

Internal Control Over Compliance

The management of Southern Louisiana Area Office BRADLEY BUCHHEIM, Chief, 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 the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-122.

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 a major Federal program being audited may occur and not be detected within a timely period by employees or employees or the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

THIS REPORT IS ISSUED FOR THE INFORMATION OF THE MANAGEMENT AND FEDERAL AWARDING AGENCIES AND PASS-THROUGH ENTITIES. HOWEVER, THIS REPORT IS A MATTER OF PUBLIC RECORD AND ITS DISTRIBUTION IS NOT LIMITED.

M. Erny, David & Busch

Late Charles, Louisiana
October 1, 1987

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE WITH OMB CIRCULAR 2-113

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

Compliance

We have audited the compliance of Southwest Louisiana Area Health Education Center Foundation with the types of compliance requirements described in the P.C. Office of Management and Budget (OMB) Circular 2-113 Compliance Supplement that are applicable to each of its major Federal programs for the year ended June 30, 1997. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation'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 2-113. Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular 2-113 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with these 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 the Foundation's compliance with these requirements.

In our opinion, Southwest Louisiana Area Health Education Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major programs for the year ended June 30, 1997.

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, if any, 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 auditing agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Dr. Elroy, David & Beech

Late Charles, Louisiana
OCTOBER 1, 1999

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

Based at Memphis
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 nine months ended June 30, 1987, and have issued our report thereon dated December 3, 1987. 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 Southwest Louisiana Area Health Education Center Foundation's financial statements are free of material misstatements, 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 Southwest 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

WESTERN LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 1987

Federal Grantor PROGRAM TITLE	Federal CFDA Number	Program Element	Amount
Department of Health and Human Services Area Health Education Center Program Pass-Through Organization: Louisiana State University School of Medicine	*		\$ 430,470
			\$ 430,470

- * For fiscal year ended June 30, 1987, this program was funded by Louisiana state appropriated funds. The grant required an audit in accordance with OMB Circular 5-113. In prior years, when this program was federally funded, the CFDA Number was 13.891.

NOTES TO FINANCIAL STATEMENTS

Note 1. Changes in Accounting Policies and Principles

The Financial Accounting Standards Board has published two statements of financial accounting standards (FASB) which are required to be adopted by nonprofit organizations for years ending after December 15, 1995. The Southeast Louisiana Area Health Education Center Foundation, SFAS 116, Accounting for Contributions Received and Contributions Made, and SFAS 117, Financial Statements of Not-for-profit Organizations, were adopted by Southeast Louisiana Area Health Education Center Foundation for the year ended September 30, 1998.

Note 2. Retirement Benefits

The Organization maintains a 401(k) 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 nine month period ended June 30, 1997 amounted to \$11,287.

Note 3. Change in Fiscal Year

As of October 1, 1998, the Foundation's primary funding agency became the State of Louisiana. In order to continue with the state, the Foundation changed its fiscal year end from September 30, 1997 to June 30, 1997.

Note 4. Deferred Revenue

Prior to the fiscal year end, the Foundation received funds totaling \$21,110 which was related to the Medical Job Fair. The Medical Job Fair did not occur until September, 1997, after the end of the fiscal year. Therefore, in order to more accurately reflect income and expenses associated with this project, these funds have been classified as the balance sheet as deferred revenue and will be recognized as revenue in fiscal year ending June 30, 1998.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. Cash Flow Information

Supplemental disclosures of cash flow information:

Cash paid during the nine months for:		
Interest	\$	-
Tax and taxes		-

Supplemental schedule of noncash investing and financing activities:

There were no noncash investing and financing activities for the period.

Disclosures of accounting policy:

For the purpose of the statement of cash flows, the organization considers cash in checking accounts, savings accounts, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents.

NOTE 4. Due From Grants and Gifts

Due from grants represents requests for funds to Louisiana State University Medical Center and other grants.

Due from others represents requests for reimbursement of expenditures paid by the organization which were incurred for other area health education center institutions.

NOTE 5. Rent Expense

Southwest Louisiana Area Health Education Center Foundation rented office space under a commercial lease agreement deemed to be an operating lease. The lease term was from October 1, 1979 to September 30, 1984, and the lease amount was \$3,342, less cleaning expense, payable every two months through September, 1984. Upon expiration of the lease, Southwest Louisiana Area Health Education Center Foundation began renting their office space on a month-to-month basis. The total rent expense included in the financial statements for the nine months ended June 30, 1987 is \$48,500.

NOTES TO FINANCIAL STATEMENTS

Revenues and expenses:

Support for Southeast 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 state government, and the contract entered into between LSUMC and Southeast Louisiana Area Health Center Foundation for providing services fulfills 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. Southeast 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.

Equipment:

The cost of office furniture and equipment has not been capitalized. According to the cooperative endeavor between LSUMC and Southeast Louisiana Area Health Education Center, title to the equipment purchased under the agreement shall remain with LSUMC. The total cost of equipment acquired through June 30, 1987 under the cooperative endeavor with LSUMC was \$93,489.

Note 3. 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 those estimates.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

Note 1. Summary of Significant Accounting Policies

Nature of entity:

Southwest Louisiana Area Health Education Center Foundation (SWAHEC) is a Louisiana nonprofit corporation chartered on March 3, 1990. 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.

Fixed 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 114, Accounting for Contributions Received and Contributions Made, and SFAS 117, Financial Statements of Not-For-Profit Organizations.

