

**SOUTHWEST LOUISIANA AREA
HEALTH EDUCATION CENTER
FOUNDATION**

Lafayette, Louisiana

Financial Report

Years Ended June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SWLAHEC as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2019, on our consideration of SWLAHEC’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SWLAHEC’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SWLAHEC’s internal control over financial reporting and compliance.

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

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

Lafayette, Louisiana
October 28, 2019

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and Interest Bearing Deposits	\$ 257,621	\$ 449,198
Due from Other Agencies	832,836	677,521
Prepaid Expenses	<u>15,754</u>	<u>4,711</u>
Total Current Assets	<u>1,106,211</u>	<u>1,131,430</u>
 PROPERTY AND EQUIPMENT (NET)	 <u>926,046</u>	 <u>474,939</u>
 OTHER ASSETS		
Utility Deposits	<u>1,206</u>	<u>1,206</u>
 TOTAL ASSETS	 <u>\$ 2,033,463</u>	 <u>\$ 1,607,575</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Notes Payable - Current Portion	\$ 4,896	\$ -
Accounts Payable	68,020	56,402
Accrued Liabilities	86,248	72,983
Deferred Revenue	<u>53,470</u>	<u>48,723</u>
Total Current Liabilities	<u>212,634</u>	<u>178,108</u>
 LONG-TERM LIABILITIES	 <u>399,688</u>	 <u>-</u>
 TOTAL LIABILITIES	 <u>612,322</u>	 <u>178,108</u>
 NET ASSETS		
Without Donor Restrictions	1,396,056	1,394,454
With Donor Restrictions	<u>25,085</u>	<u>35,013</u>
Total Net Assets	<u>1,421,141</u>	<u>1,429,467</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,033,463</u>	 <u>\$ 1,607,575</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF ACTIVITIES
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND OTHER SUPPORT		
Grant Revenue	\$ 3,329,867	\$ 3,562,996
Interest Income	2,562	1,341
Miscellaneous Revenue	<u>37,987</u>	<u>85,936</u>
Total Unrestricted Revenues and Other Support	3,370,416	3,650,273
 NET ASSETS RELEASED FROM DONOR RESTRICTIONS		
Satisfaction of Equipment Acquisition Restrictions	<u>(2,275)</u>	<u>(2,275)</u>
 Total Revenues, Other Support, and Net Assets Released From Donor Restrictions	 <u>3,368,141</u>	 <u>3,647,998</u>
 EXPENSES		
Program Services:		
Health Education	2,792,127	3,003,290
Supporting Services:		
Management and General	<u>586,615</u>	<u>618,314</u>
Total Expenses	<u>3,378,742</u>	<u>3,621,604</u>
 CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 <u>(10,601)</u>	 <u>26,394</u>
 NET ASSETS WITH DONOR RESTRICTIONS		
Equipment Acquisition Restrictions	<u>2,275</u>	<u>2,275</u>
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	 <u>2,275</u>	 <u>2,275</u>
 CHANGE IN NET ASSETS	 (8,326)	 28,669
 NET ASSETS AT BEGINNING OF YEAR	 <u>1,429,467</u>	 <u>1,400,798</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 1,421,141</u>	 <u>\$ 1,429,467</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2019**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	HIV/AIDS- HAP	HOSA
Compensation and Related Expenses					
Salaries	\$ 356,209	\$ 246,296	\$ 151,927	\$ 21,866	\$ -
Employee Benefits					
Medical and Dental Insurance	31,925	13,892	4,951	3,881	-
401(k) Retirement Contributions	10,228	9,378	2,206	841	-
Payroll Taxes	28,602	19,831	11,610	1,700	-
	426,964	289,397	170,694	28,288	-
Conference Registration	-	555	-	-	1,500
Contractual Services	-	7,458	3,795	180	23,468
Depreciation	-	2,773	692	-	303
Equipment	-	10,495	-	-	-
Insurance	1,811	1,272	742	107	-
Marketing Expense	-	-	-	15	-
Meetings Expense	-	796	-	328	343
Other	224	276	52	-	-
Postage	-	120	45	-	27
Printing	-	702	-	137	(43)
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	2,052	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	-
Supplies	-	14,988	8,854	2,653	184
Travel and Transportation	-	8,318	2,896	1,861	1,209
Utilities and Telephone	-	3,843	-	1,351	-
	\$ 428,999	\$ 340,993	\$ 187,770	\$ 36,972	\$ 26,991
TOTAL	\$ 428,999	\$ 340,993	\$ 187,770	\$ 36,972	\$ 26,991

