

OFFICIAL
FILE COPY
DO NOT REMOVE

Remove materials
except those with
copy and FRACL
stamp in 1997

OFFICIAL COPY
RECEIVED
JUL 1 1997

SOUTHEASTERN LOUISIANA
AREA HEALTH EDUCATION
CENTER FOUNDATION

June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the Auditor, or controller, entity and where appropriate public officials. The report is available for public inspection in the State House office of the Legislative Auditor General, where appropriate, at the office of the parish clerk of court.

Release Date JUL 1 8 1997

Audit of Financial Statements

June 30, 1997



CONTENTS

<i>Independent Auditor's Report</i>	1 - 2
<i>Statement of Financial Position</i>	3
<i>Statement of Activities</i>	4
<i>Statement of Cash Flows</i>	5
<i>Notes to Financial Statements</i>	6 - 11
SUPPLEMENTARY INFORMATION	
<i>Combining Schedule of Assets, Liabilities and Net Assets</i>	12
<i>Combining Schedule of Support, Revenue, Expenses and Changes in Net Assets</i>	13
<i>Allocation of Program Management and General and Administrative Expenses</i>	14
<i>Schedule of Detranch Services Expense</i>	15
OMB CIRCULAR A-133 SECTION	
<i>Schedule of Expenditures of Federal Awards</i>	17
<i>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards</i>	18 - 19
<i>Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133</i>	20 - 21
<i>Schedule of Findings and Questioned Costs</i>	22
<i>Summary Schedule of Prior Audit Findings</i>	23

To the Board of Directors
Southeastern Louisiana Area Health Education Center Foundation

Independent Auditor's Report

We have audited the statement of financial position of SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION as of June 30, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards 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 accounts 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 SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 11, 1997, on our consideration of SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

A Professional Accounting Corporation

100 West Lakeshore Avenue, Suite 501, Greerwood Road, Metairie, LA 70002 (504) 887-7111 FAX (504) 887-1111
1931 East 27th Street, Suite 200, Metairie, LA 70002 (504) 885-9990 FAX (504) 885-9990
E-Mail: laporte@laporte.com Internet Address: <http://www.laporte.com/>
Member of AICPA Chartered by the State of Louisiana as a Certified Public Accounting Firm and SEC-Registered
Independent Auditor of Public Accounting Firm No. 1000

Our audit was performed for the purpose of forming an opinion on the basic financial statements of SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audit of State, Local, Government, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the accompanying financial information in schedules I through IV, is presented for purposes of additional information. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

As discussed in Note A to the financial statements, SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION adopted Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made" and SFAS No. 117, "Financial Statements of Not-For-Profit Organizations," in the year ended June 30, 1997.



A Professional Accounting Corporation

November 11, 1997

SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 1997

ASSETS	
Cash	\$ 120,225
Grants Receivable	38,168
Deposits	300
Other Assets	38,728
Autos, Furniture and Office Equipment (Net)	<u>44,683</u>
Total Assets	<u>\$ 224,713</u>
LIABILITIES	
Accounts Payable	\$ 49,689
Deferred Revenue - LSUMC	14,845
Deferred Revenue - Other	<u>11,775</u>
Total Liabilities	<u>76,309</u>
NET ASSETS	
Unrestricted - Designated for Future Expenditures	<u>148,404</u>
 Total Liabilities and Net Assets	 <u>\$ 224,713</u>

The accompanying notes are an integral part of these financial statements.

SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 1997

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Cooperative Endeavor with LEHMC	\$ 548,274
Federal Grant Revenue	401,510
State Grant Revenue	72,978
Interest Income	3,865
Laboratory Services	14,107
Continuing Education Revenue	13,578
Other	<u>20,312</u>
Total Unrestricted Support and Revenue	<u>1,096,631</u>

EXPENSES

Program Services:	
Rural AIDS Prevention	66,490
Job Training	279,660
Outreach Services	130,191
Educational and Recruitment Programs	31,508
Learning Resource Center	21,068
Contractual	97,864
Program Management	<u>200,442</u>
Total Program Services	<u>817,253</u>
Supporting Services:	
General and Administrative	<u>273,801</u>
Total Supporting Services	<u>273,801</u>
Total Expenses	<u>1,091,054</u>

INCREASE IN UNRESTRICTED NET ASSETS	26,367
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	<u>122,012</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ 148,379</u>

The accompanying notes are an integral part of these financial statements.

SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
STATEMENT OF CASH FLOWS
Year Ended June 30, 1977

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 26,167
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	18,519
Decrease in Grant Receivable	35,447
(Increase) in Other Assets	(13,544)
(Decrease) in Accounts Payable	(11,847)
(Decrease) in Deferred Revenue - LSUHSC	(3,296)
(Decrease) in Deferred Revenue	<u>(72,008)</u>
Cash (Used in) Operating Activities	<u>(72,367)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Autos, Furniture and Office Equipment	<u>(4,800)</u>
Cash (Used in) Investing Activities	<u>(4,800)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(77,167)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>147,592</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 70,425</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION ("SELAHEC") is a Louisiana nonprofit organization chartered on June 22, 1989. Its purpose is to operate an area health education center in Southeastern Louisiana in order to plan for additional clinical educational opportunities in rural and underserved communities.

FEDERAL INCOME TAXES

SELAHEC is exempt from Federal Income Tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

BASIS OF ACCOUNTING

SELAHEC prepares its financial statements in accordance with generally accepted accounting principles, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

BASIS OF PRESENTATION AND CHANGE FOR NEW PRONOUNCEMENTS

During the fiscal year ended June 30, 1997, SELAHEC adopted Statement of Financial Accounting Standards (SFAS) 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

**SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

During the year ended June 30, 1997, SELAHEC also adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, SELAHEC is required to report information regarding its financial position and activities according to three classes of net assets: *restricted net assets, temporarily restricted net assets, and permanently restricted net assets*. As permitted by this new Statement, SELAHEC has discontinued the use of fund accounting and has, accordingly reclassified its financial statements to present the three classes of net assets required. SELAHEC does not have any permanently restricted net assets. This reclassification had no effect on the change in net assets for the year.

DONATED GOODS AND SERVICES

Under SFAS No. 116, organizations are required to recognize as revenue and related expense, services received if the organization would typically need to purchase the services if not received as donations. No amounts have been reflected in the financial statements for donated goods and services because there was either no objective basis available to measure their value or the value given was immaterial to the financial statements taken as a whole.

REVENUE AND EXPENSES

Support for SELAHEC is provided primarily by Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Medical Center (LSUMC).

Expenditures are to be made in accordance with a budget which has been adopted and made a part of the cooperative contract with LSUMC. SELAHEC is to be reimbursed by LSUMC for costs incurred in carrying out the provisions of the agreement.

For federal and state grants administered on a cost-reimbursement basis, revenue is recognized as expenses are incurred.

**SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EQUIPMENT

Effective with the October 1, 1994 cooperative endeavor between LSU/MC and SELAHEC, title to equipment purchased with these funds is to remain with SELAHEC. Prior to October 1, 1994, title to equipment purchased with these funds was to remain with LSU/MC. Therefore, equipment purchased with funds provided by LSU/MC during the fiscal year ended June 30, 1997 has been capitalized and recorded in the Statement of Position. In addition, the costs of automobiles, furniture, and office equipment purchased with funds provided by the DHHS grant (Federal Search Program) have been capitalized and recorded in the Statement of Position.

CASH FLOW INFORMATION

SELAHEC considers all short-term investments with an original maturity of three months or less to be cash equivalents. SELAHEC did not make any cash payments for interest or income taxes during the year ended June 30, 1997.

ECONOMIC DEPENDENCY

Support for SELAHEC is provided primarily by appropriations from the Louisiana State Legislature via a cooperative endeavor with the Louisiana State University Medical Center (LSU/MC). SELAHEC also receives grants through federal and state agencies. The combined operations of SELAHEC are dependent upon the renewal by these funding sources.

USE OF ESTIMATES

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

ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising expense totaled \$4,785 for the year.

CONTRIBUTIONS

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTIONS (Continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. No contributions were received during the year.

NOTE B

EQUIPMENT

As of June 30, 1993, SELAHEC held the following assets:

Vehicles	\$ 36,685
Equipment - Medical/Educational	2,538
Office Equipment	33,057
Office Equipment - Donated (Valued at Fair Market Value)	<u>29,725</u>
	95,004
Less: Accumulated Depreciation	<u>50,322</u>
	<u>\$ 44,682</u>

All assets are depreciated using the straight-line basis over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 1993 totaled \$18,518.

