

**SOUTHWEST LOUISIANA AREA  
HEALTH EDUCATION CENTER  
FOUNDATION**

Lafayette, Louisiana

Financial Report

Years Ended June 30, 2022 and 2021

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SWLAHEC as of June 30, 2022 and 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.

#### *Basis for Opinion*

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SWLAHEC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SWLAHEC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 SWLAHEC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SWLAHEC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant auditing findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary 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*, 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 schedule of expenditures of federal awards 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 November 7, 2022, on our consideration of SWLAHEC'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 effectiveness of the SWLAHEC's 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 SWLAHEC's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
November 7, 2022

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>		
Cash and Interest Bearing Deposits	\$ 1,068,736	\$ 1,295,166
Due from Other Agencies	1,776,005	1,079,034
Investments	990,641	-
Prepaid Expenses	<u>22,377</u>	<u>21,207</u>
Total Current Assets	<u>3,857,759</u>	<u>2,395,407</u>
 <b>PROPERTY AND EQUIPMENT (NET)</b>	 <u>1,014,235</u>	 <u>1,031,397</u>
 <b>OTHER ASSETS</b>		
Utility Deposits	<u>3,041</u>	<u>1,211</u>
 <b>TOTAL ASSETS</b>	 <u><b>\$ 4,875,035</b></u>	 <u><b>\$ 3,428,015</b></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Notes Payable - Current Portion	\$ -	\$ 16,440
Accounts Payable	117,358	124,998
Accrued Liabilities	149,041	137,135
Deferred Revenue	<u>295,950</u>	<u>222,548</u>
Total Current Liabilities	<u>562,349</u>	<u>501,121</u>
 <b>LONG-TERM LIABILITIES</b>	 <u>-</u>	 <u>463,592</u>
 <b>TOTAL LIABILITIES</b>	 <u>562,349</u>	 <u>964,713</u>
 <b>NET ASSETS</b>		
Without Donor Restrictions	4,286,970	2,450,983
With Donor Restrictions	<u>25,716</u>	<u>12,319</u>
Total Net Assets	<u>4,312,686</u>	<u>2,463,302</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><b>\$ 4,875,035</b></u>	 <u><b>\$ 3,428,015</b></u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF ACTIVITIES  
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES AND OTHER SUPPORT</b>		
Grant Revenue	\$13,636,937	\$ 6,405,089
Interest Income	6,189	599
Gain (Loss) on Investment Transactions:		
Unrealized	(9,359)	-
Miscellaneous Revenue	<u>17,603</u>	<u>7,683</u>
Total Unrestricted Revenues and Other Support	13,651,370	6,413,371
 <b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>		
Satisfaction of Equipment Acquisition Restrictions	<u>(13,397)</u>	<u>5,759</u>
 Total Revenues, Other Support, and Net Assets Released From Donor Restrictions	 <u>13,637,973</u>	 <u>6,419,130</u>
 <b>EXPENSES</b>		
Program Services:		
Health Education	10,756,701	4,635,897
Supporting Services:		
Management and General	<u>1,045,285</u>	<u>765,996</u>
Total Expenses	<u>11,801,986</u>	<u>5,401,893</u>
 <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	 <u>1,835,987</u>	 <u>1,017,237</u>
 <b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grant - Equipment	21,590	1,316
Equipment Acquisition Restrictions	<u>(8,193)</u>	<u>(7,075)</u>
 <b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	 <u>13,397</u>	 <u>(5,759)</u>
 <b>CHANGE IN NET ASSETS</b>	 1,849,384	 1,011,478
 NET ASSETS AT BEGINNING OF YEAR	 <u>2,463,302</u>	 <u>1,451,824</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 4,312,686</u>	 <u>\$ 2,463,302</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
JUNE 30, 2022**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	Safer Smarter Schools	COVID-19
Compensation and Related Expenses					
Salaries	\$ 504,092	\$ 206,480	\$ 272,039	\$ -	\$ 669,993
Employee Benefits					
Medical and Dental Insurance	72,428	18,554	26,440	-	14,706
401(k) Retirement Contributions	18,924	8,407	8,708	-	13,713
Payroll Taxes	39,394	15,999	20,021	-	51,380
	<u>634,838</u>	<u>249,440</u>	<u>327,208</u>	-	<u>749,792</u>
Conference Registration	-	-	-	-	250
Contractual Services	-	29,647	12,720	4,376,500	1,027,157
Depreciation	-	1,215	850	-	308
Equipment	-	-	-	-	310
Insurance	4,523	1,931	2,472	-	4,086
Interest	-	-	-	-	-
Marketing Expense	-	-	-	-	150
Meetings Expense	-	-	-	-	2,492
Other	389	8,350	-	20,000	-
Postage	-	-	-	24	-
Printing	-	-	-	-	-
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	1,991
Supplies	-	1,024	2,531	-	36,356
Travel and Transportation	-	322	1,191	-	22,281
Utilities and Telephone	-	3,243	-	-	-
	<u>-</u>	<u>3,243</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>\$ 639,750</u>	<u>\$ 295,172</u>	<u>\$ 346,972</u>	<u>\$ 4,396,524</u>	<u>\$ 1,845,173</u>

The accompanying notes are an integral part of these statements.



