

**SOUTHWEST LOUISIANA AREA  
HEALTH EDUCATION CENTER  
FOUNDATION**

Lafayette, Louisiana

Financial Report

Years Ended June 30, 2023 and 2022

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OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

## INDEPENDENT AUDITOR'S REPORT

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

### *Opinion*

We have audited the accompanying 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, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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, 2023, 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 Auditor's 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.

### **Prior Period Financial Statements**

The financial statements of Southwest Louisiana Area Health Education Center Foundation as of June 30, 2022, were audited by other auditors whose report dated November 7, 2022, expressed an unmodified opinion on those statements.

### ***Auditor's 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 auditor's 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 20, 2023, 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.

***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

November 20, 2023

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and Interest Bearing Deposits	\$ 650,960	\$ 1,068,736
Certificate of Deposit	775,000	-
Due from Other Agencies	1,599,847	1,776,005
Investments	1,060,183	990,641
Prepaid Expenses	23,329	22,377
Total Current Assets	<u>4,109,319</u>	<u>3,857,759</u>
 <b>PROPERTY AND EQUIPMENT (NET)</b>	 <u>1,132,143</u>	 <u>1,014,235</u>
 <b>OTHER ASSETS</b>		
Utility Deposits	<u>4,502</u>	<u>3,041</u>
 <b>TOTAL ASSETS</b>	 <u><b>\$ 5,245,964</b></u>	 <u><b>\$ 4,875,035</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
 <b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 190,786	\$ 117,358
Accrued Liabilities	165,431	149,041
Deferred Revenue	294,481	295,950
Total Current Liabilities	<u>650,698</u>	<u>562,349</u>
 <b>TOTAL LIABILITIES</b>	 <u><b>650,698</b></u>	 <u><b>562,349</b></u>
 <b>NET ASSETS</b>		
Without Donor Restrictions	4,567,549	4,286,970
With Donor Restrictions	27,717	25,716
Total Net Assets	<u>4,595,266</u>	<u>4,312,686</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><b>\$ 5,245,964</b></u>	 <u><b>\$ 4,875,035</b></u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES AND OTHER SUPPORT</b>		
Grant Revenue	\$10,240,131	\$13,636,937
Interest Income	44,656	6,189
Gain (Loss) on Investment Transactions:		
Unrealized	63,799	(9,359)
Realized	(10,661)	-
Miscellaneous Revenue	20,625	17,603
Total Unrestricted Revenues and Other Support	10,358,550	13,651,370
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>		
Satisfaction of Equipment Acquisition Restrictions	(2,001)	(13,397)
Total Revenues, Other Support, and Net Assets Released From Donor Restrictions	10,356,549	13,637,973
<b>EXPENSES</b>		
Program Services:		
Health Education	9,024,347	10,838,009
Supporting Services:		
Management and General	1,051,623	963,977
Total Expenses	10,075,970	11,801,986
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	280,579	1,835,987
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grant - Equipment	9,990	21,590
Equipment Acquisition Restrictions	(7,989)	(8,193)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	2,001	13,397
<b>CHANGE IN NET ASSETS</b>	282,580	1,849,384
<b>NET ASSETS AT BEGINNING OF YEAR</b>	4,312,686	2,463,302
<b>NET ASSETS AT END OF YEAR</b>	\$ 4,595,266	\$ 4,312,686

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR JUNE 30, 2023**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	Safer Smarter Schools	COVID-19
Compensation and Related Expenses					
Salaries	\$ 490,460	\$ 257,924	\$ 271,131	\$ -	\$ 62,645
Employee Benefits					
Medical and Dental Insurance	59,682	24,960	28,800	-	7,562
401(k) Retirement Contributions	16,151	7,657	8,840	-	1,542
Payroll Taxes	39,202	18,791	20,201	-	5,007
	<u>605,495</u>	<u>309,332</u>	<u>328,972</u>	<u>-</u>	<u>76,756</u>
Conference Registration	-	3,956	-	-	225
Contractual Services	-	116,778	20,065	2,937,750	44,813
Depreciation	-	-	-	-	-
Equipment	-	-	-	-	-
Incentives	-	200	-	-	-
Insurance	10,434	5,341	5,845	-	1,237
Interest	-	-	-	-	-
Marketing Expense	-	-	-	-	-
Meetings Expense	-	-	-	-	152
Other	-	10,989	-	-	-
Postage	-	30	-	53	-
Printing	-	-	-	-	-
Professional Fees	-	-	-	-	-
Rental Expense	-	1,500	-	-	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	662
Supplies	-	14,069	2,237	-	1,672
Travel and Transportation	505	7,102	4,429	-	10,877
Utilities and Telephone	-	2,288	-	-	-
	<u>-</u>	<u>2,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b>\$ 616,434</b>	<b>\$ 471,585</b>	<b>\$ 361,548</b>	<b>\$ 2,937,803</b>	<b>\$ 136,394</b>

The accompanying notes are an integral part of these statements.