The amount of equipment used in programs and support services, but not capitalized as described in Note A above is as follows:

Furniture and Fixtures	\$ 8,007
Computer Hardware	15,794
Audio Visual Equipment	7,419
Office Equipment	7,371
Library Furniture and Fixtures	28,128
Computer Software	<u>2,308</u>
	<u>\$ 68,027</u>

SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE C

RETIREMENT PLAN

SELAHEC established an employer sponsored 403(b) Annuity Plan effective October 1, 1990 to provide retirement benefits for employees of SELAHEC and the payment of benefits to employees and their beneficiaries. The Organization's contribution was 7% of the employees' salaries during the year ended June 30, 1997. Additionally, an amount determined by resolution of the Board of Directors of SELAHEC may be contributed to the Plan. The contribution to the Plan for June 30, 1997 amounted to \$31,896.

NOTE D

OPERATING LEASE AGREEMENTS

SELAHEC leases office space under operating leases expiring in 1997.

Minimum future rental payments under these operating leases are as follows:

1997	<u>\$ 23,600</u>
------	------------------

Total rent expense incurred by SELAHEC was \$31,662.

NOTE E

DEFERRED REVENUE - LSUMC

The balance of Deferred Revenue - LSUMC reflected on the statement of position of SELAHEC pertains to advance funding provided by LSUMC for the costs associated with SELAHEC's Primary Care Educative Program and its DSH Linkage Program.

Through SELAHEC's Primary Care Educative Program, medical students are placed in various health care facilities to complete their primary care elective. This elective requires students to provide health care services at the facility in which they have been placed. Students who participate in the DSH Linkage Program work directly with HIV infected patients. Both of these programs operate primarily during the months of June through August.

Students who participate in these programs receive a stipend to cover costs such as travel and meals. In order to ease the cash flow burden required of SELAHEC during the months in which these programs are effective, funding is requested throughout the contract year. This enables SELAHEC to have the cash available to pay the stipends to the participating students.

**SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE E

DEFERRED REVENUE - LSUMC (Continued)

At June 30, 1997, SELAHEC had received approximately \$69,000 to fund these two programs. However, the actual amount of stipends earned by students pertaining to the 1996/1997 budget was approximately \$54,055. Thus, the remaining balance of approximately \$14,945 pertains to funding received to pay stipends which will be incurred in July and August of 1997.

NOTE F

DEFERRED REVENUE - OTHER

Deferred Revenue - Other consists of funds received but not earned as of June 30, 1997 pertaining to SELAHEC's contracts with LSUMC, through its School of Dentistry, and the Louisiana Department of Health and Human Services (State Rural Health Outreach Programs). For these two contracts, revenues are recognized as expenses are incurred. The amount of funds received, but not yet earned, as of June 30, 1997 for these two contracts is \$3,817 and \$3,958, respectively.

NOTE G

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NORTHERN CALIFORNIA AREA
HEALTH EDUCATION COOPERATIONS
SUPPLEMENTARY INFORMATION

SCHEDULE 1
COMBINED SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS
JUNE 30, 1997

ASSETS	LH 206C Funding	Federal/State Health Outreach Programs		ITPA	Rural and Prevention Programs		State Bond Health Outreach Programs		Plan Fund	Totals
		Federal/State Health Outreach Programs	State Health Outreach Programs		Rural and Prevention Programs	Rural and Prevention Programs				
Cash	\$ 69,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,444	\$ -	\$ -	\$ 120,118
Grants Receivable	-	-	-	21,254	11,494	-	-	-	-	32,748
Due from Other Programs	26,072	-	-	-	-	-	-	-	-	26,072
Deposits	285	-	-	-	-	-	-	-	-	285
Other Assets	20,480	-	-	-	-	-	47	-	-	20,527
Assets, Members & Other Employees (50%)	-	-	-	-	-	-	-	-	44,482	44,482
Total Assets	\$ 136,511	\$ -	\$ 22,254	\$ 22,254	\$ 11,494	\$ -	\$ 20,541	\$ -	\$ 44,482	\$ 211,496
LIABILITIES										
Accounts Payable	\$ 47,245	\$ -	\$ 2,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,529
Deferred Revenue - (LH 206C)	14,944	-	-	-	-	-	-	-	-	14,944
Deferred Revenue - Other	5,417	-	-	-	-	-	5,000	-	-	10,417
Due to Other Programs	-	-	34,181	-	11,494	-	16,655	-	-	62,330
Total Liabilities	\$ 67,606	\$ -	\$ 36,465	\$ 36,465	\$ 11,494	\$ -	\$ 21,655	\$ -	\$ -	\$ 136,625
NET ASSETS										
Unassigned - Development for Future Expenditures	\$ 68,905	-	-	772	-	-	-	-	44,482	114,159
Total Liabilities and Net Assets	\$ 174,117	\$ -	\$ 27,219	\$ 27,219	\$ 11,494	\$ -	\$ 20,200	\$ -	\$ 44,482	\$ 211,496