**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued  
JUNE 30, 2022**

	<u>Bring Back Louisiana</u>	<u>Nurse Family Partnership</u>	<u>Well Ahead</u>	<u>Cameron Parish Police Jury</u>	<u>Navigator</u>
Compensation and Related Expenses					
Salaries	\$ 251,393	\$ 240,642	\$ 45,720	\$ 68,879	\$ 308,665
Employee Benefits					
Medical and Dental Insurance	7,245	15,955	8,564	5,429	34,965
401(k) Retirement Contributions	2,578	9,358	1,853	2,662	5,604
Payroll Taxes	<u>20,051</u>	<u>18,365</u>	<u>3,578</u>	<u>5,317</u>	<u>23,091</u>
	281,267	284,320	59,715	82,287	372,325
Conference Registration	-	-	-	-	475
Contractual Services	24,452	58	482,805	-	482,686
Depreciation	-	2,310	-	-	667
Equipment	-	-	-	-	4,125
Insurance	1,593	761	476	540	4,281
Interest	-	-	-	-	-
Marketing Expense	-	-	-	-	3,149
Meetings Expense	856	-	-	-	746
Other	-	2,147	500	-	924
Postage	-	-	-	-	3,233
Printing	69	484	1,949	-	2,768
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	1,323	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	1,240
Supplies	3,723	118,919	409	-	13,866
Travel and Transportation	742	962	-	-	22,347
Utilities and Telephone	<u>-</u>	<u>1,693</u>	<u>44</u>	<u>-</u>	<u>6,748</u>
<b>TOTAL</b>	<u>\$ 312,702</u>	<u>\$ 411,654</u>	<u>\$ 547,221</u>	<u>\$ 82,827</u>	<u>\$ 919,580</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued  
JUNE 30, 2022**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
<b>Compensation and Related Expenses</b>						
Salaries	\$ 131,946	\$ 151,871	\$ 400,265	\$ 3,251,985	\$ 466,460	\$ 3,718,445
Employee Benefits						
Medical and Dental Insurance	16,958	28,495	33,054	282,793	51,207	334,000
401(k) Retirement Contributions	4,395	6,225	12,372	94,799	16,628	111,427
Payroll Taxes	<u>10,337</u>	<u>11,624</u>	<u>30,985</u>	<u>250,142</u>	<u>31,044</u>	<u>281,186</u>
	163,636	198,215	476,676	3,879,719	565,339	4,445,058
Conference Registration	-	-	1,410	2,135	885	3,020
Contractual Services	-	-	104,466	6,540,491	128,745	6,669,236
Depreciation	-	-	2,843	8,193	35,265	43,458
Equipment	-	-	-	4,435	930	5,365
Insurance	1,162	1,426	3,618	26,869	49,421	76,290
Interest	-	-	-	-	15,993	15,993
Marketing Expense	-	-	764	4,063	-	4,063
Meetings Expense	-	-	269	4,363	3,296	7,659
Other	-	-	3,627	35,937	65,438	101,375
Postage	-	-	1,197	4,454	578	5,032
Printing	-	-	1,680	6,950	834	7,784
Professional Fees	-	-	-	-	858	858
Rental Expense	-	-	8,201	8,201	-	8,201
Repairs and Maintenance	-	-	-	-	2,903	2,903
Stipends	-	-	18,300	19,623	-	19,623
Sponsorship Expenses	-	-	-	-	250	250
Subscriptions	-	-	353	3,584	3,273	6,857
Supplies	-	-	27,373	204,201	57,435	261,636
Travel and Transportation	1,719	-	20,892	70,456	18,055	88,511
Utilities and Telephone	<u>-</u>	<u>-</u>	<u>2,607</u>	<u>14,335</u>	<u>14,479</u>	<u>28,814</u>
<b>TOTAL</b>	<u>\$ 166,517</u>	<u>\$ 199,641</u>	<u>\$ 674,276</u>	<u>\$ 10,838,009</u>	<u>\$ 963,977</u>	<u>\$ 11,801,986</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
JUNE 30, 2021**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	Tulane	COVID-19
Compensation and Related Expenses					
Salaries	\$ 513,295	\$ 200,357	\$ 275,501	\$ 117,382	\$ 369,009
Employee Benefits					
Medical and Dental Insurance	70,284	13,633	18,728	55	2,259
401(k) Retirement Contributions	19,320	8,138	8,225	2,542	8,916
Payroll Taxes	39,103	15,727	20,543	9,015	28,684
	<u>642,002</u>	<u>237,855</u>	<u>322,997</u>	<u>128,994</u>	<u>408,868</u>
Conference Registration	-	3,278	-	-	-
Contractual Services	-	47,105	6,983	-	677,531
Depreciation	-	1,353	850	-	-
Equipment	-	-	-	-	-
Insurance	2,408	972	1,294	549	9,043
Interest	-	-	-	-	-
Marketing Expense	-	-	-	-	2,076
Meetings Expense	-	-	-	-	569
Other	462	-	-	-	-
Postage	-	139	13	-	-
Printing	-	-	-	-	-
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	846
Supplies	-	1,592	2,890	-	57,970
Travel and Transportation	-	-	169	3,519	7,505
Utilities and Telephone	-	2,568	-	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
TOTAL	<u>\$ 644,872</u>	<u>\$ 294,862</u>	<u>\$ 335,196</u>	<u>\$ 133,062</u>	<u>\$ 1,164,408</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued  
JUNE 30, 2021**

