

**SOUTHWEST LOUISIANA AREA
HEALTH EDUCATION CENTER
FOUNDATION**

Lafayette, Louisiana

Financial Report

Years Ended June 30, 2017 and 2016

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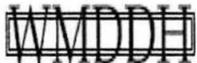
INDEPENDENT AUDITORS' REPORT

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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, 2017 and 2016, 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.

Unless otherwise expressly indicated, any tax advice contained in this communication, or attachments are not intended for use and cannot be used: (i) to avoid any penalties under the Internal Revenue Code; or (ii) to promote, market or recommend to another party the tax consequences of any matter addressed therein. This communication (and/or the documents accompanying it) may contain confidential information belonging to the sender, which is protected by the Accountant-Client privilege. The information is indeed only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any use, disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately.

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, 2017 and 2016, 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 November 21, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SWLAHEC's internal control over financial reporting and compliance.

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

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

Lafayette, Louisiana
November 21, 2017

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and Interest Bearing Deposits	\$ 425,946	\$ 296,939
Due from Other Agencies	672,570	803,005
Prepaid Expenses	<u>3,603</u>	<u>3,602</u>
Total Current Assets	<u>1,102,119</u>	<u>1,103,546</u>
 PROPERTY AND EQUIPMENT (NET)	 <u>484,488</u>	 <u>462,661</u>
 OTHER ASSETS		
Utility Deposits	<u>1,206</u>	<u>1,206</u>
Total Other Assets	<u>1,206</u>	<u>1,206</u>
 TOTAL ASSETS	 <u>\$ 1,587,813</u>	 <u>\$ 1,567,413</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 106,325	\$ 109,352
Accrued Liabilities	74,148	81,737
Deferred Revenue	<u>6,542</u>	<u>115</u>
Total Current Liabilities	<u>187,015</u>	<u>191,204</u>
 NET ASSETS		
Unrestricted	1,368,060	1,349,973
Temporarily Restricted	<u>32,738</u>	<u>26,236</u>
Total Net Assets	<u>1,400,798</u>	<u>1,376,209</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,587,813</u>	 <u>\$ 1,567,413</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF ACTIVITIES
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
UNRESTRICTED NET ASSETS		
REVENUES AND OTHER SUPPORT		
Grant Revenue	\$ 3,920,959	\$ 3,795,646
Interest Income	975	1,012
Miscellaneous Revenue	<u>99,671</u>	<u>158,730</u>
Total Unrestricted Revenues and Other Support	4,021,605	3,955,388
 NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of Equipment Acquisition Restrictions	<u>(6,502)</u>	<u>70,370</u>
 Total Revenues, Other Support, and Net Assets Released From Restrictions	<u>4,015,103</u>	<u>4,025,758</u>
 EXPENSES		
Program Services:		
Health Education	3,384,667	3,369,924
Supporting Services:		
Management and General	<u>612,349</u>	<u>589,232</u>
Total Expenses	<u>3,997,016</u>	<u>3,959,156</u>
 CHANGE IN UNRESTRICTED NET ASSETS	<u>18,087</u>	<u>66,602</u>
 TEMPORARILY RESTRICTED NET ASSETS		
Grant Revenue	-	112,158
Equipment Acquisition Restrictions	<u>6,502</u>	<u>(70,370)</u>
 CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>6,502</u>	<u>41,788</u>
 CHANGE IN NET ASSETS	24,589	108,390
 NET ASSETS AT BEGINNING OF YEAR	<u>1,376,209</u>	<u>1,267,819</u>
 NET ASSETS AT END OF YEAR	<u>\$ 1,400,798</u>	<u>\$ 1,376,209</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2017**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	HIV/AIDS- HAP	HOSA
Compensation and Related Expenses					
Salaries	\$ 335,085	\$ 266,776	\$ 142,459	\$ 17,990	\$ -
Employee Benefits					
Medical and Dental Insurance	35,107	18,903	12,495	4,172	-
401(k) Retirement Contributions	11,465	10,684	5,586	739	-
Payroll Taxes	27,247	19,602	11,377	1,448	-
	<u>408,904</u>	<u>315,965</u>	<u>171,917</u>	<u>24,349</u>	<u>-</u>
Conference Registration	-	5,610	400	-	5,280
Contractual Services	-	84,093	-	-	100
Depreciation	-	1,841	993	-	303
Equipment	-	-	-	-	-
Incentives	-	-	-	-	-
Insurance	1,449	1,155	635	78	-
Marketing Expense	-	-	-	205	-
Meetings Expense	-	13,543	-	588	39,795
Other	403	431	-	150	330
Postage	-	24	102	24	106
Printing	-	-	-	221	120
Professional Fees	-	-	-	-	-
Rental Expense	-	2,544	-	2,052	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	97
Supplies	156	26,912	2,459	3,189	5,934
Travel and Transportation	131	14,197	3,129	3,024	11,412
Utilities and Telephone	-	-	-	1,272	251
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,272</u>	<u>251</u>
TOTAL	<u>\$ 411,043</u>	<u>\$ 466,315</u>	<u>\$ 179,635</u>	<u>\$ 35,152</u>	<u>\$ 63,728</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, 2017**