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
JUNE 30, 2019**

	<u>SNAP</u>	<u>Nurse Family Partnership</u>	<u>Well Ahead</u>	<u>Partnership</u>	<u>Navigator</u>
Compensation and Related Expenses					
Salaries	\$ 76,442	\$ 312,663	\$ 21,899	\$ 34,877	\$ 65,716
Employee Benefits					
Medical and Dental Insurance	11,686	11,342	1,245	2,948	7,894
401(k) Retirement Contributions	1,961	8,507	866	1,246	1,890
Payroll Taxes	<u>6,051</u>	<u>24,407</u>	<u>1,816</u>	<u>2,949</u>	<u>5,408</u>
	96,140	356,919	25,826	42,020	80,908
Conference Registration	350	-	580	848	955
Contractual Services	-	-	191,879	1,016	108,062
Depreciation	-	2,449	-	38	546
Equipment	376	-	-	349	2,269
Insurance	374	414	107	190	1,455
Marketing Expense	-	180	70	-	1,519
Meetings Expense	-	-	-	478	486
Other	-	351	3,694	3,173	243
Postage	9	-	-	-	783
Printing	4,560	-	175	-	1,146
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	252	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	-
Supplies	1,053	20,096	41,900	375	8,881
Travel and Transportation	8,059	32,181	3,066	1,999	6,295
Utilities and Telephone	<u>-</u>	<u>859</u>	<u>211</u>	<u>-</u>	<u>1,796</u>
TOTAL	<u>\$ 110,921</u>	<u>\$ 413,449</u>	<u>\$ 267,508</u>	<u>\$ 50,738</u>	<u>\$ 215,344</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
JUNE 30, 2019**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 115,366	\$ 103,173	\$ 215,150	\$ 1,721,584	\$ 341,585	\$ 2,063,169
Employee Benefits						
Medical and Dental Insurance	19,438	18,419	20,068	147,689	30,201	177,890
401(k) Retirement Contributions	2,178	3,411	5,727	48,439	13,727	62,166
Payroll Taxes	9,338	8,297	16,905	136,914	25,585	162,499
	<u>146,320</u>	<u>133,300</u>	<u>257,850</u>	<u>2,054,626</u>	<u>411,098</u>	<u>2,465,724</u>
Conference Registration	-	255	3,113	8,156	1,265	9,421
Contractual Services	-	-	85,556	421,414	68,019	489,433
Depreciation	-	-	3,063	9,864	11,724	21,588
Equipment	-	-	200	13,689	-	13,689
Insurance	457	522	1,086	8,537	22,071	30,608
Marketing Expense	-	-	702	2,486	-	2,486
Meetings Expense	-	-	1,798	4,229	4,657	8,886
Other	-	-	2,005	10,018	1,581	11,599
Postage	22	-	288	1,294	510	1,804
Printing	-	-	70	6,747	594	7,341
Professional Fees	-	-	-	-	18,734	18,734
Rental Expense	-	-	17,886	20,190	3,558	23,748
Repairs and Maintenance	-	-	-	-	2,461	2,461
Stipends	-	-	9,000	9,000	137	9,137
Sponsorship Expenses	-	-	-	-	3,950	3,950
Subscriptions	-	-	73	73	486	559
Supplies	-	-	19,089	118,073	8,605	126,678
Travel and Transportation	668	706	26,887	94,145	12,616	106,761
Utilities and Telephone	-	-	1,526	9,586	14,549	24,135
	<u>-</u>	<u>-</u>	<u>1,526</u>	<u>9,586</u>	<u>14,549</u>	<u>24,135</u>
TOTAL	<u>\$ 147,467</u>	<u>\$ 134,783</u>	<u>\$ 430,192</u>	<u>\$ 2,792,127</u>	<u>\$ 586,615</u>	<u>\$ 3,378,742</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2018**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	HIV/AIDS- HAP	HOSA
Compensation and Related Expenses					
Salaries	\$ 339,505	\$ 299,528	\$ 106,107	\$ 18,474	\$ -
Employee Benefits					
Medical and Dental Insurance	31,317	19,055	9,237	3,685	-
401(k) Retirement Contributions	10,914	8,487	3,037	720	-
Payroll Taxes	27,312	22,787	8,376	1,465	-
	<u>409,048</u>	<u>349,857</u>	<u>126,757</u>	<u>24,344</u>	<u>-</u>
Conference Registration	-	4,828	-	-	1,225
Contractual Services	-	106,428	-	1,663	845
Depreciation	-	2,289	944	-	303
Equipment	-	-	-	-	-
Insurance	1,558	1,360	505	88	-
Marketing Expense	-	-	-	20	-
Meetings Expense	-	10,700	-	1,324	9,517
Other	1,026	4,375	47	-	310
Postage	-	102	-	44	69
Printing	-	-	-	186	42
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	1,902	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	-
Supplies	72	93,805	1,887	4,191	12,032
Travel and Transportation	530	37,308	2,697	4,066	5,308
Utilities and Telephone	-	-	-	1,273	353
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,273</u>	<u>353</u>
TOTAL	<u>\$ 412,234</u>	<u>\$ 611,052</u>	<u>\$ 132,837</u>	<u>\$ 39,101</u>	<u>\$ 30,004</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
JUNE 30, 2018**