	<u>SNAP</u>	<u>Nurse Family Partnership</u>	<u>Well Ahead</u>	<u>Cameron Parish Police Jury</u>	<u>Navigator</u>
Compensation and Related Expenses					
Salaries	\$ 77,499	\$ 321,647	\$ 87,761	\$ 68,542	\$ 98,296
Employee Benefits					
Medical and Dental Insurance	13,402	25,396	11,103	6,801	11,572
401(k) Retirement Contributions	3,098	12,631	3,294	2,339	3,409
Payroll Taxes	5,939	24,861	6,560	5,285	7,291
	<u>99,938</u>	<u>384,535</u>	<u>108,718</u>	<u>82,967</u>	<u>120,568</u>
Conference Registration	-	-	498	-	85
Contractual Services	-	-	323,034	-	65,236
Depreciation	-	1,903	-	-	-
Equipment	376	-	-	-	-
Insurance	366	326	426	327	1,577
Interest	-	-	-	-	-
Marketing Expense	-	-	-	-	1,161
Meetings Expense	-	-	-	-	-
Other	-	667	-	111	294
Postage	-	480	-	-	354
Printing	2,925	-	-	-	523
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	526	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	163
Supplies	740	12,444	101	-	920
Travel and Transportation	4,100	1,403	-	-	783
Utilities and Telephone	-	1,685	777	-	1,813
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 108,445</u>	<u>\$ 403,443</u>	<u>\$ 434,080</u>	<u>\$ 83,405</u>	<u>\$ 193,477</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued  
JUNE 30, 2021**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 140,845	\$ 153,715	\$ 283,038	\$ 2,706,887	\$ 386,461	\$ 3,093,348
Employee Benefits						
Medical and Dental Insurance	20,434	24,248	38,244	256,159	29,801	285,960
401(k) Retirement Contributions	3,978	4,515	6,307	86,712	15,080	101,792
Payroll Taxes	10,707	11,109	21,729	206,553	27,911	234,464
	<u>175,964</u>	<u>193,587</u>	<u>349,318</u>	<u>3,256,311</u>	<u>459,253</u>	<u>3,715,564</u>
Conference Registration	-	-	250	4,111	725	4,836
Contractual Services	-	-	34,390	1,154,279	101,983	1,256,262
Depreciation	-	-	2,969	7,075	30,475	37,550
Equipment	-	-	5,410	5,786	-	5,786
Insurance	662	717	1,355	20,022	40,757	60,779
Interest	-	-	-	-	28,300	28,300
Marketing Expense	-	-	3,652	6,889	-	6,889
Meetings Expense	-	-	95	664	248	912
Other	-	-	3,992	5,526	1,131	6,657
Postage	-	-	3,439	4,425	154	4,579
Printing	-	-	1,977	5,425	318	5,743
Professional Fees	-	-	-	-	510	510
Rental Expense	-	-	2,500	2,500	182	2,682
Repairs and Maintenance	-	-	-	-	6,473	6,473
Stipends	-	-	21,500	22,026	-	22,026
Sponsorship Expenses	-	-	-	-	400	400
Subscriptions	-	-	721	1,730	2,357	4,087
Supplies	-	-	27,775	104,432	6,624	111,056
Travel and Transportation	1,972	-	5,750	25,201	70,777	95,978
Utilities and Telephone	-	-	2,652	9,495	15,329	24,824
	<u>-</u>	<u>-</u>	<u>2,652</u>	<u>9,495</u>	<u>15,329</u>	<u>24,824</u>
<b>TOTAL</b>	<u>\$ 178,598</u>	<u>\$ 194,304</u>	<u>\$ 467,745</u>	<u>\$ 4,635,897</u>	<u>\$ 765,996</u>	<u>\$ 5,401,893</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF CASH FLOWS  
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,849,384	\$ 1,011,478
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	43,458	37,550
Loss on Investment Transactions	9,359	-
Changes in Current Assets and Liabilities:		
Due from Other Agencies	(696,971)	(297,367)
Prepaid Expenses	(1,170)	(6,121)
Other Assets	(1,830)	(5)
Accounts Payable	(7,640)	69,911
Accrued Liabilities	11,906	21,603
Deferred Revenue	<u>73,402</u>	<u>167,200</u>
Net Cash Provided By Operating Activities	<u>1,279,898</u>	<u>1,004,249</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(26,296)	(54,069)
Purchase of Securities	<u>(1,000,000)</u>	<u>-</u>
Net Cash (Used In) Investing Activities	<u>(1,026,296)</u>	<u>(54,069)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	<u>(480,032)</u>	<u>(15,294)</u>
Net Cash (Used In) Financing Activities	<u>(480,032)</u>	<u>(15,294)</u>
NET CHANGE IN CASH AND EQUIVALENTS	(226,430)	934,886
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,295,166</u>	<u>360,280</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,068,736</u>	<u>\$ 1,295,166</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	<u>\$ 15,993</u>	<u>\$ 28,300</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

