renewed prior to the renewal date in April 2019 with the same terms but including a contingency to move into a larger suite when that tenant vacates and at a new rate of \$1,100 per month if that occurs.

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Note 9 - Related Party Transactions

The Cooperative Endeavor Agreement provides that the Foundation will pay or reimburse all reasonable and necessary District overhead expenses. Since 2009 the District has annually waived this requirement and has indicated that they plan to continue to waive this requirement for the foreseeable future. Accordingly, until notified otherwise by the District, the Foundation no longer budgets for these expenses.

Due to the active nature of the board members that serve on the Living Well Foundation board, conflicts of interest are known to exist with people serving on this board who also serve on the boards of potential grantees and/or serve in other governance capacities. In these cases, these conflicts of interest are noted in the board minutes and the board member is excused from the meeting for all discussions with respect to the grantee. The grant award must also be reviewed and approved by the District prior to the award being awarded.

Note 10 - Income Tax Status

The Foundation, a nonprofit corporation, has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Foundation's federal form 990 for the tax years ending December 31, 2017 and after remain subject to examination by the Internal Revenue Service.

Note 11 - Concentrations and Uncertainties

In December 2019, COVID-19 emerged and spread worldwide, with continuing emerging variants. During 2021, the Foundation began meeting in person according to local and state mandates as applicable holding meetings in a larger room format and setting for hygiene and social distancing. The Foundation continues to participate on a panel with BCBSLA Foundation and statewide funders to address the resulting impact and recovery from the pandemic, as well as disasters, and to share funding opportunities or challenges. Management continues to evaluate the effects of the pandemic on recovery and populations, and address these challenges through collaboration, grant-making focus, and community activities. The financial fixed markets remained volatile, and rising inflation and market concerns continued to impact regions; some recovery began to be noted. No adjustments have been noted based on the impacts at this time.

Note 12 - Subsequent Events

Management has evaluated subsequent events through April 22, 2022 the date which the financial statements were available to be issued and determined that there were no events that occurred subsequent to the reporting period that are required to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION
(PART B)**

Living Well Foundation
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual

Governmental Fund-General Fund
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, beginning of year	\$ 48,285,235	\$ 48,479,022	\$ 48,479,022	\$ -
Resources				
General revenues				
Investment income, net	450,000	233,012	22,214	(210,798)
Interest income	250	18,000	26,060	8,060
Event revenue	14,500	14,500	19,400	4,900
Grants	-	25,000	25,000	-
Other Income	-	376	376	-
Contributions, gifts and endowments	430	269	269	-
Total resources	<u>465,180</u>	<u>291,157</u>	<u>93,319</u>	<u>(197,838)</u>
Charges to appropriations				
Current				
Health & welfare				
Grants, initiatives and programs				
Grant awards	275,000	275,000	286,500	(11,500)
Restricted grant awarded	-	22,500	21,383	1,117
Return of unspent grant awards	-	(18,500)	(52,491)	33,991
Dental hygiene clinics	35,000	29,108	29,108	-
Autism center initiative	-	-	-	-
School-based healthcare	20,000	-	-	-
Grants, initiatives and programs, net	<u>330,000</u>	<u>308,108</u>	<u>284,500</u>	<u>23,608</u>
All other charges				
Accounting	13,200	12,800	12,089	711
Annual update event	7,500	6,500	5,319	1,181
Auditing	19,500	19,500	19,500	-
Bank fees	420	420	455	(35)
Community meetings	350	400	441	(41)
Conference/training/travel	1,450	1,350	1,243	107
Contractual services	3,500	4,150	4,708	(558)
Dues and subscriptions	70	63	63	-
Equipment	12,250	-	1,550.00	(1,550)
Equipment rental	3,500	3,670	3,520	150
Insurance	13,500	11,811	13,849	(2,038)
Investment fees	55,000	47,200	47,778	(578)
Legal fees	15,500	10,000	8,660	1,340
Maintenance/repair	1,200	550	825	(275)
Marketing/media/PR	2,000	500	1,890	(1,390)
Miscellaneous	4,000	300	150	150
Office rent	12,000	9,600	9,600	-
Postage and freight	600	700	585	115
Salaries and benefits	129,650	126,609	130,591	(3,982)
Storage	950	555	555	-
Supplies	2,500	2,250	1,566	684
Telephone and communications	4,500	5,025	6,027	(1,002)
Utilities	1,750	1,400	1,607	(207)
	1,000	1,000	940	60
Total other charges	<u>305,890</u>	<u>266,353</u>	<u>273,511</u>	<u>(7,158)</u>
Total charges to appropriations	<u>635,890</u>	<u>574,461</u>	<u>558,011</u>	<u>16,450</u>
Excess (deficiency) of revenues over expenditures	<u>(170,710)</u>	<u>(283,304)</u>	<u>(464,692)</u>	<u>(181,388)</u>
Fund balance at end of year	\$ 48,114,525	\$ 48,195,718	\$ 48,014,330	\$ (181,388)

