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CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
REPORT ON FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED JUNE 30, 1988

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, copied and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date \_\_\_\_\_ 12/23/88

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December 4, 1998

To the Board of Directors  
Central Louisiana Area Health Education Center Foundation  
Alexandria, Louisiana

We have audited the accompanying statement of financial position of Central Louisiana Area Health Education Center Foundation as of June 30, 1998, and the related statements of activities and cash flows for the nine months 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. 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 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 Central Louisiana Area Health Education Center Foundation as of June 30, 1998, and the changes in its net assets and its cash flows for the nine months then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 4, 1998, on our consideration of the organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Rozier, Harrington & McKay  
Certified Public Accountants

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
 STATEMENT OF FINANCIAL POSITION  
 June 30, 1998

**ASSETS**

Cash	\$ 86,740
Property and Equipment, Net of Accumulated Depreciation	22,673
Other Assets	<u>3,790</u>
<b>Total Assets</b>	<b><u>\$ 113,183</u></b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>	
Payroll Tax Accrual	\$ 890
Agency Liability	<u>12,923</u>
<b>Total Liabilities</b>	<b>13,813</b>
<b>Net Assets</b>	
Unrestricted Net Assets	
Property and Equipment	22,673
Undesignated	<u>61,790</u>
<b>Total Unrestricted Net Assets</b>	<b>84,463</b>
Temporarily Restricted Net Assets	13,687
Permanently Restricted Net Assets	<u>-</u>
<b>Total Net Assets</b>	<b><u>97,150</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 113,183</u></b>

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

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
 For the Nine Months Ended June 30, 2008

	<u>Unexpended</u>	<u>Temporarily Reverted</u>	<u>Permanently Reverted</u>	<u>Total</u>
<b>(SUPPORT AND REVENUE)</b>				
<b>Support:</b>				
Contract with LUSAC	\$ 292,148	\$ -	\$ -	\$ 292,148
Miscellaneous Income	7,005	7,775	-	15,780
<b>Total Support and Revenue</b>	<b>408,073</b>	<b>7,775</b>	<b>-</b>	<b>405,848</b>
<b>(EXPENSES)</b>				
<b>Program Services:</b>				
Educational Programs	255,508	-	-	255,508
Program Management	64,112	4,908	-	69,020
Learning Resource Center	15,304	-	-	15,304
<b>Total Program Services</b>	<b>334,924</b>	<b>4,908</b>	<b>-</b>	<b>349,832</b>
<b>Support Services:</b>				
General Administrative	134,244	-	-	134,244
<b>Total Support Services</b>	<b>134,244</b>	<b>-</b>	<b>-</b>	<b>134,244</b>
<b>Total Expenses</b>	<b>469,168</b>	<b>4,908</b>	<b>-</b>	<b>474,076</b>
<b>Change in Net Assets</b>	<b>38,905</b>	<b>2,867</b>	<b>-</b>	<b>41,772</b>
<b>Net Assets, Beginning of Year</b>	<b>64,368</b>	<b>32,217</b>	<b>-</b>	<b>96,585</b>
<b>Net Assets, End of Year</b>	<b>\$ 103,273</b>	<b>\$ 35,084</b>	<b>\$ -</b>	<b>\$ 138,357</b>

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

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Nine Months Ended June 30, 1998**

	PROGRAM SERVICES				SUPPORT SERVICES		TOTAL
	Educational Programs	Program Management	Training	Resource Ctr	General Sv.	Administration	
Salaries and payroll taxes	\$ -	\$ 12,150	\$ 9,719		\$ 61,111	\$	\$ 83,479
Fringe benefits	-	9,647	1,125		8,888		19,676
PROG. EXPENSE	129,173	-	1,210		-		130,393
Administrative expense	26,269	-	-		-		26,269
Contract labor	-	18,297	1,999		9,720		30,216
Taxes	-	-	140		13,993		14,133
Travel	618	-	-		-		618
Office supplies	-	-	1,456		14,222		15,678
Equipment	-	-	-		5,905		5,905
Telephone	-	-	-		9,973		9,973
Printing	-	-	-		2,483		2,483
Office lease	-	-	-		11,433		11,433
Other expense	-	99	-		3,266		3,365
<b>Total expenses before depreciation</b>	<b>\$ 264,242</b>	<b>\$ 97,179</b>	<b>\$ 23,215</b>		<b>\$ 103,001</b>	<b>\$</b>	<b>\$ 487,637</b>
Depreciation	1,297	1,287	3,873		1,111		7,568
<b>TOTAL EXPENSES</b>	<b>\$ 265,539</b>	<b>\$ 98,466</b>	<b>\$ 27,088</b>		<b>\$ 104,112</b>	<b>\$</b>	<b>\$ 495,211</b>

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

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
 STATEMENT OF CASH FLOWS  
 For the Nine Months Ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 32,994
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,285
(Increase)(Decrease) in Accounts Receivable	1,560
(Increase)(Decrease) in Deposits	(1,750)
Increase(Decrease) in Payroll Taxes Accrued	627
Increase(Decrease) in Agency Liability	<u>(94,512)</u>
Cash Provided by Operating Activities	\$ (64,538)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	<u>(5,285)</u>
Net Cash Used by Investing Activities	\$ (5,285)
Net Increase in Cash and Cash Equivalents	\$ (70,123)

Cash and Cash Equivalents, September 30, 1997	<u>115,265</u>
Cash and Cash Equivalents, June 30, 1998	<u>\$ 45,142</u>

There were no non-cash investing or financing transactions for the year ending June 30, 1998.