	SNAP	Nurse Family Partnership	Well Ahead	Partnership	Navigator
Compensation and Related Expenses					
Salaries	\$ 59,000	\$ 287,744	\$ 23,111	\$ 39,330	\$ 136,630
Employee Benefits					
Medical and Dental Insurance	10,318	9,778	2,827	5,000	18,173
401(k) Retirement Contributions	1,499	6,735	879	1,520	4,830
Payroll Taxes	4,668	22,877	2,740	3,048	11,358
	<u>75,485</u>	<u>327,134</u>	<u>29,557</u>	<u>48,898</u>	<u>170,991</u>
Conference Registration	700	-	1,150	198	477
Contractual Services	-	200	175,595	1,502	231,011
Depreciation	-	2,449	-	151	1,002
Equipment	-	-	-	-	-
Insurance	251	95	95	181	1,812
Marketing Expense	-	-	-	-	2,067
Meetings Expense	-	-	-	-	-
Other	-	320	1,715	1,026	58
Postage	-	-	153	24	1,748
Printing	2,683	-	159	-	5,913
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	252	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	-
Supplies	5,052	13,211	6,087	-	2,224
Travel and Transportation	7,105	33,459	6,762	893	8,852
Utilities and Telephone	-	-	237	-	4,102
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 91,276</u>	<u>\$ 376,868</u>	<u>\$ 221,510</u>	<u>\$ 53,125</u>	<u>\$ 430,257</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
JUNE 30, 2018**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 120,318	\$ 96,083	\$ 160,777	\$ 1,686,607	\$ 368,350	\$ 2,054,957
Employee Benefits						
Medical and Dental Insurance	9,371	17,154	6,047	141,962	40,148	182,110
401(k) Retirement Contributions	761	3,482	3,281	46,145	14,827	60,972
Payroll Taxes	9,790	7,777	12,776	134,974	27,294	162,268
	<u>140,240</u>	<u>124,496</u>	<u>182,881</u>	<u>2,009,688</u>	<u>450,619</u>	<u>2,460,307</u>
Conference Registration	-	-	1,344	9,922	3,267	13,189
Contractual Services	-	-	63,279	580,523	68,899	649,422
Depreciation	-	-	3,195	10,333	11,954	22,287
Equipment	-	-	-	-	230	230
Insurance	524	449	766	7,684	33,289	40,973
Marketing Expense	-	-	193	2,280	-	2,280
Meetings Expense	-	-	2,238	23,779	4,739	28,518
Other	-	-	2,971	11,848	1,141	12,989
Postage	-	-	415	2,555	1	2,556
Printing	-	-	411	9,394	1,014	10,408
Professional Fees	-	-	-	-	746	746
Rental Expense	-	-	14,806	16,960	3,824	20,784
Repairs and Maintenance	-	-	-	-	2,974	2,974
Stipends	-	-	20,240	20,240	160	20,400
Sponsorship Expenses	-	-	-	-	750	750
Subscriptions	-	-	117	117	717	834
Supplies	-	-	19,244	157,805	7,965	165,770
Travel and Transportation	2,383	-	22,344	131,707	10,168	141,875
Utilities and Telephone	-	54	2,436	8,455	15,857	24,312
	<u>-</u>	<u>54</u>	<u>2,436</u>	<u>8,455</u>	<u>15,857</u>	<u>24,312</u>
TOTAL	<u>\$ 143,147</u>	<u>\$ 124,999</u>	<u>\$ 336,880</u>	<u>\$ 3,003,290</u>	<u>\$ 618,314</u>	<u>\$ 3,621,604</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF CASH FLOWS
JUNE 30, 2018 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (8,326)	\$ 28,669
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	21,588	22,287
Changes in Current Assets and Liabilities:		
Due from Other Agencies	(155,315)	(4,951)
Prepaid Expenses	(11,043)	(1,108)
Accounts Payable	11,618	(49,923)
Accrued Liabilities	13,265	(1,165)
Deferred Revenue	<u>4,747</u>	<u>42,181</u>
Net Cash Provided By (Used In) Operating Activities	<u>(123,466)</u>	<u>35,990</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>(472,695)</u>	<u>(12,738)</u>
Net Cash (Used In) Investing Activities	<u>(472,695)</u>	<u>(12,738)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	<u>404,584</u>	<u>-</u>
Net Cash Provided By Financing Activities	<u>404,584</u>	<u>-</u>
NET CHANGE IN CASH AND EQUIVALENTS	(191,577)	23,252
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>449,198</u>	<u>425,946</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 257,621</u>	<u>\$ 449,198</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	<u>\$ 3,833</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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, 2019 and 2018.