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

**Nature of Organization** – Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) is a Louisiana nonprofit corporation chartered on March 7, 1991. The mission of SWLAHEC is to improve health status through access to information, education and health services. The Organization seeks to improve health through numerous programs focusing on two main areas: 1) recruiting and educating health professionals and 2) educating the public on how to live healthier lives.

SWLAHEC is an independent nonprofit organization and a member of the national network of Area Health Education Centers (AHECs) operating in 48 states. AHECs are administered by the U.S. Health Resources and Services Administration’s Bureau of Health Professions. The AHEC network was launched in 1972 by federal legislation.

**Basis of Presentation** – The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Basis of Accounting** – The financial statements of SWLAHEC have been prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

**Contributions and Support** – All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires net assets with donor restrictions are reclassified as net assets without donor restrictions in the statement of activities.

**Cash and Cash Equivalents** – For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Investments** – The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in change in net assets in the accompanying Statement of Activities.

**Allowance for Doubtful Accounts** – SWLAHEC considers accounts receivable/due from other agencies to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded at June 30, 2022 and 2021.

The Organization generally does not require collateral, and the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

**Deferred Revenue** – Deferred revenue represents funding received for which the related expenses have not been incurred by the Organization. At June 30, 2022 and 2021 deferred revenues were \$295,950 and \$222,548, respectively.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Advertising** – Advertising costs are expensed as incurred. Marketing and advertising costs incurred during the fiscal years ended June 30, 2022 and 2021 was \$4,063 and \$6,889, respectively.

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

**Federal Financial Awards** – Revenues for direct and indirect federal contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis, and based on the units of service for those contracts which are on a fee for service basis. In the Statement of Activities, these revenues are referred to as ‘grant revenue’. Related contract receivables are referred to as ‘due from other agencies’ in the Statement of Financial Position.

**Donated Services** – SWLAHEC receives donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statements of activities because the criteria for recognition under Accounting Standards Codification (ASC) 958-605-50-1 have not been satisfied.

**Property and Equipment** – The Organization capitalizes all expenditures in excess of \$500 for property and equipment at historical cost at the date of acquisition. Property and equipment purchased with grant funds, excluding those purchased under the LSUHSC agreement as discussed below, are considered to be temporarily restricted. In the absence of donor stipulations regarding how long the asset must be used, SWLAHEC has adopted a policy of implying a time restriction that expires over the useful life of the assets. Depreciation is computed using the straight-line method over the assets’ estimated useful lives. Estimated useful lives for buildings are 39 years and equipment, furniture and fixtures have useful lives ranging from 5 to 10 years.

The cost of office furniture and equipment purchased under the cooperative endeavor between LSUHSC and SWLAHEC has not been capitalized. Title to the equipment purchased under this agreement remains with LSUHSC. The total cost of equipment at June 30, 2022 and 2021, purchased under the cooperative endeavor with LSUHSC, was \$101,391 and \$101,391, respectively.

**Impairments** – Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2022, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management’s estimate of the recoverability of these assets.

**Functional Allocation of Expenses** – The costs of providing the various programs and other 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.



**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Compensated Absences** – Employees of the Organization earn leave in varying amounts depending upon length of service. Accrual is capped at either 15 or 20 days depending upon years of service. As such, no employee may have more than 20 days of service accrued at any time. Subject to the above limitation, unused time is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 2022 and 2021, accrued annual leave totaled \$134,421 and \$132,312, respectively, and are included in accrued liabilities in the Statement of Financial Position.

**Income Taxes** – SWLAHEC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

As of June 30, 2022, tax returns for 2019, 2020, and 2021 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

**Revenue Recognition**

The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statement of Financial Position. Amounts deferred as of June 30, 2022 and 2021, totaled \$295,950 and \$222,548, respectively.