WESTCHESTER UNIVERSITY, AREA
 HEALTH CARE FOUNDATION (FORMERLY
 WESTCHESTER FOUNDATION)

SCHEMATIC B
 COMBINED STATEMENT OF NET ASSETS, REVENUES, EXPENSES, FUND-BALANCED NET ASSETS
 For the year ended 12/31/18

	LCRMC Funding	Federal Level Health-Related Programs	FFY18	Fund-Use Expenditures	New Bond Debt/Amort Payments	Total
REVENUE AND EXPENSES						
Contract with LCRC	14,624	0	0	0	0	14,624
Federal Grant Revenue	-	8,278	275,480	16,495	-	290,253
State-Grant Revenue	-	-	-	-	7,979	7,979
Interest Income	1,049	-	-	-	1,862	2,911
License Service	11,118	-	-	-	-	11,118
Contributing Member/Donor Gifts	11,596	-	-	-	-	11,596
Other	28,512	-	-	-	-	28,512
Total Revenues	78,909	8,278	275,480	16,495	9,841	399,903
EXPENSES						
Salaries and related Benefits	26,448	3,684	14,428	8,040	0,000	48,599
Supplies and Administration	8,175	211	23,327	1,877	1,021	34,611
Telephone Expense	27	261	68	81	-	607
Rent	38,845	-	22,895	-	-	61,740
Utilities	4,025	-	1,811	1,477	-	7,313
Travel	8,121	1,681	18	1,293	4,013	15,113
Library	21,000	-	-	-	-	21,000
Construction	40,845	11,094	-	2,898	-	54,837
Subcontract/Com	4,000	1,871	1,291	2,268	1,871	11,300
Legal Expense	1,000	-	-	-	-	1,000
Program	8,348	-	-	-	-	8,348
Other non-subsistence	1,000	-	-	-	-	1,000
Automobile Expense	-	74	-	-	1,271	1,345
Depreciation	-	1,101	1,004	0,000	0,000	2,105
Other	-	-	-	-	-	-
Total Expenses	141,524	8,851	43,934	14,469	3,871	212,659
NET ASSETS - BEGINNING YEAR	14,271	-	-	-	-	14,271
NET ASSETS - END OF YEAR	14,271	8,278	11	(1,974)	-	30,856
NET ASSETS - BEGINNING YEAR	1,000	86	-	1,071	-	2,157
NET ASSETS - END OF YEAR	1,000	1,111	1	-	-	2,112

SOUTHEASTERN LOUISIANA AREA
HEALTH EDUCATION CENTER FOUNDATION
SUPPLEMENTARY INFORMATION

SCHEDULE III
ALLOCATION OF PROGRAM MANAGEMENT AND GENERAL
AND ADMINISTRATIVE EXPENSES
Year Ended June 30, 1997

Expense Description	Amount	Allocation	
		Program Management	General and Administrative
Salaries and Related Benefits	\$ 276,068	\$ 137,058	\$ 139,010
Professional Costs	45,956	22,748	23,208
Supplies and Maintenance	32,235	15,996	16,239
Rent	28,862	14,287	14,575
Travel	16,747	3,320	5,427
Utilities	4,830	2,440	2,490
Deen and Conferences	3,998	1,979	2,019
Legal Expenses	1,890	340	550
Equipment Expense	207	100	107
Depreciation	18,518	-	18,518
Totals	\$ 423,443	\$ 388,442	\$ 335,081