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, 2019 and 2018 deferred revenues were \$53,470 and \$48,723, 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.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

Property and Equipment - continued

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, 2019 and 2018, 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, 2019, 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.

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, 2019 and 2018, accrued annual leave totaled \$86,932 and \$75,524, 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, 2019, the tax years that remain subject to examination by taxing authorities begin with 2016. Tax returns for 2016, 2017, and 2018 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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.

(B) DUE FROM OTHER AGENCIES

Due from other agencies consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
State of Louisiana	\$ 562,119	\$ 488,945
Federal Government	19,931	22,189
Other	<u>250,786</u>	<u>206,387</u>
Total	\$ 832,836	\$ 677,521

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(C) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 256,424	\$ 224,294
Building	422,737	264,814
Equipment	187,710	182,487
Furniture and Fixtures	13,695	13,695
Construction in Progress	<u>277,418</u>	<u>-</u>
	1,157,984	685,290
Less: Accumulated Depreciation	<u>(231,938)</u>	<u>(210,351)</u>
Total Fixed Assets	<u>\$ 926,046</u>	<u>\$ 474,939</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$21,588 and \$22,287, respectively.

(D) 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 2019 and 2018. Contributions made for the fiscal years ended June 30, 2019 and 2018 were \$62,166 and \$60,972, respectively.