**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued  
FOR THE YEAR JUNE 30, 2023**

	Nurse Family Partnership	Well Ahead	Cameron Parish Police Jury	Navigator
Compensation and Related Expenses				
Salaries	\$ 185,644	\$ 63,641	\$ 70,819	\$ 503,343
Employee Benefits				
Medical and Dental Insurance	24,361	9,295	6,721	69,168
401(k) Retirement Contributions	3,889	2,469	1,729	10,849
Payroll Taxes	14,707	4,836	5,529	39,396
	<u>228,601</u>	<u>80,241</u>	<u>84,798</u>	<u>622,756</u>
Conference Registration	-	-	-	889
Contractual Services	-	599,728	-	746,597
Depreciation	-	-	-	-
Equipment	-	-	-	7,203
Incentives	-	-	-	-
Insurance	1,310	1,315	1,484	12,341
Interest	-	-	-	-
Marketing Expense	-	-	-	9,777
Meetings Expense	-	-	-	2,966
Other	26	800	-	585
Postage	48	-	-	3,487
Printing	-	991	-	15,183
Professional Fees	-	-	-	-
Rental Expense	-	-	-	-
Repairs and Maintenance	-	-	-	-
Stipends	-	3,435	-	-
Sponsorship Expenses	-	-	-	150
Subscriptions	-	-	-	2,493
Supplies	23,537	180	-	43,375
Travel and Transportation	7,625	-	-	70,218
Utilities and Telephone	1,808	-	-	19,677
	<u>\$ 262,955</u>	<u>\$ 686,690</u>	<u>\$ 86,282</u>	<u>\$ 1,557,697</u>
TOTAL	<u>\$ 262,955</u>	<u>\$ 686,690</u>	<u>\$ 86,282</u>	<u>\$ 1,557,697</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued  
FOR THE YEAR JUNE 30, 2023**

