

NOTES TO FINANCIAL STATEMENTS

"PLSE" program:

The program educates upper academically advanced high school students to health occupations related to Ecology through early participation in a college course at McNeese State University. Additional funding was provided by CLMHC and SLEAHE.

"Learning Resource Center/LRC":

The center provides medical library services for health professionals and health occupations students. Additional revenues during 1999-00 were generated through a microprint, photocopier use and service fees.

Equipment:

The cost of office furniture and equipment has not been capitalized. According to the cooperative endeavor between LRCM and Southern Louisiana Area Health Education Center, title to the equipment purchased under the agreement shall remain with LRCM. The total cost of equipment acquired through September 30, 1998 under the cooperative endeavor with LRCM was \$74,810.

Note 2. Accounting Estimates

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

Note 3. Cash Flow Information

Supplemental Disclosure of cash flow information:

Cash paid during the year for:		
Interest	2	-
Income taxes		-

MOVIE TO FINANCIAL STATEMENTS

REVENUES AND EXPENSES:

Support for Southwest Louisiana Area Health Education Center Foundation is provided by Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Medical Center (LSUMC). LSUMC has been awarded a grant by the Federal government, and the contract entered into between LSUMC and Southwest Louisiana Area Health Center Foundation for providing services fulfill the purpose of the grant.

Expenditures are to be made in accordance with a budget which has been adopted and made a part of the contract agreement with LSUMC. Southwest Louisiana Area Health Education Center Foundation is to be reimbursed by LSUMC for costs incurred in carrying out the provisions of this agreement.

Contractual expenses include, but are not limited to, legal and professional fees, marketing expenses and continuing education expenses.

"A-B-C of a Success" program:

The program introduces high school students to various health care professions through volunteer work experience in health care facilities. Additional financial support during 1975-76 was provided by Louisiana Department of Education School to Work and Tech Prep funds and private cash contributions.

"Medical Job Fair of Louisiana" program:

The program brings together rural health care facilities with physicians and medical residents in a trade fair and conference format for the purpose of employee interviews and recruitment. Additional financial support during 1975-76 was provided by Louisiana Department of Health and Hospitals, Louisiana ARBO, other sponsors and exhibitor fees.

"PCB 100" program:

The program places medical students in rural and urban primary care practice settings for training. Additional funds during 1975-76 were provided by American Academy of Family Physicians and Louisiana Office of Public Health.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS
September 30, 1988

Note 1. Summary of Significant Accounting Policies

STATUS OF ENTITY:

Southwest Louisiana Area Health Education Center Foundation (SWLAHECF) is a Louisiana nonprofit corporation chartered on MARCH 7, 1981. Its purpose is to operate an area health education center in southwest Louisiana in order to plan for additional clinical educational opportunities in rural and underserved communities.

Southwest Louisiana Area Health Education Center is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Fund accounting:

The accounting policies of Southwest Louisiana Area Health Education Center conform to generally accepted accounting principles as applicable to nonprofit organizations.

Southwest Louisiana Area Health Education Center Foundation reports its financial statements in accordance with the Financial Accounting Standards Board's SFAS 116, Accounting for Contributions Received and Contributions Made, and SFAS 117, Financial Statements of Not-for-profit Organizations.

Unrestricted funds represent resources over which the Board of Directors has discretionary control and are used to carry out the operations of the Organization in accordance with its bylaws.

Restricted funds represent resources currently available for use, but expended only for those operating purposes specified by the donor. Resources of this type originate from contracts, donations and interest income earned on the restricted funds.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENT OF CASH FLOW
Year Ended September 30, 1996

CASH FLOW FROM OPERATING ACTIVITIES		
Business support and services over expenses		\$ 15,500
Adjustments to reconcile change of support and services over expenses to net cash provided by operating activities:		
Change in assets and liabilities:		
(Increase) in receivables	(2,760)	
(Increase) in prepaid expenses	(4,800)	
(Increase) in accrued expenses	(4,000)	
(Increase) in accrued payroll taxes	<u>21,260</u>	
NET CASH USED BY OPERATING ACTIVITIES		<u>(1,260)</u>
CASH FLOW FROM INVESTING ACTIVITIES		-
CASH FLOW FROM FINANCING ACTIVITIES		-
NET DECREASE IN CASH AND CASH EQUIVALENTS		15,240
Cash and cash equivalents at beginning of year		<u>4,548</u>
Cash and cash equivalents at end of year		<u><u>1,308</u></u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$	-
Income tax		-

SEE NOTE TO FINANCIAL STATEMENTS.

