

**IBERIA COMPREHENSIVE  
COMMUNITY HEALTH CENTER, INC.  
New Iberia, Louisiana**

**FINANCIAL AND COMPLIANCE REPORT**

**For the Year Ended May 31, 2021**

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# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Iberia Comprehensive Community Health Center, Inc.  
New Iberia, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of Iberia Comprehensive Community Health Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iberia Comprehensive Community Health Center, Inc.

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as of May 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have not previously audited Iberia Comprehensive Community Health Center, Inc.'s 2020 financial statements, the financial statements were audited by a predecessor auditor. The predecessor auditor expressed an unmodified audit opinion on those audited financial statements in the report dated November 30, 2020.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Compensation, Benefits and Other Payments, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of Iberia Comprehensive Community Health Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iberia Comprehensive Community Health Center, Inc.'s internal control over financial reporting and compliance.

*J. Walker & Company, APC*

Lake Charles, Louisiana

December 23, 2021



## **Basic Financial Statements**

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**STATEMENT OF FINANCIAL POSITION**  
**As of May 31, 2021**  
**With Summarized Comparative Totals as of May 31, 2020**

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 17,947,045	\$ 12,726,319
Patient accounts receivable, net	1,033,569	2,383,734
Supplies inventory	78,333	70,078
Prepaid expenses	89,480	66,678
Certificates of deposits	118,801	118,210
Other receivables	<u>127,734</u>	<u>174,292</u>
<b>Total Current Assets</b>	<u>19,394,962</u>	<u>15,539,311</u>
<b>Property, Plant, and Equipment:</b>		
Land and improvements	1,720,216	1,713,952
Building and improvements	15,896,858	14,390,766
Furniture and equipment	4,494,596	4,506,521
Construction in progress	404,011	349,951
Less accumulated depreciation	<u>(8,285,595)</u>	<u>(7,302,496)</u>
<b>Total Property and Equipment</b>	<u>14,230,086</u>	<u>13,658,694</u>
<b>Other Assets</b>		
Deposits	1,441	1,441
Certificate of deposit	124,549	123,463
Investments	<u>8,393,602</u>	<u>7,634,057</u>
<b>Total Other Assets</b>	<u>8,519,592</u>	<u>7,758,961</u>
<b>Total Assets</b>	<u>\$ 42,144,640</u>	<u>\$ 36,956,966</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 269,346	\$ 201,330
Accrued payroll and other liabilities	1,019,410	772,678
PPP loan payable	<u>1,844,163</u>	<u>1,844,163</u>
<b>Total Current Liabilities</b>	<u>3,132,919</u>	<u>2,818,171</u>
<b>Total Liabilities</b>	<u>3,132,919</u>	<u>2,818,171</u>
<b>Net Assets:</b>		
Without donor restrictions	<u>39,011,721</u>	<u>34,138,795</u>
<b>Total Net Assets</b>	<u>39,011,721</u>	<u>34,138,795</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 42,144,640</u>	<u>\$ 36,956,966</u>

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

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended May 31, 2021**  
**With Summarized Comparative Totals for the Year Ended May 31, 2020**

	<u>2021</u>	<u>2020</u>
<b>Revenue and Support - Without Donor Restrictions</b>		
Revenue		
Gross patient service revenue	\$ 22,284,257	\$ 18,912,766
Contractual allowances and discounts	(3,074,055)	(1,803,970)
Bad debts	-	(11,694)
Net patient service revenue	<u>19,210,202</u>	<u>17,097,102</u>
Grant, public health service	4,059,595	4,179,987
Other grants and contracts	2,116,239	251,545
Other sources	829,860	1,623,094
Interest income	163,379	173,054
Realized gain (loss) on investments	-	(24,536)
Unrealized gain (loss) on investments	<u>662,411</u>	<u>191,110</u>
Total Support	<u>7,831,484</u>	<u>6,394,254</u>
 Total Revenue and Support	 <u>27,041,686</u>	 <u>23,491,356</u>
<b>Expenses:</b>		
Program services:	15,835,149	15,508,064
Support Services:	<u>6,333,611</u>	<u>5,572,331</u>
Total Expenses	<u>22,168,760</u>	<u>21,080,395</u>
 Change in Net Assets - Without Donor Restriction	 4,872,926	 2,410,961
Net Assets at Beginning of Year	<u>34,138,795</u>	<u>31,727,834</u>
Net Assets at End of Year	<u>\$ 39,011,721</u>	<u>\$ 34,138,795</u>

