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**SOUTHEASTERN LOUISIANA  
AREA HEALTH EDUCATION  
CENTER FOUNDATION**

**June 30, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity 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 JAN 13 1999

**Audit of Financial Statements**

**June 30, 1998**

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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, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits 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 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 **SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION** as of June 30, 1998, 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 October 30, 1998, 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.

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, *Audits of States, Local Governments, 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.

*Lehite, Leht, Long & Neal*

A Professional Accounting Corporation

October 30, 1998

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

**ASSETS**

Cash	\$ 1,407
Due from LSUMC	81,279
Grants Receivable	113,660
Other Receivables	50,959
Deposits	300
Other Assets	3,114
Autos, Furniture and Equipment, Net	<u>53,279</u>
 Total Assets	 <u><u>\$ 303,998</u></u>

**LIABILITIES**

Accounts Payable	\$ 91,447
Deferred Revenue - LSUMC	17,877
Deferred Revenue - Other	<u>14,519</u>
 Total Liabilities	 123,843

**NET ASSETS**

Unrestricted - Designated for Future Expenditures	<u>180,155</u>
 Total Liabilities and Net Assets	 <u><u>\$ 303,998</u></u>

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

**SOUTHEASTERN LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 1998**

**UNRESTRICTED NET ASSETS**

**SUPPORT AND REVENUE**

Cooperative Endeavor with LSUMC	\$ 523,719
Federal Grant Revenue	778,471
State Grant Revenue	11,528
Dental Revenue	13,999
Interest Income	1,917
Librarian Services	28,114
Continuing Education Revenue	24,173
Other	<u>39,783</u>
 Total Unrestricted Support and Revenue	 <u>1,421,704</u>

**EXPENSES**

Program Services:

Rural Health Outreach Services	94,359
Job Training	303,036
Services to People with AIDS/HIV - Ryan White - Title II	206,464
Rural Aids Prevention	73,177
Educational and Recruitment Programs	17,977
Learning Resource Center	44,777
Contractual	92,530
Other Programs	37,447
Program Management	<u>246,772</u>
 Total Program Services	 <u>1,116,539</u>

Supporting Services

General and Administrative	<u>273,394</u>
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Total Supporting Services	<u>273,394</u>
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Total Expenses	<u>1,389,933</u>
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<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	31,771
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<b>UNRESTRICTED NET ASSETS - BEGINNING OF YEAR</b>	<u>148,384</u>
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<b>UNRESTRICTED NET ASSETS - END OF YEAR</b>	<u><u>\$ 180,155</u></u>
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The accompanying notes are an integral part of these financial statements.



**SOUTHEASTERN LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION  
STATEMENT OF CASH FLOWS  
For The Year Ended June 30, 1998**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in Unrestricted Net Assets	\$ 31,771
Adjustments to Reconcile Increase in Unrestricted Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	21,636
Donation of Fixed Assets	3,371
(Increase) in Due from LSUMC	(81,279)
(Increase) in Grant Receivable	(74,892)
(Increase) in Other Receivables	(50,959)
Decrease in Other Assets	17,614
Increase in Accounts Payable	41,838
Increase in Deferred Revenue - LSUMC	2,932
Increase in Deferred Revenue - Other	<u>2,744</u>
Cash (Used in) Operating Activities	<u>(85,224)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Autos, Furniture and Office Equipment	<u>(33,604)</u>
Cash (Used in) Investing Activities	<u>(33,604)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (118,828)

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR** 120,235

**CASH AND CASH EQUIVALENTS - END OF YEAR** \$ 1,407

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**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**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 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.



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

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CONTRIBUTIONS**

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

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.

**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 endeavor 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)**

**AUTOS, FURNITURE AND EQUIPMENT**

Effective with the October 1, 1994 cooperative endeavor between LSUMC 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 LSUMC. Therefore, equipment purchased with funds provided by LSUMC during the fiscal year ended June 30, 1998 has been capitalized and recorded in the Statement of Financial Position. In addition, the costs of automobiles, furniture, and office equipment purchased with funds provided by federal award programs have been capitalized and recorded in the Statement of Financial 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, 1998.

**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 (LSUMC). SELAHEC also receives grants through federal and state agencies. The continued operations of SELAHEC are dependent upon the renewal by these funding sources.

**ADVERTISING COSTS**

Advertising costs are expensed as incurred. Advertising expense totaled \$4,928 for the year.