**Fair Value Considerations** - Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity's short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**Net Assets** – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of SWLAHEC’s management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SWLAHEC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**(B) INVESTMENTS**

Investments are stated at their fair value based on quoted prices in active markets. Investments as of June 30, 2022, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Depreciation</u>
Common Stocks	\$ 300,000	\$ 296,764	\$ 3,236
Mutual Funds	<u>700,000</u>	<u>693,877</u>	<u>6,123</u>
Total	<u>\$ 1,000,000</u>	<u>\$ 990,641</u>	<u>\$ 9,359</u>

**(C) DUE FROM OTHER AGENCIES**

Due from other agencies consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
State of Louisiana	\$ 789,072	\$ 423,850
Federal Government	630,776	317,834
Other	<u>356,157</u>	<u>337,350</u>
Total	<u>\$ 1,776,005</u>	<u>\$ 1,079,034</u>

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(D) PROPERTY AND EQUIPMENT**

Property and Equipment consist of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 256,424	\$ 256,424
Building	815,442	797,799
Equipment	255,252	231,106
Furniture and Fixtures	15,450	15,450
Improvements	16,949	14,798
Construction in Progress	<u>-</u>	<u>17,644</u>
	1,359,517	1,333,221
Less: Accumulated Depreciation	<u>(345,282)</u>	<u>(301,824)</u>
Total Fixed Assets	<u>\$ 1,014,235</u>	<u>\$ 1,031,397</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$43,458 and \$37,550, respectively.

**(E) RETIREMENT BENEFITS**

SWLAHEC maintains a 401(k) Retirement Plan for its employees. Generally, all employees are eligible to participate in the plan. The Organization's contribution was 4 percent of gross payroll for each eligible participant in fiscal years 2022 and 2021. Contributions made for the fiscal years ended June 30, 2022 and 2021 were \$111,426 and \$101,792, respectively.

**(F) CONCENTRATION OF CREDIT RISK**

SWLAHEC typically maintains cash and cash equivalents in local banks which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits of up to \$250,000 per institution. It is the opinion of management that the solvency of these financial institutions is not of concern at this time. The excess amount at June 20, 2022 was \$1,068,314.

The majority of SWLAHEC's revenues and accounts receivable are from contracts with the Louisiana Department of Health and Hospitals (DHH) and the U.S. Department of Health and Human Services. The contracts are administered by DHH under programs which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on the Organization could be severe.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(G) SUMMARY OF GRANTS/CONTRACT FUNDING**

SWLAHEC is funded through the following grants and contracts for the year ended June 30, 2022:

<u>Funding Source</u>	<u>Award Number</u>	<u>Support</u>
State of Louisiana Department of Health and Hospitals:		
COVID-19 – Safer, Smarter Schools	LAGOV: 2000609110	\$ 4,507,795
HIV Prevention Program	LAGOV: 2000418620	20,835
Fetal Infant Mortality Review	LAGOV: 2000491258	377,207
Nurse Family Partnership Program	LAGOV: 2000506411	468,678
WIC IV	LAGOV: 2000413422	184,798
WIC V	LAGOV: 2000420304	223,747
Launch	LAGOV: 2000432878	30,393
Launch	LAGOV: 2000432977	299,419
Well Ahead	LAGOV: 2000598624	597,131
Epidemiology and Laboratory- COVID-19	LAGOV: 2000494334	2,366,800
Immunization Cooperative Agreement- COVID-19	LAGOV: 2000494334	1,432,695
Center for Disease Control and Prevention		
Vaccine Equity and Access Program	NH23IP922653	44,115
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine	21-OME-200-SW	373,060
State of Louisiana Department of Public Safety:		
Louisiana Highway Safety Commission		
Social Norming for Alcohol Prevention	SRM: 2000531053	19,813
U.S. Department of Health and Human Services:		
Navigator Grant	NAVCA210438-01-00	781,689
Navigator Grant	NAVCA190369-02-02	229,500
Calcasieu Parish Police Jury		725,078
Cameron Parish Police Jury		91,109
Region V Task Force-Southern HIV Impact Fund		11,138
Tulane University		187,301
AHEC of a SMILE		56,276
Suicide Prevention		22,615
Harm Reduction		148,532
Bring Back Louisiana		325,820
Consumer State Advocacy Project		14,753
Other		34,980
Southwest Louisiana Area Health Education Center:		
Eat, Play, Grow		<u>61,660</u>
Total		<u>\$13,636,937</u>

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(G) SUMMARY OF GRANTS/CONTRACT FUNDING – (continued)**

Approximately 77% of the total fiscal year 2022 grants and contract revenues are provided by the State of Louisiana Department of Health and Hospitals through various grant programs. Approximately 3% is provided by the Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Health Sciences Center (LSUHSC).