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



**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended May 31, 2021**  
**With Summarized Comparative Totals for the Year Ended May 31, 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ 4,872,926	\$ 2,410,961
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	983,100	818,797
Change in allowance for doubtful accounts	-	21,872
(Increase) decrease in accounts receivable, patients	1,350,164	(2,207,549)
(Increase) decrease in supplies inventory	(8,255)	(30,472)
(Increase) decrease in prepaid expenses	(22,802)	41,930
(Increase) decrease in other receivables	46,558	223,573
Increase (decrease) in accounts payable	68,016	33,259
Increase (decrease) in accrued payroll and other liabilities	246,732	228,187
Total Adjustments	2,663,513	(870,403)
Net Cash Provided by (Used) Operating Activities	7,536,439	1,540,558
<b>Cash Flows from Investing Activities:</b>		
(Purchase) redemption of certificate of deposit	(1,677)	(1,061)
(Purchase) redemption of investments	(759,545)	(7,679,369)
Payments on construction in progress	(54,060)	(778,365)
Fixed asset acquisitions	(1,500,431)	(992,359)
Net Cash Provided by (Used) Investing Activities	(2,315,713)	(9,451,154)
<b>Cash Flows from Financing Activities:</b>		
Proceeds (payments to) from PPP Loan	-	1,844,163
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	5,220,726	(6,066,433)
<b>Cash and Cash Equivalents at Beginning of Period</b>	12,726,319	18,792,752
<b>Cash and Cash Equivalents at End of Period</b>	\$ 17,947,045	\$ 12,726,319

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



**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended May 31, 2021**  
**With Summarized Comparative Totals for the Year Ended May 31, 2020**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>	
		<u>General and Administrative</u>	<u>2021</u>	<u>2020</u>	
<b>Functional Expenses:</b>					
Salaries	\$ 8,859,690	\$ 3,551,795	\$ 12,411,485	\$ 11,501,567	
Fringe benefits	1,070,796	437,367	1,508,163	1,362,630	
Payroll taxes	611,664	249,835	861,499	808,166	
Consultants and contractual services	1,471,011	586,630	2,057,641	2,225,445	
Supplies	2,151,575	328,629	2,480,204	2,180,304	
Dues and subscriptions/printing	83,351	62,878	146,229	212,524	
Maintenance and repairs	185,053	98,696	283,749	507,575	
Insurance	-	163,727	163,727	132,361	
Travel and seminars	80,919	26,980	107,899	223,225	
Occupancy	173,650	64,227	237,877	152,507	
Legal and professional	-	66,623	66,623	91,502	
Telephone and communications	270,058	99,885	369,943	291,958	
Advertising and promotion	140,768	-	140,768	147,449	
Miscellaneous	18,951	253,914	272,865	339,289	
Service charges	-	58,606	58,606	54,464	
Recruitment cost	-	18,382	18,382	30,632	
<b>Total expenses before depreciation</b>	<u>15,117,486</u>	<u>6,068,174</u>	<u>21,185,660</u>	<u>20,261,598</u>	
Depreciation and amortization	<u>717,663</u>	<u>265,437</u>	<u>983,100</u>	<u>818,797</u>	
<b>Total expenses</b>	<u>\$ 15,835,149</u>	<u>\$ 6,333,611</u>	<u>\$ 22,168,760</u>	<u>\$ 21,080,395</u>	

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

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**May 31, 2021**

**Note 1 – Nature of Activities and Significant Accounting Policies**

**Organization and Purpose**

Iberia Comprehensive Community Health Center, Inc. (a nonprofit corporation) was incorporated April 26, 1985, to provide comprehensive health care to area residents, with particular emphasis on the socio-economically disadvantaged. The Organization is a federally qualified health center (FQHC).

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and applicable state codes. Accordingly, no provision for federal and state income taxes is included in the financial statements. The Organization's Form 990, Return of Organization Exempt for Income Tax, is subject to examination by the IRS, generally for three (3) years after it was filed.

**Method of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the FASB ASU 2016-14, Financial Statements of Not-for-Profit Entities. Under FASB ASU 2016-14, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions include amounts that are not subject to usage restrictions on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. Net assets with donor restrictions include assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by the actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

**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 and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Organization considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**May 31, 2021**

**Note 1 – Nature of Activity and Summary of Significant Accounting Policies (Continued)**

**Property and Equipment**

Property and equipment is stated at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Repairs and maintenance are charged to operations when incurred. Depreciation of property and equipment is computed principally by the straight-line method over the following estimated useful lives:

	Years
Building & improvements	15 - 30
Equipment, furniture and fixtures	3 - 10
Land improvements	20

**Advertising Expense**

The Organization expenses the cost of advertising as the expense is incurred. For the year ended May 31, 2021, the cost totaled \$140,768.

**Accounts Receivable**

The Organization records accounts receivable at the time of service according to fees developed from cost data of this and similar organizations. These amounts are often reduced because of the patients' inability to pay or because of disallowances and reductions from third party payers.