Millions USD	4-880 of a Summer Program	Other Programs	Total All Funds
\$ -	\$ -	\$ -	\$ 485,000
-	-	-	22,800
-	-	-	582,287
3,468	3,969	-	28,800
8,000	8,378	1,130	52,600
-	-	-	622
8,022	8,378	2,130	73,582
4,818	8,378	2,130	878,878
11,700	7,408	2,721	899,588
804	323	478	14,079
4,823	478	2,482	228,480
1,282	1,587	1,438	44,978
-	-	-	41,748
488	557	848	28,224
-	-	-	18,882
381	15	-	17,212
35	24	100	9,371
50	122	38	3,854
22,282	22,428	22,220	266,418
014,453	18,180	184,180	28,882
18,228	8,128	28,222	-
842	8281	-	18,558
1842	1,798	178	614,228
\$ -	\$ -	\$ -	\$ 1,122

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER CORPORATION

STATEMENT OF FINANCIAL POSITION
September 30, 1980

ASSETS

RESTRICTED ASSETS

Cash	\$	3,349
Due from grantor		22,750
Due from others		770
Prepaid expenses		<u>1,000</u>
Total restricted assets		<u>\$ 28,869</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES (payable from restricted assets)

Accrued expenses	\$	19,200
Payroll taxes payable		<u>300</u>
Total current liabilities (payable from restricted assets)		20,500

RESTRICTED FUND EQUITY

		<u>1,000</u>
Total liabilities and fund balance		<u>\$ 21,500</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended September 30, 1988

	Area Health Education Program	EMM- Medical Job Fair	Borne America
Revenues:			
GRANTS:			
Federal grant	\$ 430,687	\$ 49,869	-
Other grants	<u>2,200</u>	<u>-</u>	<u>18,683</u>
Total grants	<u>432,887</u>	<u>49,869</u>	<u>18,683</u>
Other revenues:			
Sponsor income	4,189	50,780	-
Other income	18,181	15,284	-
Interest income	<u>422</u>	<u>-</u>	<u>-</u>
Total other revenues	<u>22,792</u>	<u>66,064</u>	<u>-</u>
Total revenues	<u>455,679</u>	<u>115,933</u>	<u>18,683</u>
Expenses:			
Salaries and benefits	137,834	28,104	8,538
Payroll taxes	8,848	2,816	534
Contractual services	87,823	43,837	13,143
Office supplies	43,183	8,433	10,859
Communication expenses	63,746	-	-
Travel	19,819	13,503	1,478
Rent	19,858	-	-
Telephone	26,200	1,074	-
Dues and subscriptions	7,120	-	-
Miscellaneous	<u>2,184</u>	<u>268</u>	<u>-</u>
Total expenses	<u>376,525</u>	<u>108,227</u>	<u>24,512</u>
Excess (deficiency) of revenues and other sources over expenses	79,154	(32,294)	(15,774)
Other financing sources (uses):			
Operating transfers in (out)	<u>184,873</u>	<u>50,582</u>	<u>14,136</u>
Excess (deficiency) of revenues and other sources over expenses and other uses	12,789	1,811	-
Fund balance at beginning of year	<u>112,781</u>	<u>13,823</u>	<u>53</u>
Fund balance at end of year	<u>250,443</u>	<u>16,417</u>	<u>53</u>

See NOTES to Financial Statements.

During the year ended September 30, 1960, Southeast Louisiana Area Health and Education Center Foundation expended 100 percent of its total Federal awards under major Federal award programs.