	<u>WIC IV</u>	<u>WIC V</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Compensation and Related Expenses						
Salaries	\$ 204,365	\$ 203,821	\$ 701,761	\$ 3,015,554	\$ 560,220	\$ 3,575,774
Employee Benefits						
Medical and Dental Insurance	19,114	31,908	57,376	338,947	52,974	391,921
401(k) Retirement Contributions	4,043	5,186	16,652	79,007	18,470	97,477
Payroll Taxes	15,844	16,210	55,209	234,932	39,197	274,129
	<u>243,366</u>	<u>257,125</u>	<u>830,998</u>	<u>3,668,440</u>	<u>670,861</u>	<u>4,339,301</u>
Conference Registration	-	-	811	5,881	1,520	7,401
Contractual Services	-	-	268,196	4,733,927	170,451	4,904,378
Depreciation	-	-	-	-	44,306	44,306
Equipment	-	-	4,179	11,382	1,419	12,801
Incentives	-	-	11,951	12,151	-	12,151
Insurance	4,287	4,290	14,723	62,607	55,969	118,576
Marketing Expense	-	-	1,197	10,974	-	10,974
Meetings Expense	-	-	17,958	21,076	3,905	24,981
Other	-	-	2,780	15,180	3,522	18,702
Postage	-	-	4,679	8,297	659	8,956
Printing	-	-	2,308	18,482	534	19,016
Professional Fees	-	-	385	385	46,725	47,110
Rental Expense	-	-	106,034	107,534	-	107,534
Repairs and Maintenance	-	-	-	-	3,501	3,501
Stipends	-	-	27,000	30,435	40	30,475
Sponsorship Expenses	-	-	-	150	-	150
Subscriptions	-	-	1,212	4,367	1,807	6,174
Supplies	-	-	52,381	137,451	15,572	153,023
Travel and Transportation	2,565	1,783	37,566	142,670	14,931	157,601
Utilities and Telephone	-	-	9,185	32,958	15,901	48,859
	<u>-</u>	<u>-</u>	<u>9,185</u>	<u>32,958</u>	<u>15,901</u>	<u>48,859</u>
<b>TOTAL</b>	<u>\$ 250,218</u>	<u>\$ 263,198</u>	<u>\$ 1,393,543</u>	<u>\$ 9,024,347</u>	<u>\$ 1,051,623</u>	<u>\$ 10,075,970</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR JUNE 30, 2022**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	Safer Smarter Schools	COVID-19
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
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>-</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>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL	<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  
FOR THE YEAR 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  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>WIC IV</u>	<u>WIC V</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Compensation and Related Expenses						
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	10,337	11,624	30,985	250,142	31,044	281,186
	<u>163,636</u>	<u>198,215</u>	<u>476,676</u>	<u>3,879,719</u>	<u>565,339</u>	<u>4,445,058</u>
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	-	-	2,607	14,335	14,479	28,814
	<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**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 282,580	\$ 1,849,384
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	44,306	43,458
(Gain) Loss on Investment Transactions	(63,799)	9,359
Changes in Current Assets and Liabilities:		
Due from Other Agencies	176,158	(696,971)
Prepaid Expenses	(952)	(1,170)
Other Assets	(1,461)	(1,830)
Accounts Payable	73,428	(7,640)
Accrued Liabilities	16,390	11,906
Deferred Revenue	(1,469)	73,402
Net Cash Provided By Operating Activities	525,181	1,279,898
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Certificates of Deposit	(775,000)	-
Purchase of Fixed Assets	(162,214)	(26,296)
Proceeds from Sale of Securities	261,511	-
Purchase of Securities	(267,254)	(1,000,000)
Net Cash (Used In) Investing Activities	(942,957)	(1,026,296)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	-	(480,032)
Net Cash (Used In) Financing Activities	-	(480,032)
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	(417,776)	(226,430)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,068,736	1,295,166
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 650,960	\$ 1,068,736
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	\$ -	\$ 15,993

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**(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, 2023 and 2022.

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, 2023 and 2022 deferred revenues were \$294,481 and \$295,950, respectively.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**(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, 2023 and 2022 was \$10,974 and \$4,063, 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, 2023 and 2022, 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, 2023, 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, 2023 AND 2022**

**(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, 2023 and 2022, accrued annual leave totaled \$148,939 and \$134,421, 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, 2023, 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, 2023 and 2022, totaled \$294,481 and \$295,950, 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, 2023 AND 2022**

**(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, 2023 and 2022, are summarized as follows:

<u>2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Common Stocks	\$ 301,266	\$ 330,323	\$ 29,057
Mutual Funds	<u>702,921</u>	<u>729,860</u>	<u>26,939</u>
Total	<u>\$ 1,004,187</u>	<u>\$1,060,183</u>	<u>\$559,996</u>
<u>2022</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</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>

Investment revenues are reported net of related external and direct internal investment expenses in the statement of activities. The amount of expenses netted with revenues was \$9,899 and \$-0- for the years ended June 30, 2023, and 2022, respectively.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**(C) DUE FROM OTHER AGENCIES**

Due from other agencies consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
State of Louisiana	\$ 247,101	\$ 789,072
Federal Government	1,212,095	630,776
Other	<u>140,651</u>	<u>356,157</u>
Total	<u>\$ 1,599,847</u>	<u>\$ 1,776,005</u>

**(D) PROPERTY AND EQUIPMENT**

Property and Equipment consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 256,424	\$ 256,424
Building	815,442	815,442
Furniture, Fixtures and Equipment	196,320	270,702
Improvements	46,449	16,949
Construction in Progress	<u>118,085</u>	<u>-</u>
	1,432,720	1,359,517
Less: Accumulated Depreciation	<u>(300,577)</u>	<u>(345,282)</u>
Total Fixed Assets	<u>\$ 1,132,143</u>	<u>\$ 1,014,235</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$44,306 and \$43,458, 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 2023 and 2022. Contributions made for the fiscal years ended June 30, 2023 and 2022 were \$97,477 and \$111,427, respectively.