**Bad Debts**

The Organization uses the allowance method in accounting for its uncollectible accounts. The allowance account consists of an estimate of uncollectible accounts and a general reserve. Management's evaluation of the adequacy of the allowance is based on a continuing review of all accounts and includes a consideration of past patient history, any adverse situations that might affect the patient's ability to repay, and current economic conditions. Amounts charged-off that are subsequently recovered are recorded as income.

**Major Funding Source**

The Organization receives funds from DHHS, under section 330 of the Public Health Service Act (42 U.S.C. 254c). In accordance with DHHS policies, all funds disbursed should be in compliance with the specific terms of the grant agreements. DHHS may, at its discretion, request reimbursement for expenses or return of unexpended funds, or both, as a result of non-compliance by the Organization with the terms of the grants. In addition, if the Organization terminates its DHHS grant activities, all unexpended federal funds are to be returned to DHHS.

**Net Patient Service Revenue**

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered.

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**May 31, 2021**

**Note 1 – Nature of Activity and Summary of Significant Accounting Policies (Continued)**

**Inventory**

Supply inventories are stated at lower of cost, determined by the FIFO method, or market.

**Functional Expenses**

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

**Investments**

The Organization reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities

**Grants and Contributions**

Grants and contributions are recognized as income when received. The Board reports grants as temporarily restricted support if they are received with stipulations that limit the use of the funds. When grantor restrictions expire, temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All other support is recognized when earned.

**Risk Management**

The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters.

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**May 31, 2021**

**Note 2 – Patient Accounts Receivable**

Patient accounts receivable are comprised of the following for the year ending May 31, 2021:

Medicare	\$	1,428,922
Medicaid		589,714
Private		<u>249,494</u>
		2,268,130
Less allowance for doubtful accounts		<u>(1,234,561)</u>
<b>Patient Accounts Receivable, net</b>	<b>\$</b>	<b><u>1,033,569</u></b>

**Note 3 – Cost Report Receivable**

The Organization participates in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. The Organization participates in the Medicaid program as a federally qualified health center. Final settlements will be made upon completion of audits by program representatives.

**Note 4 – Economic Dependency**

The Organization receives a substantial portion of its total support and revenues from the federal government. During the year ended May 31, 2021, Iberia Comprehensive Community Health Center, Inc. recorded \$5,633,996 in grant support from the Department of Health and Human Services. This represents 19.5 % of total support and revenues for the year ended May 31, 2021.

**Note 5 – Functional Allocation of Expenses**

Expenses were allocated in the accompanying financial statements to program and supporting service functional expense groups. The methods of allocation were based on several factors such as utilization of office space as well as the Organization's estimates of the relative proportion of various staff members' time and effort between program and administrative functions.

**Note 6 – Concentrations of Credit Risk**

The Organization maintains several bank accounts at various banks, where account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, the Organization maintains deposit balances that exceed federally insured limits. The Organization deposits its cash with high quality financial institutions, and management believes the Organization is not exposed to significant credit risk on those amounts.

The majority of the Organization's patients are located in Iberia Parish Louisiana. The Organization grants credit without collateral to its patients. The mix of receivables from patients and third-party payers as of May 31, 2021 was as follows:

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**May 31, 2021**

Medicare	63 %
Medicaid	26
Private	<u>11</u>
	<u>100 %</u>

The mix of net patient revenues for the year ended May 31, 2021, was as follows:

Medicare	21 %
Medicaid	25
Private	<u>54</u>
	<u>100 %</u>

**Note 7 – Accrued Vacation**

The Organization allows employees to carry over unused vacation hours. The accrual is calculated based on the employee's pay rate at the end of the year. At May 31, 2021 accrued vacation totaled \$586,583.

**Note 8 – Charity Care**

The Organization provides care to patients who qualify under federal guidelines and other policies of the Organization at fees less than its established rates. The amount of charity care is reduced from the amount of fees for services presented in the statement of activities. The amount of charity care for disclosure purposes should be measured by costs, including direct and indirect costs. Management has calculated the costs associated with providing charity care utilizing the cost to charge ratio obtained from the Medicare cost report data. The amount of costs associated with charity care for the fiscal year ending May 31, 2021 was \$3,640,363.

**Note 9 – 401(k) Plan**

The Organization sponsors a 401(k) Plan covering substantially all of its employees. The employees may elect to make contributions pursuant to a salary reduction agreement upon meeting eligibility requirements. The Organization made matching contributions of \$426,790 for the year ended May 31, 2021.

**Note 10 – Investments**

The Organization applies GAAP for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair market hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**May 31, 2021**

Level 2 inputs are inputs (other than quoted prices in Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available).

The amortized cost and fair values measured on a recurring basis of investment securities as of May 31, 2021, are as follows:

	Amortized Cost	Fair Value	Unrealized Gain (Loss)
Certificate of deposits (Level 2 Observable Inputs)	\$ 243,350	\$ 243,350	\$ -
Equities and bonds (Level 1 quoted prices)	\$8,393,602	\$ 8,393,602	\$ 662,411

**Note 11 – Quantitative and Qualitative Liquidity and Availability of Resources**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the board of directors approves that action.