LSUHSC has been awarded a grant by the state government, and the agreement entered into between LSUHSC and SWLAHEC for providing services fulfills the purpose of the grant. Another 1% of the total fiscal year 2022 grants and contracts revenue is provided by the U.S. Department of Health and Human Services for the Navigator grant. In addition, the Organization has entered into various agreements with state and local agencies to provide various health related services amounting to the remaining 19% of grant and contract revenues.

**(H) LONG-TERM DEBT**

On February 12, 2019, the Organization entered into a \$500,000 note payable for the purchase and rehabilitation of a building. The terms of the loan are interest only payments for 12 consecutive months beginning March 12, 2019 then 227 monthly principal and interest payments of \$3,632.74 beginning March 12, 2020 with one final payment of \$1,989.06 on December 12, 2038. The loan bears interest at 5.75 percent per annum and the Organization drew down the funds on an as needed basis during the rehabilitation process, which has been completed.

On December 30, 2021, the loan was paid off.

The following is a summary of long-term debt and pledged assets at June 30,

	2022	2021
Note payable-bank dated February 12, 2019, bearing interest at 5.75 percent per annum, the loan is secured by a mortgage on the land and building.	\$ -	\$ 480,032
Less: Current Portion	-	(16,440)
Long-Term Portion	\$ -	\$ 463,592

Interest expense for the years ended June 30, 2022 and 2021 totaled \$15,993 and \$28,300, respectively.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(I) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Equipment	\$ <u>25,716</u>	\$ <u>12,319</u>

**(J) NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or the expiration of time during the years ended June 30, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Equipment	\$ <u>8,193</u>	\$ <u>7,075</u>

**(K) FINANCIAL INSTRUMENTS**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with several high-quality financial institutions. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of June 30, 2022, the Organization's cash balance was underinsured by \$1,068,314.

The fair values of SWLAHEC's financial instruments are as follows:

Cash and short-term investments – The carrying amount approximates fair value because of the short maturities of those investments.

**(L) FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis as of June 30, 2022, are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Common Stocks	\$ 296,764	\$ 296,764	\$ -
Mutual Funds	<u>693,877</u>	<u>693,877</u>	-
Total	<u>\$ 990,641</u>	<u>\$ 990,641</u>	<u>\$ -</u>

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(M) RELATED PARTY TRANSACTIONS**

In May 2022 the Organization entered into an agreement with a company owned by a board member for talent sourcing and staffing services to recruit new positions. The terms of this agreement require a monthly retainer of \$10,000. As of June 30, 2022, the Organization has paid \$20,000 to this company.

**(N) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR**

A detail of compensation, benefits, and other payments paid to the Executive Director, Brian Burton, for the year ended June 30, 2022:

<u>Purpose</u>	<u>Brian Burton</u>
Salary	\$ 219,282
Benefits – Insurance	\$ 7,796
Benefits – Retirement	\$ 8,771

**(O) LIQUIDITY AND AVAILABILITY**

The Organization has \$3,835,382 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,068,736 and receivables of \$1,776,005, and investments of \$990,641. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

**(P) SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 7, 2022, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**



**INTERNAL CONTROL, COMPLIANCE  
AND OTHER GRANT INFORMATION**

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2022**

Program Title	Assistance Listing #	Federal Assistance I.D. Number	Pass-Through Grantor Number	Expenditures	Paid to Subrecipients
<b>DIRECT PROGRAMS:</b>					
<b>U.S. Department of Health and Human Services-</b>					
PHF - 2019 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	* NAVCA210438-01-00	-	\$ 781,689	\$ 275,192
PHF - 2020 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	* NAVCA190369-02-00	-	61,546	17,984
PHF - 2020 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	* NAVCA190369-02-02	-	167,954	-
<b>PASS-THROUGH PROGRAMS:</b>					
<b>U.S. Department of Health and Human Services-</b>					
State Department of Health and Hospitals:					
Fetal Infant Mortality Review	93.994	N/A	LAGOV: 2000491258	323,934	-
Nurse Family Partnership	93.994	N/A	LAGOV: 2000506411	250,756	-
Maternal and Child Health Block Grant - Launch	93.994	N/A	LAGOV: 2000432977	129,735	-
HIV Prevention Activities - Health Department Based	93.940	N/A	LAGOV: 2000418620	20,835	-
Maternal Depression -Early Childhood Comprehensive System-Impact	93.110	N/A	LAGOV: 2000432878	3,033	-
Maternal Depression -Early Childhood Comprehensive System-Impact	93.110	N/A	LAGOV: 2000608126	27,360	-
Maternal Depression - Launch	93.110	N/A	LAGOV: 2000432977	169,684	-
Well Ahead Program	93.758	N/A	LAGOV: 2000598624	597,131	-
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	N/A	LAGOV: 2000506411	217,922	-
Epidemiology and Laboratory Capacity for Infection Disease-COVID	93.323	N/A	LAGOV: 2000494334	2,366,800	-
Epidemiology and Laboratory Capacity for Infection Disease-Safe Schools -COVID	93.323	N/A	LAGOV: 2000609110	4,507,795	-
Immunization Cooperative Agreements - COVID	93.268	*	LAGOV: 2000540771	1,432,695	-
Preventing Maternal Deaths: Supporting Maternal Review	93.478	N/A	LAGOV: 2000491258	39,281	-
Community Catalyst, Inc.					
Vaccine Equity and Access Program - COVID	93.185	NH23IP922653	2021-VEAP-LA-SLAHEC	44,115	-
Louisiana State University Health Sciences Center:					
Area Health Model Program	93.107	N/A	19-OME-201-SW-A3	102,526	-
Imperial Calcasieu Human Services Authority:					
Substance Abuse Block Grant - Suicide Prevention and Education	93.959	N/A	-	22,615	-
Substance Abuse Block Grant - Harm Reduction	93.959	N/A	-	112,884	-
Harm Reduction - Opioid STR	93.778	N/A	-	35,648	-