(E) CONCENTRATION OF CREDIT RISK

SWLAHEC typically maintains cash and cash equivalents in local banks which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits.

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, 2019 AND 2018**

(F) SUMMARY OF GRANTS/CONTRACT FUNDING

SWLAHEC is funded through the following grants and contracts for the year ended June 30, 2019:

<u>Funding Source</u>	<u>Award Number</u>	<u>Support</u>
State of Louisiana Department of Health and Hospitals:		
HIV Prevention Program	LAGOV: 2000333324	\$ 49,660
Fetal Infant Mortality Review	LAGOV: 200051540	199,065
Nurse Family Partnership Program	LAGOV: 2000357803	446,283
WIC IV	LAGOV: 2000164751	162,702
WIC V	LAGOV: 2000176761	147,125
Launch	LAGOV: 2000179012	379,006
Well Ahead	LAGOV: 2000352227	291,634
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine	18-OME-201-SW 19-OME-201-SW	404,641
State of Louisiana Department of Public Safety:		
Louisiana Highway Safety Commission Social Norming for Alcohol Prevention	SRM: 2000377270	144,619
U.S. Department of Health and Human Services:		
Navigator Grant		51,843
Navigator Grant	1NAVCA180339-01-00	184,359
Calcasieu Parish Police Jury		521,132
City of Lake Charles		7,338
Cameron Parish Police Jury		1,888
Southwest Louisiana Area Health Education Center:		
Eat, Play, Grow		50,350
Louisiana Board of Regents:		
Gear-Up		17,335
AIDS United		75,386
Louisiana State University		103,000
Tulane University		87,501
Blue Cross		5,000
Total		<u>\$ 3,329,867</u>

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(F) SUMMARY OF GRANTS/CONTRACT FUNDING – (continued)

Approximately 51% of the total fiscal year 2019 grants and contract revenues are provided by the State of Louisiana Department of Health and Hospitals through various grant programs. Approximately 13% 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 7% of the total fiscal year 2019 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 29% of grant and contract revenues.

(G) LONG-TERM DEBT

On February 12, 2019, the Organization entered into a note payable for the purchase and rehabilitation of a building. The terms of the loan are interest only payments for 12 consecutive months beginning March 12, 2019 then 227 monthly principal and interest payments of \$3,632.74 beginning March 12, 2020 with one final payment of \$3,633.56 on February 12, 2039. The loan bears interest at 5.75 percent per annum and the Organization is drawing down the funds on an as needed basis during the rehabilitation process. The total amount drawn down as of June 30, 2019 was \$404,584.

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

	2019	2018
Note payable-bank dated February 12, 2019, bearing interest at 5.75 percent per annum, The loan is secured by a mortgage on the land and building.	\$ 404,584	\$ -
Less: Current Portion	(4,896)	-
Long-Term Portion	\$ 399,688	\$ -

Interest expense for the years ended June 30, 2019 and 2018 totaled \$3,833 and \$ -0-, respectively. This expense is being capitalized as a cost of construction during the construction period and is included in construction in progress in these financial statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(G) LONG-TERM DEBT - continued

Maturities of long-term debt at June 30 are as follows,

2020		\$ 4,896
2021		15,264
2022		16,165
2023		17,119
2024		18,130
Thereafter		333,010
		\$ 404,584

(H) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 25,085	\$ 35,013

(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, 2019 and 2018 as follows:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 9,928	\$ 10,462

(J) FINANCIAL INSTRUMENTS

Financial instruments that potentially subject SWLAHEC to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with several high quality financial institutions. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of June 30, 2019, the Organization's cash balance was fully secured.

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, 2019 AND 2018**

(K) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to the Executive Director, Brian Burton, for the year ended June 30, 2019:

<u>Purpose</u>	<u>Brian Burton</u>
Salary	\$ 82,500
Benefits – Insurance	\$ 6,552
Benefits – Retirement	\$ 3,300
Reimbursements	\$ -
Conference Travel	\$ 4,672

(L) NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of the Organization’s financial statements:

- The temporarily restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.