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

June 30, 1988

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Central Louisiana Area Health Education Center Foundation ("CLAHEC") is a Louisiana non-profit corporation chartered on January 6, 1982. Its purpose is to operate an area health education center in Central Louisiana in order to plan for additional clinical education opportunities in rural and underserved communities.

CLAHEC is exempt from Federal Income Tax under provisions described in Section 501(c)(3) of the Internal Revenue Code.

**Fund Accounting**

The accounting policies of CLAHEC conform to generally accepted accounting principles as applicable to non-profit organizations.

CLAHEC reports its financial statements in accordance with the American Institute of Certified Public Accountants' Statement of Position 78-10, "Accounting Principles and Reporting Practices for Certain Nonprofit Organizations." Under the terms of that Statement, the operating fund is used to account for all resources over which the governing board has control.

Restricted fund balances represent resources currently available for use, but expendable only for those operating purposes specified by the Grantor or Donor. Resources of this type originate from grants, contracts, donations and interest income earned on restricted funds. It is CLAHEC's policy to report all such revenues as unrestricted if the restrictions are met in the reporting period.

**Revenue and Expenses**

Support for CLAHEC 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 grants by the Federal Government and the State of Louisiana and has contracted with CLAHEC to provide the services required by these Grants.

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

**Equipment**

The cost of office furniture and equipment was not capitalized during the initial year of CLAHEC's grant agreement with LSUMC. According to the contractual agreement between LSUMC and CLAHEC, title to the equipment purchased under the agreement during the fiscal year ending September 30, 1982 shall remain with LSUMC.

The cost of office furniture and equipment purchased in years subsequent to September 30, 1982 has been capitalized at historical cost. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The estimated useful lives of the assets range from six to ten years.



CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998

**Estimates**

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

**Cash Flow Information**

For purposes of the Statement of Cash Flows, management considers all short-term investments with a maturity of three months or less to be cash equivalents.

There was \$86,748 of cash or cash equivalents as of June 30, 1998. The organization did not make any cash payments for interest or income taxes during the period ended June 30, 1998. Also there were no financing activities during the period ended June 30, 1998.

**NOTE 2 - CONTRACT SUPPORT**

CLAHHC entered into a contract with LSU/MC for the period of September 30, 1993 to September 28, 1998 for the purpose of funding the organization as described in Note 1 above.

For the period ended June 30, 1998, CLAHHC received contract funding in the amount of \$392,148. CLAHHC incurred expenses of \$374,884, which included \$6,586 for depreciation on office furniture and equipment purchased subsequent to September 30, 1992.

**NOTE 3 - EQUIPMENT**

The amount of equipment used in program and support services, and capitalized as described in Note 1 above is as follows:

Office Equipment	\$ 1,560
Office Furnishings	1,500
Computer Equipment	28,268
Equipment Purchased for Learning Resource Center	<u>23,785</u>
	48,963
Less Accumulated Depreciation	<u>26,299</u>
Net Property and Equipment	\$ 22,664

Depreciation expense for the year ending June 30, 1998, was \$6,586.

The amount of equipment used in program and support services, but not capitalized as described in Note 1 above is as follows (presented at historical cost):

Office Equipment	\$ 13,894
Office Furnishings	9,362
Computer Equipment	<u>14,365</u>
	\$ 37,621

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

**NOTE 4 - SEP-IRA PLAN**

CLAHEC contributed to a SEP-IRA plan for each of its employees for the year ended June 30, 1998. CLAHEC contributed 15% of these individuals' earned income in the period ended June 30, 1998, to the plans. Contributions to the plans for the period ended June 30, 1998, amounted to \$13,413.

**NOTE 5 - ECONOMIC DEPENDENCY**

CLAHEC receives substantially all of its support from funds provided through grants administered by the Louisiana State University and Agricultural and Mechanical College. The grant amounts are appropriated each year by the Federal government and the State of Louisiana. Management is not aware of any actions that will adversely affect the aggregate amount of funds CLAHEC will receive in the next fiscal year.

**NOTE 6 - LEASES**

CLAHEC signed a lease agreement on office space for a period of twelve months beginning January 1, 1998, at a monthly rate of \$875. Subsequent to signing this agreement, a larger space came available and CLAHEC signed a two-year lease beginning May 1, 1998 for \$2,150 per month.