We performed tests of controls, as required by OMB Circular A-110, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of Southeast Louisiana Area Health Education Center Foundation's major Federal programs, which are identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Southeast Louisiana Area Health Education Center Foundation's ability to administer Federal award programs in accordance with applicable laws and regulations.

The reportable conditions noted are as follows:

1. Southeast Louisiana Area Health Education Center operates with a staff consisting of five employees with only two of them involved in the administration, the Executive Director and the Administrative Assistant. The Executive Director is responsible for the majority of transactions that occur. Cash disbursements do not justify additional employees and controls to provide an adequate segregation of duties that is necessary for an efficient internal control structure. This condition is somewhat mitigated because the organization has obtained outside hourly bookkeeping services.
2. Southeast Louisiana Area Health Education Center Foundation policy requires that check amounts which exceed \$1,000 must have dual signatures, excluding payroll. During our review we noticed eight instances in which there was only one signature. Care should be taken in the future to ensure dual signatures are obtained. Also, it is recommended that check signers review all supporting documentation before signing the check.
3. During the course of our audit, we noted one instance in which a duplicate payment for rent was made for the two month period of April-May 1960. Additional care should be taken when paying monthly expenses to insure this does not occur in the future. This particular situation involving rent should be somewhat resolved on the foundation, as of October 1960, has begun paying rent on a monthly basis.

MCCLARY, QUINN & BURCH

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TELEPHONE BUILDING
LAKE CHARLES, LOUISIANA

MEMBERSHIP NO. 01101

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements, listed in the table of contents, of the Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) as of September 30, 1976 and for the year then ended. These financial statements are the responsibility of Southwest Louisiana Area Health Education Center Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-113, Audits of Institutions of Higher Educational and Other Nonprofit Institutions. These standards and OMB Circular A-113 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southwest Louisiana Area Health Education Center Foundation as of September 30, 1976, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

SOUTHWEST LOUISIANA AREA HERIATE
EDUCATION CENTER FOUNDED

Bossier, Louisiana

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**SOUTHWEST LUTHERAN AREA HEALTH
SERVICES CENTER FOUNDATION**

FINANCIAL REPORT

SEPTEMBER 30, 1978

These procedures of state law, and
report is a public document. A
subject submitted to state officials
and by the board, or committee,
of the state and they can be public
officials. It is used as one basis for
action in question of the state
legislative and the Legislative Fund-
ing and, where appropriate, at the
office of the parish clerk of court.

Witness Date. 9:2:97

NOTES TO FINANCIAL STATEMENTS

NOTE 7: Retirement Benefits

The Organization maintains a SEP retirement plan for its employees. Generally all employees are eligible to participate in the plan. The Organization contributes 8.7% of gross payroll for each eligible participant. Contributions made by the Organization for the year ended September 30, 1994 amounted to \$11,614.

McELROY, QUINN & BURCH

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARD PROGRAMS

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

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation, a nonprofit organization, as of and for the year ended September 30, 1994, and have issued our report thereon dated December 28, 1994.

We have applied procedures to test Southwest Louisiana Area Health Education Center Foundation's compliance with the following requirements applicable to its federal award programs, which are identified in the schedule of Federal Awards, for the year ended September 30, 1994: political activity, civil rights, cash management, federal financial reports, Drug-Free Workplace Act and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Audits of Institutions of Higher Learning and Other Nonprofit Institutions*. Our procedures were substantially less in scope than an audit, the objectives of which is the expression of an opinion on Southwest Louisiana Area Health Education Center Foundation's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Southwest Louisiana Area Health Education Center Foundation had not complied, in all material respects, with those requirements.

In accordance with Governmental Auditing Standards, we have also issued a report dated December 30, 1998 on our consideration of Southeast Louisiana Area Health Education Center Foundation's internal control structure and a report dated December 30, 1998 on its compliance with laws and regulations.