**NOTE B**

**AUTOS, FURNITURE AND EQUIPMENT**

As of June 30, 1998, SELAHEC held the following assets:

Vehicles	\$ 22,181
Equipment - Medical/Educational	2,538
Office Equipment	63,540
Office Equipment - Donated (Valued at Fair Market Value)	<u>22,715</u>
	110,974
Less: Accumulated Depreciation	<u>(57,695)</u>
	<u>\$ 53,279</u>

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

**NOTE B**

**AUTOS, FURNITURE AND EQUIPMENT (Continued)**

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, 1998 totaled \$21,636.

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

Furniture and Fixtures	\$ 8,037
Computer Hardware	15,794
Audio Visual Equipment	7,413
Office Equipment	7,371
Library Furniture and Fixtures	28,126
Computer Software	<u>2,308</u>
	<u>\$ 69,049</u>

**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, 1998 amounted to \$32,238.

**NOTE D**

**OPERATING LEASE AGREEMENTS**

SELAHEC leases office space under operating leases expiring in 1999.

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

1999	<u>\$ 40,500</u>
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Total rent expense incurred by SELAHEC was \$54,290.

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

**NOTE E**

**DEFERRED REVENUE - LSUMC**

The balance of Deferred Revenue - LSUMC reflected on the statement of financial position of SELAHEC pertain to advance funding provided by LSUMC for the costs associated with SELAHEC's Primary Care Elective Program.

Through SELAHEC's Primary Care Elective 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. This program operates primarily during the months of June through August.

Students who participate in this program 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 this program is effective, funding is requested throughout the contract year. This enables SELAHEC to have the cash available to pay the stipends to the participating students.

At June 30, 1998, SELAHEC had received approximately \$69,000 to fund the program. However, the actual amount of stipends earned by students pertaining to the 1997/1998 budget was approximately \$51,123. Thus, the remaining balance of approximately \$17,877 pertains to funding received to pay stipends which will be incurred in July and August of 1998.

**NOTE F**

**DEFERRED REVENUE - OTHER**

Deferred Revenue - Other consists of funds received but not earned as of June 30, 1998 pertaining to SELAHEC's contract with LSUMC, through its School of Dentistry, and its contracts with the other three Louisiana Area Health Education Centers (Southwest Louisiana, North Louisiana, and Central Louisiana) in regards to the Louisiana Area Health Education Center Evaluation Program. For these contracts, revenues are recognized as expenses are incurred. The amount of funds received, but not yet earned, as of June 30, 1998 for these two contracts is \$6,818 and \$7,701, respectively.

**NOTE G**

**COMMITMENTS**

As required by the guidelines of the Ryan White Title II program, SELAHEC has obtained a funding commitment from a financial institution in the amount of \$40,000. The financial institution is in the process of converting this commitment into a line of credit for the same amount. The line of credit is to be secured by the program revenues.



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

**NOTE H**

**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.

SOUTHEASTERN LOUISIANA AREA  
HEALTH EDUCATION CENTER FOUNDATION  
SUPPLEMENTARY INFORMATION

SCHEDULE I  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS  
JUNE 30, 1998

	LSUMC Funding	LLAPS Program	JTPA	Ryan White Title II/ HOPWA	Rural Aids Prevention Program	State Rural Health Outreach Program	Other Programs	Plant Fund	Totals
<b>ASSETS</b>									
Cash	\$ 401	\$ 1,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,407
Due from LSUMC	81,279	-	-	-	-	-	-	-	81,279
Grants Receivable	-	19,395	29,347	32,467	6,285	-	26,166	-	113,660
Other Receivables	50,959	-	-	-	-	-	-	-	50,959
Due from Other Programs	107,960	-	-	-	-	-	-	-	107,960
Deposits	300	-	-	-	-	-	-	-	300
Other Assets	2,865	201	48	-	-	-	-	-	3,114
Autos, Furniture and Equipment, Net	-	-	-	-	-	-	-	53,279	53,279
<b>Total Assets</b>	<b>\$ 243,764</b>	<b>\$ 20,602</b>	<b>\$ 29,395</b>	<b>\$ 32,467</b>	<b>\$ 6,285</b>	<b>\$ -</b>	<b>\$ 26,166</b>	<b>\$ 53,279</b>	<b>\$ 411,958</b>
<b>LIABILITIES</b>									
Accounts Payable	\$ 78,467	\$ 6,131	\$ 3,769	\$ 1,827	\$ 11	\$ -	\$ 1,242	\$ -	\$ 91,447
Deferred Revenue - LSUMC	17,877	-	-	-	-	-	-	-	17,877
Deferred Revenue - Other	14,519	-	-	-	-	-	-	-	14,519
Due to Other Programs	-	14,471	25,626	36,665	6,274	-	24,924	-	107,960
<b>Total Liabilities</b>	<b>110,863</b>	<b>20,602</b>	<b>29,395</b>	<b>38,492</b>	<b>6,285</b>	<b>-</b>	<b>26,166</b>	<b>-</b>	<b>231,803</b>
<b>NET ASSETS</b>									
Unrestricted - Designated for Future Expenditures	132,901	-	-	(6,025)	-	-	-	53,279	180,155
<b>Total Liabilities and Net Assets</b>	<b>\$ 243,764</b>	<b>\$ 20,602</b>	<b>\$ 29,395</b>	<b>\$ 32,467</b>	<b>\$ 6,285</b>	<b>\$ -</b>	<b>\$ 26,166</b>	<b>\$ 53,279</b>	<b>\$ 411,958</b>