**(F) CONCENTRATION OF CREDIT RISK**

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, 2023 AND 2022**

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

SWLAHEC is funded through the following grants and contracts for the year ended June 30, 2023:

<u>Funding Source</u>	<u>Award Number</u>	<u>Support</u>
<u>State of Louisiana Department of Health and Hospitals:</u>		
COVID-19 – Safer, Smarter Schools	LAGOV: 2000609110	\$ 2,996,505
HIV Prevention Program	LAGOV: 2000664383	50,553
Fetal Infant Mortality Review	LAGOV: 2000491258	401,324
Nurse Family Partnership Program	LAGOV: 2000648189	301,234
WIC IV	LAGOV: 2000643595	272,258
WIC V	LAGOV: 2000650551	286,851
Launch	LAGOV: 2000649961	511,624
Well Ahead	LAGOV: 2000690360	748,648
Unwind	LAGOV: 2000734670	403,040
Immunization Cooperative Agreement- COVID-19	LAGOV: 2000540771	229,950
<u>Center for Disease Control and Prevention</u>		
Vaccine Equity and Access Program	NH23IP922653	67,101
<u>State of Louisiana Division of Administration:</u>		
Louisiana State University School of Medicine		369,087
<u>U.S. Department of Health and Human Services:</u>		
Navigator Grant	NAVCA210438-01-00	1,657,450
Navigator Grant	NAVCA190369-02-02	83,023
Calcasieu Parish Police Jury		696,094
Cameron Parish Police Jury		93,659
Region V Task Force-Southern HIV Impact Fund		3,621
Tulane University		182,249
AHEC of a SMILE		62,903
Suicide Prevention		54,665
Harm Reduction		207,460
Consumer State Advocacy Project		16,851
Blue Cross Blue Sheild - Empower		100,000
Organizing for Outreach		94,605
LA Bridge – Opioid STR		200,688
Other		87,445
<u>The Health Enrichment Network:</u>		
Eat, Move, Grow		<u>61,243</u>
<b>Total</b>		<b><u>\$10,240,131</u></b>

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

Approximately 61% of the total fiscal year 2023 grants and contract revenues are provided by the State of Louisiana Department of Health and Hospitals through various grant programs. Approximately 4% 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 17% of the total fiscal year 2023 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 18% of grant and contract revenues.

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

Net assets with donor restrictions are available for the following purposes as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equipment	<u>\$ 27,717</u>	<u>\$ 25,716</u>

**(I) 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, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Equipment	<u>\$ 7,989</u>	<u>\$ 8,193</u>

**(J) 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 one high-quality financial institution. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of June 30, 2023, the Organization’s cash balances were underinsured by \$1,075,745.

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.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**(K) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS**

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**(L) FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis as of June 30, 2023, 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	\$ 330,323	\$ 330,323	\$ -
Mutual Funds	<u>729,860</u>	<u>729,860</u>	<u>-</u>
Total	<u>\$1,060,183</u>	<u>\$1,060,183</u>	<u>\$ -</u>

**(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 required a monthly retainer of \$10,000. As of June 30, 2022, the Organization had paid \$20,000 to this company. Under this agreement (which ended in July 2022), the Organization paid an additional \$10,000 during the year ended June 30, 2023.

In November 2022, the Organization entered into new, position specific, agreements for assistance in hiring executive/management level positions. The terms for the new agreements were based on a percentage of annual salary for the position being filled. This percentage ranged from 25% to 30%. The total amount paid under these agreements during the year ended June 30, 2023 was \$45,000.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

A detail of compensation, benefits, and other payments paid to the Executive Directors for the year ended June 30, 2023 are as follows:

<u>Purpose</u>	<u>Brian Burton</u>	<u>Gabriel Morely</u>
Salary	\$ 150,706	\$ 46,667
Benefits – Insurance	\$ 3,404	\$ 2,049
Benefits – Retirement	\$ 6,028	\$ -
Benefits – Per Diem, Travel	\$ -	\$ 2,013

**(O) LIQUIDITY AND AVAILABILITY**

The Organization has \$4,085,990 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,425,960 and receivables of \$1,599,847, and investments of \$1,060,183. 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 20, 2023, which is the date the financial statements were available to be issued.

In September 2023, the Organization entered into a construction contract for the renovations of the corporate office. The total amount of the contract is \$833,000 and work is expected to be completed during the year ended June 30, 2024.