SOUTHEASTERN LOUISIANA AREA
HEALTH EDUCATION CENTER FOUNDATION
SUPPLEMENTARY INFORMATION

SCHEDULE IV
SCHEDULE OF OUTREACH SERVICES EXPENSE
Year Ended June 30, 1997

Outreach Services Expense consists of the following:

Federal Rural Health Outreach Program	\$ 55,333
State Rural Health Outreach Program	<u>74,858</u>
Total	<u>\$ 130,191</u>

OMB CIRCULAR A-133 SECTION

**SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year ended June 30, 1997**

<u>Federal Grants/ Pass-through Grants/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Award Amount</u>	<u>Total Federal Revenues/ Expenses Recognized</u>
U.S. Department of Health and Human Services				
Direct Award -				
Rural Health Outreach Demonstration Program	93.812	NA	\$ 55,931	\$ 55,931
Passed-through from State Department of Health and Hospitals - Office of Public Health				
Rural AIDS Prevention Program	93.049	14547	86,459	86,459
Subtotal - U.S. Department of Health and Human Services			122,390	122,390
U.S. Department of Labor				
Passed-through from State Department of Labor and the Tangipahoa Parish School System				
Job Training Partnership Act	17.246	1206	279,689	279,689
Total			\$ 401,510	\$ 401,510

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Southeastern Louisiana Area
Health Education Center Foundation

We have audited the financial statements of **SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION ("SELAHEC")** (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated November 11, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether SELAHEC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under Government Auditing Standards.

A Professional Accounting Corporation

1000 Two Lakeshore Center Drive St. Charles, Missouri, MO 63043-1000 FAX: (314) 585-5500

201 E. Main St. Metairie, Louisiana, LA 70002-1001 FAX: (504) 885-0000

E-Mail: laporte@laporte.com Web Site Address: <http://www.laporte.com/>

Member of AICPA's Institute for CPA's Ethics/Praxis Committee • Practice Institute and IRS Practice Section
International affiliation with Accounting Firm Accredited, Inc.

Internal Control Over Financial Reporting

In planning and performing our audit we considered SELABHC's internal control over financial reporting, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Anthony J. Lopez
A Professional Accounting Corporation

November 11, 1997

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Southeastern Louisiana Area
Health Education Center Foundation

Compliance

We have audited the compliance of SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION's ("SELAHEC") (a nonprofit organization) with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1993. SELAHEC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of SELAHEC's management. Our responsibility is to express an opinion on SELAHEC's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above would have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SELAHEC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on SELAHEC's compliance with those requirements.

A Professional Accounting Corporation

1000 West University Center, 8000 N. University Blvd., Metairie, LA 70002 Phone: (504) 885-1111 FAX: (504) 885-1111
1993, Inc. 2700 Woodside Drive, Irvington, VA 22081 Phone: (703) 582-9800 FAX: (703) 582-9800
E-Mail Address: laporte@laporte.com Internet Address: <http://www.laporte.com/>
Member of OMB's Division for OIG, Private Industry Computer Products, Services and OIG's Practice Services
An Equal Opportunity Employer M/F/V

In our opinion, SELAHEC complied, in all material aspects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of SELAHEC is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered SELAHEC's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to the major federal program being audited may cause and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


A Professional Accounting Corporation

November 13, 1997

SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COST
For The Year ended June 30, 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of SELAHEC.
2. No reportable conditions relating to the audit of the financial statements of SELAHEC were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of SELAHEC were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for SELAHEC expresses an unqualified opinion.
6. Audit findings related to the major federal award programs for SELAHEC are reported in Part C. of this Schedule.
7. The programs tested as major programs included:

PROGRAM	CFDA No.
Job Training Partnership Act	13.246
Rural AIDS Prevention Program	59.940

8. The threshold for distinguishing Types A and B programs was \$20,977.
9. SELAHEC was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None

SOUTHEASTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year ended June 30, 1997

DEPARTMENT OF HEALTH AND HUMAN SERVICES

June 30, 1986 - FINDING: Rural Aide Provision Program

Condition: Through March 31, 1986, supervisory personnel assigned to this program did not maintain sufficient time and allocation records to support the amount of their salary charged to this program.

Recommendation: It was recommended that supervisory personnel utilize time and allocation records to document their time charged to this program.

Corrective Action: The recommendation was adopted in April 1986. No similar findings were noted in the 1987 audit.