Late Charles, Louisiana
December 30, 1998

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS

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

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) as of and for the year ended December 31, 1998, and have issued our report dated December 18, 1998. These financial statements are the responsibility of Southwest Louisiana Area Health Education Center Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, Notice of Requirements of Higher Education and Other Nonprofit Institutions. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lafayette, Louisiana
December 18, 1998

SOUTHERN LOUISIANA STATE HEALTH
EDUCATION CENTER FOUNDATION

SCHEDULE OF FEDERAL AID
YEAR Ended September 30, 1996

<u>Federal Grantor</u> <u>PROGRAM TITLE</u>	<u>FEDERAL</u> <u>CFDA</u> <u>Number</u>	<u>Program</u> <u>Amount</u>	<u>Expenditures</u>
Department of Health and Human Services Area Health EDUCATION Center Program Pass-Through Organization: Louisiana STATE University School of Medicine	14-840	\$ 475,897	\$ 428,487
Department of Health and Human Services Medical Job Fair	13-391	60,000	49,900

McElroy, Quirk & Bunch

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation, Lafayette, Louisiana, as of and for the year ended September 30, 1999, and have issued our report thereon dated December 18, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Southwest Louisiana Area Health Education Center Foundation, Lafayette, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Southwest Louisiana Area Health Education Center Foundation, Lafayette, Louisiana, for the year ended September 30, 1994, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

The reportable conditions noted are as follows:

1. Southwest Louisiana Area Health Education Center operates with a staff consisting of five employees with only two of those involved in the administration, the Executive Director and the Administrative Assistant. The Executive Director is responsible for the majority of transactions that occur. Cost benefit coverage do not justify additional employees and controls to provide an adequate segregation of duties that is necessary for an efficient internal control structure. This condition is somewhat mitigated because the Organization has obtained outside monthly bookkeeping services.
2. Southwest Louisiana Area Health Education Center Foundation policy requires that check amounts which exceed \$1,000 must have dual signatures, excluding payroll. During our review we noticed eight instances in which there was only one signature. Care should be taken in the future to ensure dual signatures are obtained. Also, it is recommended that check signers review all supporting documentation before signing the check.
3. During the course of our audit, we noted one instance in which a duplicate payment for rent was made for the two month period of April-May 1994. Additional care should be taken when paying monthly expenses to ensure this does not occur in the future. This particular situation involving rent should be somewhat resolved as the Foundation, as of October 1994, has begun paying rent on a monthly basis.

A material weakness is a reportable condition in which the Design or operation of one or more of the specific internal control structure elements does not reduce to a reliably low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable conditions described above are material weaknesses.

The following items are presented for purposes of enhancing the existing internal control system:

1. The Foundation is in the process of developing an accounting procedure manual. This is an extremely important process and the Foundation should be commended for undertaking this project. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficiencies or wasted effort, duplicate or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions management performs. It will take some time and effort for management to develop a manual; however, we believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective.
2. We recommend cross-training of accounting personnel. Each position should have an individual that is assigned the responsibility of the position and an individual that is trained as a back-up to the position in the event of illness or other absence from work of the primary individual.

This report is intended solely for the information of the Board of Directors, management and other SECs and Federal Audit agencies. However, this report is a matter of public record and its distribution is not limited.

Lane Charles, Louisiana
December 20, 1990

The management of Louisiana State Health Education Center Foundation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, activities and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

Controls used in administering the federal programs:

Cash

Support, program service fees, revenues and reimbursements
Expenses for goods and services and accounts payable
Payroll and related liabilities
Fund balances
Governmental financial assistance programs

General:

Political activity
Civil rights
Cash management
Federal financial reports
Drug free workplace
Allowable costs/cost principles
Administrative requirements

Specific:

Type of service
Bidding
Reporting
Special requirements, if any

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

The following items are presented for purposes of enhancing the existing internal control system:

1. The Foundation is in the process of developing an accounting procedure manual. This is an extremely important process and the Foundation should be commended for undertaking this project. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficiencies or wasted effort, duplicate or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions management performs. It will take some time and effort for management to develop a manual, however, we believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective.
2. We recommend cross-training of accounting personnel. Each position should have an individual that is assigned the responsibility of the position and an individual that is trained as a back-up to the position in the event of illness or other absence from work of the primary individual.