**SUPPLEMENTAL INFORMATION**



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

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

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>					
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	* NAVCA210438-01-00	-	\$ 243,986	\$ 80,279
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	* NAVCA210438-02-00	-	1,413,464	373,263
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	* NAVCA190369-02-02	-	83,023	-
<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	321,352	-
Nurse Family Partnership	93.994	N/A	LAGOV: 2000648189	215,223	-
Maternal and Child Health Block Grant - Launch	93.994	N/A	LAGOV: 2000649961	41,915	-
HIV Prevention Activities - Health Department Based	93.940	N/A	LAGOV: 2000664383	50,553	-
Maternal Depression - Launch	93.110	N/A	LAGOV: 2000649961	469,591	-
The National Cardiovascular Health Program	93.426	N/A	LAGOV: 2000690360	84,107	-
The Innovative Cardiovascular Health Program	93.435	N/A	LAGOV: 2000690360	5,808	-
National and State Tobacco Control Program	93.387	N/A	LAGOV: 2000690360	127,916	-
Preventive Health and Health Services Block Grant	93.991	N/A	LAGOV: 2000690360	530,817	-
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	N/A	LAGOV: 2000648189	86,011	-
Epidemiology and Laboratory Capacity for Infection Disease-Safe Schools -COVID	93.323	N/A	LAGOV: 2000609110	2,996,505	-
Immunization Cooperative Agreements - COVID	93.268	N/A	LAGOV: 2000540771	229,950	-
Preventing Maternal Deaths: Supporting Maternal Review	93.478	N/A	LAGOV: 2000491258	55,915	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	N/A	LAGOV: 2000491258	22,071	-
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	N/A	LAGOV: 2000491258	1,986	-
Medical Assistance Program	93.778	N/A	LAGOV: 2000734670	403,040	-
State Department of Education:					
Every Student Succeeds Act/Preschool Development Grants	93.434	N/A	-	13,000	-
Community Catalyst, Inc.					
Vaccine Equity and Access Program - COVID	93.185	NH23IP922653	23-7300.003-LA-SLAHEC	67,101	-
Louisiana State University Health Sciences Center:					
Area Health Education Centers	93.107	N/A	23-63-901	110,329	-

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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 Health and Human Services- continued</b>					
Imperial Calcasieu Human Services Authority:					
Block Grants for Community Mental Health Services	93.958	N/A	-	54,665	-
Substance Abuse Block Grant - Harm Reduction	93.959	N/A	-	139,088	-
Harm Reduction - Opioid STR	93.778	N/A	-	43,922	-
Opioid STR	93.788	N/A	-	200,688	-
National Council On Aging, Inc.:					
Special Programs for the Aging, Title IV, Title II, Discretionary Projects	93.048	90HDRC0008-01-00	-	\$ 18,505	\$ -
Acadiana Area Human Services District:					
Substance Abuse Block Grant - Harm Reduction	93.959	N/A	-	24,450	-
<b>U.S. Department of Agriculture-</b>					
State Department of Health and Hospitals:					
WIC IV	10.557	N/A	LAGOV: 2000643595	272,258	-
WIC V	10.557	N/A	LAGOV: 2000650551	286,851	-
Total Expenditures				<u>\$ 8,614,090</u>	<u>\$ 453,542</u>

\* - denotes a major program.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
JUNE 30, 2023**

**(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, 2023. 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, 2023.



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**INDEPENDENT AUDITOR'S 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**

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, 2023, 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 20, 2023.

**Report on 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.

**Report on 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.

***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
November 20, 2023



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& FREDERICK**  
A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

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

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, 2023. SWLAHEC's major federal programs are identified in the summary of auditor's 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, 2023.

#### ***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 Auditor's 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.

#### ***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.

### ***Auditor's 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.

***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
November 20, 2023

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation as of and for the year ended June 30, 2023, and have issued our report thereon dated November 20, 2023. 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, 2023, resulted in an unmodified opinion.

***Section I - Summary of Auditor's 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, 2023, had one major program:

- Department of Health and Human Services -Assistance Listing No. 93.332 – Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces

Low-Risk Auditee

SWLAHEC is considered a low-risk auditee for the year ended June 30, 2023.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2023.

Auditor's 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, 2023.

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued  
YEAR ENDED JUNE 30, 2023**

*Section I - Summary of Auditor's 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, 2023**

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, 2023



**DARNALL SIKES  
& FREDERICK**

A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management of  
Southwest Louisiana Area Health Education Center, Inc.  
and the Louisiana Legislative Auditor

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 1, 2022 through June 30, 2023. Southwest Louisiana Area Health Education Center, Inc.'s management is responsible for those control and compliance areas identified in the SAUPs.