The changes have the following effect on net assets at June 30, 2018:

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted Net Assets	\$ 1,394,454	\$ -
Temporarily Restricted Net Assets	35,013	-
Net Assets Without Donor Restrictions	-	1,394,454
Net Assets with Donor Restrictions	-	35,013
Total Net Assets	<u>\$ 1,429,467</u>	<u>\$ 1,429,467</u>

(M) LIQUIDITY AND AVAILABILITY

The Organization has \$1,090,457 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$257,621 and receivables of \$832,836. 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.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(N) SUBSEQUENT EVENTS

Subsequent events were evaluated through October 28, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

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

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

Program Title	CFDA	Federal Assistance I.D. Number	Pass-Through Grantor Number	Expenditures	Paid to Subrecipients
DIRECT PROGRAMS:					
U.S. Department of Health and Human Services-					
PHF - 2017 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	5 NAVCA150282-02-00	-	\$ 51,843	20,037
PHF - 2018 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332		-	184,359	86,918
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	N/A	-	189,925	-
PASS-THROUGH PROGRAMS:					
U.S. Department of Health and Human Services-					
State Department of Health and Hospitals:					
Fetal Infant Mortality Review	93.994	*	N/A	DHH: 059255	199,065
Nurse Family Partnership	93.994	*	N/A	CFMS: 727912	256,357
HIV Prevention Activities - Health Department Based Launch	93.940	N/A	N/A	LAGOV: 721388	49,660
Well Ahead Program	93.243	N/A	N/A	CFMS: 72781	378,542
	93.758	N/A	N/A	CFMS: 734943	217,360
Louisiana State University Health Sciences Center:					
Area Health Model Program	93.107	N/A	-	65,893	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	N/A	-	103,000	-
Southwest Louisiana Area Health Education Center:					
Calcasieu Parish Police Jury:					
Project K.I.S.S.	93.569	N/A	-	-	-
U.S. Department of Agriculture-					
State Department of Health and Hospitals:					
WIC IV	10.557	N/A	N/A	CFMS: 721524	162,702
WIC V	10.557	N/A	N/A	CFMS: 721566	147,125
U.S. Department of Transportation-					
State Department of Public Safety and Corrections:					
SNAP Partnership Grant	20.607	N/A	N/A	SRM: 2000246671	144,619
U.S. Department of Education					
Louisiana Board of Regents:					
GEAR-UP	84.334	N/A	-	19,570	-
U.S. Department of Housing and Urban Development					
City of Lake Charles:					
Dare to be Healthy	14.218	N/A	-	7,338	-
Total Expenditures				<u>\$2,177,358</u>	<u>106,955</u>

* - denotes a major program.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2019**

(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, 2019. 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, 2019.

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

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MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP**

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TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

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, 2019, 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 October 28, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWLAHEC's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SWLAHEC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

Lafayette, Louisiana
October 28, 2019

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

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

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STEPHANIE L. WEST, CPA, MBA

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

Report on Compliance for 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 described 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, 2019. SWLAHEC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of SWLAHEC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SWLAHEC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SWLAHEC's compliance.

Opinion on Each Major Federal Program

In our opinion, SWLAHEC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

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

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

Lafayette, Louisiana
October 28, 2019

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation as of and for the year ended June 30, 2019, and have issued our report thereon dated October 28, 2019. 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, 2019 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

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

Compliance

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

Major Programs Identification

SWLAHEC at June 30, 2019, had one major program:

- Department of Health and Human Services – CFDA No. 93.994

Low-Risk Auditee

SWLAHEC is considered a low-risk auditee for the year ended June 30, 2019.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2019.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED JUNE 30, 2019**

Auditors' Report - Major Programs

An unmodified opinion has been issued on SWLAHEC's compliance for its major programs as of and for the year ended June 30, 2019.

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, 2019**

There were no prior year findings.