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued  
JUNE 30, 2022**

Program Title	Assistance Listing #	Federal Assistance I.D. Number	Pass-Through Grantor Number	Expenditures	Paid to Subrecipients
<b>PASS-THROUGH PROGRAMS:</b>					
<b>U.S. Department of Agriculture-</b>					
State Department of Health and Hospitals:					
WIC IV	10.557	N/A	LAGOV: 2000413422	\$ 184,798	\$ -
WIC V	10.557	N/A	LAGOV: 2000420304	223,747	-
<b>U.S. Department of Transportation-</b>					
State Department of Public Safety and Corrections:					
SNAP Partnership Grant	20.607	N/A	2021-55-15	19,813	-
<b>Consumer Product Safety Commission-</b>					
State Department of Health and Hospitals:					
Virginia Graeme Baker Pool and Spa Safety Grant	87.002	N/A	LAGOV: 2000491258	<u>13,992</u>	<u>-</u>
Total Expenditures				<u>\$ 11,858,288</u>	<u>\$ 293,176</u>

\* - denotes a major program.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
JUNE 30, 2022**

**(A) BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Southwest Louisiana Area Health Education Center Foundation under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as reimbursements.
- (2) Pass-through entity identifying numbers are presented where available.

**(C) INDIRECT COST RATE**

SWLAHEC has elected not to use the 10% de minimis indirect cost rate for the year ended June 30, 2022.

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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## 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

LANCE E. CRAPPELL, CPA, CGMA \*

MICAH R. VIDRINE, CPA \*

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The Board of Directors  
Southwest Louisiana Area Health  
Education Center Foundation  
Lafayette, 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 Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2022.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SWLAHEC's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWLAHEC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SWLAHEC'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.

Our consideration of 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. 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 SWLAHEC’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 financial statements. 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.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
November 7, 2022

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

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

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Southwest Louisiana Area Health Education Center Foundation's (SWLAHEC) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of SWLAHEC's major federal programs for the year ended June 30, 2022. SWLAHEC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, SWLAHEC 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 June 30, 2022.

#### *Basis for Opinion on Each Major Federal Program*

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; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SWLAHEC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SWLAHEC's compliance with the compliance requirements referred to above.

### ***Opinion on Each Major Federal Program***

In our opinion, SWLAHEC 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 June 30, 2022.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to SWLAHEC's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SWLAHEC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SWLAHEC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SWLAHEC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SWLAHEC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 SWLAHEC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

This report is intended for the information of the management and Board of Directors of Southwest Louisiana Area Health Education Center Foundation and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
November 7, 2022

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation as of and for the year ended June 30, 2022 and have issued our report thereon dated November 7, 2022. 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. Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

***Section I - Summary of Auditors' Reports***

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

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. *Federal Awards*

Major Programs Identification

SWLAHEC at June 30, 2022, had two major programs:

- Department of Health and Human Services -Assistance Listing No. 93.332 – Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges
- Department of Health and Human Services – Assistance Listing No. 93.268 – Immunization Cooperative Agreements – COVID-19

Low-Risk Auditee

SWLAHEC is considered a low-risk auditee for the year ended June 30, 2022.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2022.

Auditors' Report - Major Programs

An unmodified opinion has been issued on SWLAHEC's compliance for its major programs as of and for the year ended June 30, 2022.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued  
YEAR ENDED JUNE 30, 2022**

***Section I - Summary of Auditors' Reports - continued***

Significant Deficiencies – Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

***Section II - Financial Statement Findings***

There were no findings in the current year.

***Section III - Federal Awards Findings and Questioned Costs***

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2022**

There were no prior year findings.