Southwest Louisiana Area Health Education Center, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA 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:

### ***1) Written Policies and Procedures***

---

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
*Written policies and procedures were obtained and do address the functions noted above.*
  - ii. ***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 do address the functions noted above.*
  - iii. ***Disbursements***, including processing, reviewing, and approving.  
*Written policies and procedures were obtained and do address the functions noted above.*
  - iv. ***Receipts/Collections***, 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 (e.g., periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

- v. **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 rates of pay or approval and maintenance of pay rate schedules.

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

- vi. **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 do address the functions noted above.

- vii. **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 do address the functions noted above.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

- ix. **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.

- x. **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.

- xi. **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 do address the functions noted above.

- xii. **Prevention of 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 do address the functions noted above.

## 2) *Board or Finance Committee*

---

- A. 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
- i. 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 noted.*
  - ii. For those entities reporting on the governmental accounting model, observe whether 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*  
*This section is not applicable for nonprofit organizations.*
  - iii. 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 is not applicable for nonprofit organizations.*
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.  
*Obtained the prior year audit report and observed that there were no audit findings.*

## 3) *Bank Reconciliations*

---

- A. Obtain a listing of entity bank accounts for the fiscal period 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 listing of bank accounts from management and management's representation that the listing was complete.*
- i. 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 noted.*
  - ii. Bank reconciliations include written evidence that a member of management or a 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 noted.*



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

No exceptions noted.

#### **4) Collections (excluding electronic funds transfers)**

---

- A. 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 deposit sites and management's representation that the listing was complete.

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

Obtained listing of collection locations from management and management's representation that the listing was complete.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

- ii. Each employee responsible for collecting cash is not also 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 noted.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

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

No exceptions noted.

- C. 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 in force during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

- i. Observe that receipts are sequentially pre-numbered.  
No exceptions noted.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
No exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.  
No exceptions noted.
- iv. 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 noted.
- v. Trace the actual deposit per the bank statement to the general ledger.  
No exceptions noted.

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

---

- A. 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 of locations that process payments and management's representation that the listing was complete.
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;  
No exceptions noted.
  - ii. At least two employees are involved in processing and approving payments to vendors;  
No exceptions noted.
  - iii. 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 noted.
  - iv. 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; and  
No exceptions noted.
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.  
No exceptions noted.

- C. For each location selected under procedure #5A 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
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and  
*No exceptions noted.*
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.  
*No exceptions noted.*
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exceptions noted.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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 of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing was complete.*
- B. 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
- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and  
*No exceptions noted.*
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.  
*No exceptions noted.*
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

## **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

---

- A. 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 and 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 listing of travel and travel-related expense reimbursements and management’s representation that the listing was complete.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than 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 noted

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

No exceptions noted.

- iii. 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 Policies and Procedures procedure #1A(vii); and

No exceptions noted.

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

No exceptions noted.

## **8) Contracts**

---

- A. 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. *Alternatively, 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 of all contracts in effect and management’s representation that the listing was complete.

- i. Observe whether 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 noted.

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

No exceptions noted.

- iii. 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 (e.g., if approval is required for any amendment, the documented approval); and

No exceptions noted.

- iv. 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 noted.

**9) Payroll and Personnel**

---

- A. 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 of employees and management's representation that the listing was complete. Authorized salaries/pay rates traced to personnel files without exception.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

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

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. 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 and obtain related documentation of the hours and pay rates used in management's

termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions noted.

- D. 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 noted.

## **10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

This section is not applicable for nonprofit organizations.

- ii. Observe whether the entity maintains documentation which demonstrates that 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.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

This section is not applicable for nonprofit organizations.

## **11) Debt Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

This section is not applicable for nonprofit organizations.

- B. 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.

## ***12) Fraud Notice***

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- A. 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 as required by R.S. 24:523.

*No misappropriations of public funds or assets noted.*

- B. 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 noted.*

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.*

- iii. 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.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

## ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.

*This section is not applicable for nonprofit organizations.*

- B. 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).

*This section is not applicable for nonprofit organizations.*

- C. 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 the report includes the applicable requirements of R.S. 42:344:

*This section is not applicable for nonprofit organizations.*

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

We were engaged by Southwest Louisiana Area Health Education Center, Inc. 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 and applicable standards of *Government Auditing Standards*. 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 those control and compliance areas identified in the SAUPs. 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, Inc. 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 to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana

November 14, 2023