	<b>2021</b>
Current assets	\$ 19,394,962
Subtract: supplies inventory	(78,333)
Subtract: prepaid expenses	<u>(89,480)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 19,227,149</u>

**Note 12 – Fair Value of Instruments**

The Organization has a number of financial instruments, none of which is held for trading purposes. The Organization estimates that the fair value of all financial instruments at May 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly,



**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**May 31, 2021**

the estimates are not necessarily indicative of the amounts that the agency could realize in a current market exchange. The recorded values of cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, and accrued expenses approximate their fair values based on their short-term nature.

**Note 13 – Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2020, from which the summarized information was derived.

**Note 14 – PPP Loan Payable**

On May 1, 2020, the Organization was granted a loan (the "Loan") from Iberia Bank, in the aggregate amount of \$1,844,163, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a Note dated May 1, 2020, issued by the Borrower, matures on May 1, 2022, and bears interest at a rate of 1.00% per annum, payable monthly commencing on December 1, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before October 16, 2020. The Organization intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

**Note 15 – Subsequent Events**

The Organization evaluated its May 31, 2021, financial statements for subsequent events through December 23, 2021, which is the date the financial statements were available to be issued. The Organization is aware of following subsequent event which would require disclosure in the financial statements.

On the September 7, 2021, as authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender (First Horizon Bank) of record the payment \$1,844,163 in principal and \$24,742.52 in interest for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended May 31, 2021**

<u>Program Title</u>	<u>CFDA Number</u>	<u>Program Year</u>	<u>Program Receipts</u>	<u>Program Expenses</u>
U.S. Department of Health and Human Services				
Direct Programs:				
Health Center Cluster Section 330	93.527 *	6/1/20 - 5/31/21	\$ 4,059,595	\$ 4,059,595
Coronavirus Supplemental funding for Health Centers COVID-19	93.224 *	6/1/20 - 5/31/21	<u>1,574,401</u>	<u>1,574,401</u>
Total federal assistance			<u>\$ 5,633,996</u>	<u>\$ 5,633,996</u>

\* Programs considered major.

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER, INC.**  
**NEW IBERIA, LOUISIANA**  
**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended May 31, 2021**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Iberia Comprehensive Community Health Center, Inc. under programs of the federal government for the year ended May 31, 2021. The information in this schedule is presented in accordance with the requirements for *Title 2 of U.S. Code of Federal Regulations Part 200, Uniform Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance)*. The amounts presented in this schedule do not differ from the amounts presented in or used in the preparation of the financial statements.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**Note 3 – Indirect Cost Rate**

Iberia Comprehensive Community Health Center, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER  
SCHEDULE OF COMPENSTATION, BENEFITS AND OTHER PAYMENTS TO  
CHIEF EXECUTIVE OFFICER  
Year Ended May 31, 2021**

**Agency Head Name: Roderick Campbell, Chief Executive Officer**

**Paid from State Public Funds**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Benefits-Life, ADD, LTD	-
Car allowance	-
Total Compensation	<u>\$ -</u>

See independent auditors' report.



# J. WALKER & COMPANY<sup>APC</sup>

— ACCOUNTANTS AND ADVISORS —

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of  
Iberia Comprehensive Community Health Center, Inc.  
New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Iberia Comprehensive Community Health Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iberia Comprehensive Community Health Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iberia Comprehensive Community Health Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Iberia Comprehensive Community Health Center, Inc.'s internal control.

*A deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Iberia Comprehensive Community Health Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*J. Walker & Company, APC*

Lake Charles, Louisiana

December 23, 2021







# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of  
Iberia Comprehensive Community Health Center, Inc.  
New Iberia, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited Iberia Comprehensive Community Health Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Iberia Comprehensive Community Health Center, Inc.'s major federal programs for the year ended May 31, 2021. Iberia Comprehensive Community Health Center, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of Iberia Comprehensive Community Health Center, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Iberia Comprehensive Community Health Center, Inc.'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Iberia Comprehensive Community Health Center, Inc.'s compliance.

### *Opinion on Each Major Federal Program*

In our opinion, Iberia Comprehensive Community Health Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2021.

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## Report on Internal Control Over Compliance

Management of Iberia Comprehensive Community Health Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iberia Comprehensive Community Health Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iberia Comprehensive Community Health Center, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*J. Walker & Company, APC*

Lake Charles, Louisiana  
December 23, 2021





**IBERIA COMPREHENSIVE COMMUNITY HEALTH CENTER INC.**

**Summary Schedule of Prior Year Findings and Questioned Costs**

**Year Ended May 31, 2021**

**SECTION III - PRIOR YEAR FINDINGS**

**None**