Unrestricted net assets represent resources used 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 net assets represent resources currently available for use, but expendable 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 FUNDATION

STATEMENT OF CASH FLOW
NINE MONTHS ENDED JUNE 30, 1997

CASH FLOW FROM OPERATING ACTIVITIES

Excess support and revenue over expenses	\$	21,799
Adjustments to reconcile excess of support and revenue over expenses to net cash provided by operating activities:		
Change in assets and liabilities:		
(Increase) in receivables		(61,802)
Increase in prepaid expenses		4,283
Increase in accrued expenses		31,407
Increase in accrued payroll taxes		550
Increase in deferred income		51,216
Net cash provided by operating activities		47,753

CASH FLOW FROM INVESTING ACTIVITIES

-

CASH FLOW FROM FINANCING ACTIVITIES

Net increase in cash and cash equivalents 49,753

Cash and cash equivalents at beginning of year ----- 1,188

Cash and cash equivalents at end of year \$ 1,238

Supplemental disclosures of cash flow information:

Cash paid during the nine months for:		
Interest	\$	-
Income tax		-

See Notes to Financial Statements.

Year - Secondary Education	Facilities Promotion	Other Programs	Total All Funds
\$ -	\$ 2,152	\$ -	\$ 2,152
18,760	-	-	43,975
-	-	933	4,109
<u>18,760</u>	<u>-</u>	<u>933</u>	<u>43,975</u>
<u>18,760</u>	<u>2,152</u>	<u>933</u>	<u>89,126</u>
14,896	17,589	8,438	142,349
4,249	6,375	3,989	43,289
1,116	923	3,973	63,742
96	3,263	15,399	43,282
49,408	-	-	49,408
9,868	6,237	2,692	18,844
-	1,888	-	14,379
1,398	328	-	13,784
-	-	5,681	7,381
<u>16</u>	<u>32</u>	<u>1,289</u>	<u>28,314</u>
<u>75,563</u>	<u>28,366</u>	<u>21,311</u>	<u>125,240</u>
116,4871	127,4441	126,8541	37,7261
<u>68,781</u>	<u>28,366</u>	<u>21,311</u>	<u>-</u>
12,094	1,488	576	27,738
-	-	324	1,323
<u>12,094</u>	<u>1,488</u>	<u>900</u>	<u>29,061</u>

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES
NINE MONTHS ENDED JUNE 30, 1987

	ADHD MEDICAL Education Program	recruitment/ professional	Secondary Education
Revenue:			
Grants	\$ 428,562	-	\$ 28,820
Other revenue:			
Sponsor income	-	28,325	8,240
Other income	473	-	2,880
Interest income	78	-	-
Total other revenue	<u>551</u>	<u>28,325</u>	<u>7,120</u>
Total revenue	<u>432,633</u>	<u>28,325</u>	<u>35,940</u>
Expenses:			
Salaries and benefits	78,327	25,880	28,284
Payroll taxes	28,238	7,870	8,800
Contractual services	28,221	7,328	28,281
Office supplies	18,341	3,436	28,330
Consultant expense	-	-	-
Travel	18,844	8,834	8,834
Rent	28,458	2,078	2,832
Telephone	12,031	642	834
Data and subscriptions	3,982	-	-
Miscellaneous	22,323	380	2,287
Total expenses	<u>187,425</u>	<u>58,078</u>	<u>87,421</u>
Excess (deficiency) of revenue and over expenses	244,588	(29,753)	(51,481)
Other financing sources (total):			
Operating transfers in (total)	<u>1227,242</u>	<u>28,362</u>	<u>42,320</u>
Excess (deficiency) of revenue and other sources over expenses and other uses	(2,845)	12,388	4,487
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>523</u>
Fund balance at end of year	<u>\$ (2,845)</u>	<u>\$ 12,388</u>	<u>\$ 5,410</u>

SEE NOTES TO FINANCIAL STATEMENTS.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENT OF FINANCIAL POSITION
June 30, 1987

ASSETS

RESTRICTED ASSETS

Cash	\$ 44,869
Less from grantor	49,890
Less from others	<u>20,287</u>
Total restricted assets	<u>\$ 144,902</u>

LIABILITIES AND FUNDS EQUITY

CURRENT LIABILITIES (payable from restricted assets)

Accrued expenses	\$ 20,710
Payroll taxes payable	1,829
Deferred revenues	<u>62,108</u>
Total current liabilities (payable from restricted assets)	84,647

RESTRICTED NET ASSETS

Total liabilities and net assets	<u>\$ 144,902</u>
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SEE NOTES TO FINANCIAL STATEMENTS.

In accordance with Governmental Auditing Standards, we have also issued a report dated October 1, 1997 on our consideration of Southeast Louisiana Area Health Education Center Foundation's internal over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Southeast 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 Circular A-113, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. 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.

M^{rs} Elmyr, David & Associates

Lake Charles, Louisiana
October 1, 1997

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CERTIFIED PUBLIC ACCOUNTANTS

101 BOWEN
LABORERS, 101 BOWEN
DALLAS, TEXAS

ONE BERRY STREET
TELEPHONE DOWNS 4-4171
FAX DOWNS 4-4171

FORM NO. 10-1-88

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of the Southwest Louisiana Area Health Education Center Foundation, a nonprofit organization, as of June 30, 1997, and the related statements of activities and cash flows for the nine months 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 the standards applicable to financial audits contained in Governmental 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 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 the Southwest Louisiana Area Health Education Center Foundation as of June 30, 1997, and the changes in its net assets and its cash flows for the nine months then ended in conformity with generally accepted accounting principles.

SOUTHWEST LOUISIANA AREA HEALTH
ACTION CENTER FOUNDATION

Shreveport, Louisiana

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**SOUTHWEST LUTHERAN AREA HEALTH
EDUCATION CENTER FOUNDATION**

FINANCIAL REPORT

JUNE 30, 1967

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the auditor, or authorized, entity and other appropriate state officials. The report is available for public inspection at the Bureau of State Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 21 1968

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