CLAHEC was not released from the former lease until a new tenant was found on September 1, 1998.

**NOTE 7 - OTHER CONTRACTS AND AGREEMENTS**

CLAHEC has also entered into an agreement with the Department of Veterans Affairs Medical Center in Algiersville, Louisiana for the purpose of establishing a Learning Resource Center whose mission is to provide health care professionals who practice in the underserved and rural areas of CLAHEC's region access to library services. CLAHEC's support of the Learning Resource Center is to provide part-time support staff, equipment, furnishings, and a computer. Any equipment provided by CLAHEC to the Center will remain the property of CLAHEC. CLAHEC is also to provide supplies to include books, journals, periodicals, and database searches.

**NOTE 8 - THE CENTRAL LOUISIANA MEDICAL LIBRARY  
CONSORTIUM**

CLAHEC has agreed to serve as a fiscal agent for the Central Louisiana Medical Library Consortium. The Consortium has been established for the purpose of providing timely, accurate health information to physicians and other health professionals along with providing quality consumer health/medical information for the public. The Rapides Foundation has provided a grant to support the development of the Consortium and activity for the nine months ended June 30, 1998, has been detailed as follows:

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 1998

Support:

Kaplan Foundation	\$ - 0 -
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Expenses:

Program & Support Services	\$ 68,942
Total Expenses	<u>\$ 68,942</u>

Change in Net Assets	(68,942)
Net Assets, Beginning of Year	<u>192,818</u>
Net Assets, End of Year	<u>\$ 123,876</u>

In accordance with SFAS 117, the Library Consortium's activities have been recorded as agency transactions on CLAHHC's books. The funds received from the Kaplan Foundation can be reconciled with the Agency Liability account as follows:

Agency Liability Beginning Balance	\$ 71,238
Expenses paid by CLAHHC	(79,490)
Equipment Purchases	0-
Transferred to Consortium Checking Account	<u>(24,822)</u>
Agency Liability, Ending Balance	<u>\$ 12,936</u>

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes at June 30, 1998:

ACP Preceptorship Program	\$ 4,500
Residency Recruitment Program	8,462
Tax Wares	<u>125</u>
	<u>\$ 13,087</u>

**NOTE 10 - CHANGE IN FISCAL YEAR END**

As of September 30, 1997, the majority of CLAHHC's funding has been provided through a contract with the State of Louisiana rather than the Federal Government.

Due to this change in the configuration of its funding, CLAHHC has selected June 30<sup>th</sup> as its year end to mirror the fiscal year of the State. This change being effective for the fiscal year beginning October 1, 1997 through June 30, 1998.

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998

**NOTE 11 - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The carrying amounts reported in the statement of financial position for cash, accounts receivable and accrued liabilities approximate fair values because of the short maturities of these instruments.

**ROZIER, HARRINGTON, & McKAY**  
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December 4, 1998

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

To the Board of Directors  
Central Louisiana Area Health Education Center Foundation  
Alexandria, Louisiana

We have audited the financial statements of Central Louisiana Area Health Education Center Foundation as of and for the nine months ended June 30, 1998, and have issued our report thereon dated December 4, 1998. 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.

**Compliance**

As part of obtaining reasonable assurance about whether Central Louisiana Area Health Education Center Foundation'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 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Central Louisiana Area Health Education Center Foundation'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 assistance 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

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 audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

  
Roger Harrington & McKay  
Certified Public Accountants

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Nine Months Ended June 30, 1998**

We have audited the financial statements of Central Louisiana Area Health Education Center Foundation as of and for the nine months ended June 30, 1998, and have issued our report thereon dated December 4, 1998. 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 OMB Circular A-133. Our audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

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

Internal Control

Material Weaknesses	No
Reportable Conditions	No

Compliance

Compliance Material to Financial Statements	No
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b. Federal Awards

Not Applicable - There were no federal funds received or expended during the period ended June 30, 1998.

c. Identification of Major Programs

Not Applicable - There were no federal funds received or expended during the period ended June 30, 1998.

**Section II Financial Statement Findings**

None

Central Louisiana Area Health Education Center  
Schedule of Findings and Questioned Costs  
For the Nine Months Ended June 30, 1998

**Section II Federal Award Findings and Questioned Costs**

None



**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**For the Nine Months Ended June 30, 1998**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT</b>	
Finding - There were no findings in connection with internal control and compliance.	Response - N/A
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
Finding - There were no findings in connection with internal control and compliance to federal awards.	Response - N/A
<b>SECTION III - MANAGEMENT LETTER</b>	
Finding - There is no management letter issued with this report.	Response - N/A

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Nine Months Ended June 30, 1998**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT</b>	
Finding - There were no findings in connection with internal control and compliance.	Response - N/A
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
Finding - N/A	Response - N/A
<b>SECTION III - MANAGEMENT LETTER</b>	
Finding - There is no management letter issued with this report.	Response - N/A