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2021

Budgetary Policies

A proposed budget for the ensuing year, prepared on the modified accrual basis of accounting, is prepared annually by the Board of the Foundation. This budget is prepared for planned activities in the upcoming year.

Notice of the location and availability of the proposed budget for public inspection and the date of the public hearing to be conducted on the budget are then advertised in the local newspapers, on the website, and at the office location. Prior to or as a part of the selected November meeting, the Foundation conducts a public hearing on the proposed budget(s) in order to receive comments from the citizenry.

Changes are made to the proposed budget based on the public hearing and the desires of the Foundation as a whole. The budget is then adopted during the Foundation's selected meeting, and a notice certifying completion of the required budgetary actions is published on the website and at the office location.

During the year, the Directors receive monthly financials statements that are used as a tool to control Foundation operations.

State law requires the Foundation to amend its budgets when revenues plus projected revenues within a fund are expected to fall short of budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

SUPPLEMENTARY INFORMATION

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, LA

Schedule of Compensation, Benefits and Other Payments
to Chief Executive Officer
For the Year Ended December 31, 2021

Alice Proffit

	<u>Purpose</u>		<u>Amount</u>
Salary		\$	101,270
Benefits - retirement			3,038
Travel			669
Special meals			244
		\$	<u>105,221</u>

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS



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**INDEPENDENT AUDITORS' 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***

**To the Board of Directors
Living Well Foundation
West Monroe, 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 Comptroller General of the United States, the financial statements of the governmental activities and the major fund information of the **Living Well Foundation** (the Foundation), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated April 22, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 may exist that have not been identified.

Board of Directors
Living Well Foundation
West Monroe, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management of the Foundation, Hospital Service District No. 1 of Ouachita Parish, entities granting funds to the Foundation, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

April 22, 2022



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Keeping you on course!

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Living Well Foundation and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Living Well Foundation's (the Foundation) management is responsible for those C/C areas identified in the SAUPs.

The Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy .
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: The Foundation did not have a policy related to Information Technology Disaster Recovery/Business Continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public fund if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Result: No exceptions were identified as a result of this procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Result: No exceptions were identified as a result of this procedure.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Result: No exceptions were identified as a result of this procedure.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Result: No exceptions were identified as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Result: No exceptions were identified as a result of this procedure.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Result: No exceptions were identified as a result of this procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Result: No exceptions were identified as a result of this procedure.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Result: No exceptions were identified as a result of this procedure.

Fraud Notice

20. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
21. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: No exceptions were identified as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

22. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Result: We performed the procedure and discussed the results with management.

Management's Response: The Foundation has an agreement with its IT vendor, Infinet Technologies, which defines the services and expectations of performance. Within those defined terms, there is a provision as to what the vendor will do to ensure immediate and appropriate recovery should a disaster or loss of service occur, and to perform any other services as required or requested by the Foundation. The vendor does not routinely do recovery tests but has the capability to do so as needed. The Foundation will ensure that a policy is developed which addresses its disaster recovery and test.

We were engaged by the Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

Woodard & Associates

(A Professional Accounting Corporation)

Monroe, Louisiana

April 22, 2022