SOUTHEASTERN LOUISIANA AREA  
HEALTH EDUCATION CENTER FOUNDATION  
SUPPLEMENTARY INFORMATION

SCHEDULE II  
COMBINING SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
For The Year Ended June 30, 1998

	LSUMC Funding	LLAPS Program	JTPA	Ryan White Title II/ HOPWA	Rural Aids Prevention Program	State Rural Health Outreach Program	Other Programs	Plant Fund	Totals
<b>SUPPORT AND REVENUE</b>									
Cooperative Endeavor with LSUMC - State Portion	\$ 523,719	-	-	\$ -	-	-	-	\$ -	\$ 523,719
Cooperative Endeavor with LSUMC - Federal Portion	76,279	-	-	-	-	-	-	-	76,279
Federal Grant Revenue	-	92,305	302,073	203,622	73,146	-	31,046	-	702,192
State Grant Revenue	-	-	-	-	-	5,162	6,366	-	11,528
Dental Revenue	13,999	-	-	-	-	-	-	-	13,999
Interest Income	1,784	-	-	-	-	133	-	-	1,917
Librarian Services	28,114	-	-	-	-	-	-	-	28,114
Continuing Education Revenue	24,173	-	-	-	-	-	-	-	24,173
Other	39,783	-	-	-	-	-	-	-	39,783
<b>Total Support and Revenue</b>	<b>707,851</b>	<b>92,305</b>	<b>302,073</b>	<b>203,622</b>	<b>73,146</b>	<b>5,295</b>	<b>37,412</b>	<b>-</b>	<b>1,421,704</b>
<b>EXPENSES</b>									
Salaries and Related Benefits	349,423	58,420	230,900	80,012	62,699	480	9,921	-	791,855
Supplies and Maintenance	44,906	8,247	20,521	4,311	2,213	528	2,279	-	83,005
Equipment Expense	4,381	968	8,323	1,750	-	-	-	-	15,422
Rent	33,465	1,784	25,850	3,143	-	-	919	-	65,161
Utilities	4,984	425	8,571	5,510	1,283	-	103	-	20,876
Travel	14,583	4,669	-	1,764	4,255	2,838	1,063	-	29,172
Library	44,777	-	-	-	-	-	-	-	44,777
Contractual	92,530	6,600	-	200	-	1,408	-	-	100,738
Professional Costs	28,938	1,875	1,206	4,549	2,400	-	5,132	-	44,100
Legal Expenses	2,832	-	-	-	-	-	-	-	2,832
Programs	17,977	-	-	-	-	-	-	-	17,977
Client Services	-	-	-	103,374	-	-	-	-	103,374
Dues and Conferences	8,322	-	-	817	327	-	-	-	9,466
Automotive Expenses	-	6,056	-	-	-	-	-	-	6,056
Depreciation	-	-	-	-	-	-	-	21,636	21,636
Other	3,325	20	7,665	1,034	-	41	18,030	3,371	33,486
<b>Total Expenses</b>	<b>650,443</b>	<b>89,064</b>	<b>303,036</b>	<b>206,464</b>	<b>73,177</b>	<b>5,295</b>	<b>37,447</b>	<b>25,007</b>	<b>1,389,933</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>57,408</b>	<b>3,241</b>	<b>(963)</b>	<b>(2,842)</b>	<b>(31)</b>	<b>-</b>	<b>(35)</b>	<b>(25,007)</b>	<b>31,771</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>103,565</b>	<b>-</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,682</b>	<b>148,384</b>
<b>OTHER CHANGES IN NET ASSETS</b>									
Interfund Transfers	(892)	-	826	-	31	-	-	-	-
Fixed Asset Acquisitions	(27,180)	(3,241)	-	(3,183)	-	-	-	33,604	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 132,901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,025)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,279</b>	<b>\$ 180,155</b>