**SOUTHWEST LOUISIANA AREA  
HEALTH EDUCATION CENTER INC.**  
Lafayette, Louisiana

Independent Accountants' Report  
On Applying Agreed-Upon Procedures

Year Ended June 30, 2022

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management  
Southwest Louisiana Area Health Education  
Center Foundation  
Lafayette, Louisiana

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2021, through June 30, 2022. Southwest Louisiana Area Health Education Center Foundation's management is responsible for those control and compliance areas identified in the SAUPs.

Southwest Louisiana Area Health Education Center Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating management's assertions about Southwest Louisiana Area Health Education Center Foundation's compliance with certain laws, regulations, and best practices. Additionally, the Legislative Auditor, State of Louisiana, has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1) Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

*Written Policies and procedures were obtained and address the functions noted above.*

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Written Policies and procedures were obtained and address the functions noted above.*

- c) **Disbursements**, including processing, reviewing, and approving

*Written Policies and procedures were obtained and address the functions noted above.*

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

*Written Policies and procedures were obtained and address the functions noted above.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

*Written policies and procedures were obtained and address the functions noted above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*Written policies and procedures were obtained and address the functions noted above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

*Written policies and procedures were obtained and address the functions noted above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*This section is not applicable for nonprofit organizations.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*This section is not applicable for nonprofit organizations.*

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Written policies and procedures were obtained and address the functions noted above.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Written policies and procedures were obtained and address the functions noted above.*

### ***Board (or Finance Committee, if applicable)***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions were found as a result of this procedure.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds and semi-annual budget to-actual, at a minimum, on all special revenue funds.

*This section was not applicable for nonprofit organizations.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*This section was not applicable for nonprofit organizations.*

### ***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained a listing of bank accounts and management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*No exceptions were found as a result of this procedure.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and



*No exceptions were found as a result of this procedure.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were found as a result of this procedure.*

### ***Collections***

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Obtained listing of deposits sites and management's representation that the listing is complete.*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions were found as a result of this procedure.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*No exceptions were found as a result of this procedure.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*No exceptions were found as a result of this procedure.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*No exceptions were found as a result of this procedure.*

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

*No exceptions were found as a result of this procedure.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions were found as a result of this procedure.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions were found as a result of this procedure.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions were found as a result of this procedure.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of this procedure.*

**Non-Payroll Disbursements (excluding card purchase/payments, travel reimbursements, and petty cash purchases)**

---

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Obtained listing and management’s representation that the listing is complete.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions were found as a result of this procedure.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions were found as a result of this procedure.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exceptions were found as a result of this procedure.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions were found as a result of this procedure.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

*No exceptions were found as a result of this procedure.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions were found as a result of this procedure.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Obtained listing and management's representation that the listing is complete.*

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*No exceptions were found as a result of this procedure.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions were found as a result of this procedure.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*No exceptions were found as a result of this procedure.*

### ***Travel and Expense Reimbursement***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Obtained a listing and management's representation that the listing is complete.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions were found as a result of this procedure.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No exceptions were found as a result of this procedure.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No exceptions were found as a result of this procedure.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions were found as a result of this procedure.*

## ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Obtained listing and management's representation that the listing is complete.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No exceptions were found as a result of this procedure.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*No exceptions were found as a result of this procedure.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

*No exceptions were found as a result of this procedure.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of this procedure.*

## ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Obtained listing and management's representation that the listing is complete.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions were found as a result of this procedure.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*No exceptions were found as a result of this procedure.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No exceptions were found as a result of this procedure.*

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*No exceptions were found as a result of this procedure.*

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

*No exceptions were found as a result of this procedure.*

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were found as a result of this procedure.*

**Ethics (excluding nonprofits)**

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- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*This section is not applicable for nonprofit organizations.*

- b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*This section is not applicable for nonprofit organizations.*

***Debt Service (excluding nonprofits)***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*This section is not applicable for nonprofit organizations.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*This section is not applicable for nonprofit organizations.*

***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No exceptions were found as a result of this procedure.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were found as a result of this procedure.*

***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, verbally discuss the results with management, and report **“We performed the procedure and discussed the results with management.”**

- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*We performed the procedure and discussed the results with management.*

- b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No exceptions found as a result of this procedure.*

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Per review of grant documents, the entity is not subject to the following, R.S. 42:342-344.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
  - a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;
  - c. Number of complaints which resulted in a finding that sexual harassment occurred;
  - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e. Amount of time it took to resolve each complaint.

*Per review of grant documents, the entity is not subject to the following, R.S. 42:342-344.*

We were engaged by Southwest Louisiana Area Health Education Center Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on management's financial records and compliance with applicable laws and regulations. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



We are required to be independent of Southwest Louisiana Area Health Education Center Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Southwest Louisiana Area Health Education Center Foundation and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
September 24, 2022