THIS REPORT IS INTENDED FOR THE INFORMATION OF THE BOARD OF DIRECTORS, MANAGEMENT AND OTHER STATE AND FEDERAL AIDING AGENCIES. HOWEVER, THIS REPORT IS A MATTER OF PUBLIC RECORD AND ITS DISTRIBUTION IS NOT LIMITED.

John Charles, Controller
December 28, 1988

THIS REPORT IS INTENDED FOR THE INFORMATION OF THE BOARD OF DIRECTORS, MANAGEMENT, AND OTHER STATE AND FEDERAL AGENCIES. HOWEVER, THIS REPORT IS A MATTER OF PUBLIC RECORD AND ITS DISTRIBUTION IS NOT LIMITED.

Lake Charles, Louisiana
December 20, 1999

This report is intended for the information of the Board of Directors, management and other state and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Lake Charles, Louisiana
December 29, 1996

MCELROY, QUINN & BURCH

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL GRANT PROGRAMS

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

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation is nonprofit organization, as of and for the year ended September 30, 1984, and have issued our report thereon dated December 18, 1984.

We have also audited Southwest Louisiana Area Health Education Center Foundation's compliance with the requirements governing types of services allowed or disallowed, eligibility, matching, level of effort, or earmarking, reporting, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of the major Federal programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended September 30, 1984. The management of Southwest Louisiana Area Health Education Center Foundation is responsible for the Southwest Louisiana Area Health Education Center Foundation's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about Southwest Louisiana Area Health Education Center Foundation's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to in the second paragraph.

In our opinion, Louisiana Area Health Education Center Foundation complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major Federal financial assistance programs for the year ended September 30, 1976.

This report is intended for the information of the Board of Directors, management and other state and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

LSHC, Shreve, Louisiana
December 28, 1976

MCLEROY, QUINN & BURCH

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO DONOR-OR FEDERAL AIDED PROGRAM TRANSACTIONS

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

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization), as of and for the year ended September 30, 1998, and have issued our report thereon dated December 20, 1998.

In connection with our audit of the financial statements of Southwest Louisiana Area Health Education Center Foundation, and with our consideration of Southwest Louisiana Area Health Education Center Foundation's control structure used to administer Federal awards programs, as required by Office of Management and Budget Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions, we selected certain transactions applicable to certain major Federal aided programs for the year ended September 30, 1998.

As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; amounts claimed or used for matching; and have determined whether Federal financial reports contain information that is supported by the books and records from which the financial statements have been prepared that are applicable to those transactions. Our procedures were substantially less in scope than as would be the objective of which is the expression of an opinion on Southwest Louisiana Area Health Education Center Foundation's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Southeast Louisiana Area Health Education Center Foundation had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the Board of Directors, management, and other state and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Lake Charles, Louisiana
December 28, 1988

MCILROY, QUINN & BURCH

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN ASSESSMENT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the Southwest Louisiana Area Health Education Center Foundation, Lafayette, Louisiana, as of and for the year ended September 30, 1994, and have issued our report thereon dated December 29, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Southwest Louisiana Area Health Education Center Foundation, Lafayette, Louisiana, is the responsibility of the Foundation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Foundation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

MCLELLROY, QUINN & BUNCH

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL GRANTS

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

We have audited the financial statements of the Southwest Louisiana Area Health Education Center Foundation is nonprofit organization as of and for the year ended September 30, 1996, and have issued our report thereon dated December 20, 1996. We have also audited the compliance of Southwest Louisiana Area Health Education Center Foundation with requirements applicable to major federal award programs and have issued our report thereon dated December 20, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Southwest Louisiana Area Health Education Center Foundation complied with laws and regulations, noncompliance with which could be material to a major federal award program.

In planning and performing our audit for the year ended September 30, 1996, we considered the internal control structure of Southwest Louisiana Area Health Education Center Foundation in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of Southwest Louisiana Area Health Education Center Foundation and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated December 20, 1996.