**SOUTHEASTERN LOUISIANA AREA  
HEALTH EDUCATION CENTER FOUNDATION  
SUPPLEMENTARY INFORMATION**

**SCHEDULE III  
ALLOCATION OF PROGRAM MANAGEMENT AND GENERAL  
AND ADMINISTRATIVE EXPENSES  
For The Year Ended June 30, 1998**

Expense Description	Amount	Allocation	
		Program Management	General and Administrative
Salaries and Related Benefits	\$ 349,423	\$ 172,964	\$ 176,459
Supplies and Maintenance	44,906	22,228	22,678
Rent	33,465	16,565	16,900
Professional Costs	28,938	14,324	14,614
Depreciation	21,636	-	21,636
Travel	14,583	7,219	7,364
Dues and Conferences	8,322	4,119	4,203
Utilities	4,984	2,467	2,517
Equipment Expense	4,381	2,169	2,212
Legal Expenses	2,832	1,402	1,430
Other	6,696	3,315	3,381
Totals	<u>\$ 520,166</u>	<u>\$ 246,772</u>	<u>\$ 273,394</u>

**SOUTHEASTER LOUISIANA AREA  
HEALTH EDUCATION CENTER FOUNDATION  
SUPPLEMENTARY INFORMATION**

**SCHEDULE IV  
RURAL HEALTH OUTREACH SERVICES  
For The Year Ended June 30, 1998**

Rural Health Outreach Services expense consists of the following:

Federal Rural Health Outreach (LLAPS Program)	\$ 89,064
State Rural Health Outreach Program	<u>5,295</u>
 Total	 <u>\$ 94,359</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, 1998**

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Revenue Recognized</u>	<u>Federal Disbursements Expenditures</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
Direct Award:				
Rural Health Outreach	93.912	N/A	\$ 92,305	\$ 92,305
Passed-through Louisiana State University Medical Center:				
Area Health Education Centers - Model Programs	93.107	None	76,279	76,279
Passed-through City of New Orleans - Office of Health Policy:				
Ryan White Comprehensive Aids Resources Emergency Act of 1990 - Title I	93.914	98OHP0014C	14,211	14,211
Passed-through State Department of Health and Hospitals:				
Ryan White Comprehensive Aids Resources Emergency Act of 1990 - Title II	93.917	16527/17005	183,047	189,073
Women's Preventive Health Program	93.919	15617	16,835	16,835
Rural Aids Prevention Program	93.940	14547/16716	<u>73,146</u>	<u>73,146</u>
Subtotal - U.S. Department of Health and Human Services			<u>455,823</u>	<u>461,849</u>

**SOUTHEASTERN LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
For The Year Ended June 30, 1998**

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Revenue Recognized</u>	<u>Federal Disbursements Expenditure</u>
<b><u>U.S. Department of Labor</u></b>				
Passed-through State Department of Labor and the Tangipahoa Parish School System				
Job Training Partnership Act	17.246	1206	<u>\$ 302,073</u>	<u>\$ 302,073</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed-through State Department Health and Hospitals				
Housing Opportunities for Persons with Aids	14.241	16501	<u>20,575</u>	<u>20,575</u>
Total			<u>\$ 778,471</u>	<u>\$ 784,497</u>



**SOUTHEASTERN LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 1998**

**NOTE A**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the grant activity of **SOUTHEASTERN LOUISIANA AREA HEALTH EDUCATION CENTER FOUNDATION** and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE B**

**RECONCILIATION OF CONTRACT WITH LSUMC FUNDING**

The revenue from the Cooperative Endeavor with the Louisiana State University Medical Center (LSUMC) consists of the following:

State Portion	\$ 523,719
Federal Portion	<u>76,279</u>
Total	<u>\$ 599,998</u>

**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, 1998, and have issued our report thereon dated October 30, 1998. 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 statements 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 SELAHEC'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, 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

October 30, 1998

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON 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, 1998. 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 could 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.



In our opinion, SELAHEC complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

### 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 control 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 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 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, 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

October 30, 1998

**SOUTHEASTERN LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
For The Year Ended June 30, 1998**

**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 relative to the major federal award programs for SELAHEC are reported in Part C. of this Schedule.
7. The programs tested as major programs included:

<u>PROGRAM</u>	<u>CFDA No.</u>
Job Training Partnership Act	17.246
Ryan White Comprehensive Aids Resources Emergency Act of 1990 - Title II	93.917

8. The threshold for distinguishing Types A and B programs was \$300,000.
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, 1998**

There were no findings noted in the prior year audit.