	<u>SNAP</u>	<u>Nurse Family Partnership</u>	<u>Well Ahead</u>	<u>Partnership</u>	<u>Navigator</u>
Compensation and Related Expenses					
Salaries	\$ 48,844	\$ 249,419	\$ 101,731	\$ 32,443	\$ 205,786
Employee Benefits					
Medical and Dental Insurance	7,426	7,040	11,937	4,413	27,599
401(k) Retirement Contributions	485	4,435	2,260	499	6,107
Payroll Taxes	<u>3,975</u>	<u>19,616</u>	<u>8,400</u>	<u>2,425</u>	<u>16,099</u>
	60,730	280,510	124,328	39,780	255,591
Conference Registration	700	-	289	148	1,052
Contractual Services	-	-	170,650	322	690,580
Depreciation	-	605	-	151	1,002
Equipment	-	-	-	-	(657)
Incentives	-	-	-	-	700
Insurance	191	581	461	132	1,316
Marketing Expense	-	-	305	-	16,004
Meetings Expense	-	-	274	73	21
Other	-	180	340	663	872
Postage	4	-	496	-	2,304
Printing	3,957	-	4,206	107	8,723
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	252	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	500
Subscriptions	-	-	-	252	-
Supplies	1,213	12,384	2,940	812	7,472
Travel and Transportation	4,577	19,147	11,005	691	21,770
Utilities and Telephone	<u>4,000</u>	<u>-</u>	<u>1,299</u>	<u>-</u>	<u>9,476</u>
 TOTAL	 <u>\$ 75,372</u>	 <u>\$ 313,407</u>	 <u>\$ 316,593</u>	 <u>\$ 43,383</u>	 <u>\$ 1,016,726</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, 2017**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 117,131	\$ 91,577	\$ 87,868	\$ 1,697,109	\$ 350,983	\$ 2,048,092
Employee Benefits						
Medical and Dental Insurance	21,166	12,400	396	163,054	39,715	202,769
401(k) Retirement Contributions	4,170	1,726	2,251	50,407	17,918	68,325
Payroll Taxes	9,520	7,499	6,537	133,745	27,394	161,139
	<u>151,987</u>	<u>113,202</u>	<u>97,052</u>	<u>2,044,315</u>	<u>436,010</u>	<u>2,480,325</u>
Conference Registration	-	-	-	13,479	1,450	14,929
Contractual Services	-	-	22,433	968,178	41,407	1,009,585
Depreciation	-	-	2,486	7,381	11,433	18,814
Equipment	-	-	3,707	3,050	1,857	4,907
Incentives	-	-	-	700	-	700
Insurance	508	391	352	7,249	35,477	42,726
Marketing Expense	-	-	480	16,994	-	16,994
Meetings Expense	-	-	1,189	55,483	6,866	62,349
Other	-	-	2,573	5,942	5,100	11,042
Postage	-	-	202	3,262	1,304	4,566
Printing	-	-	181	17,515	1,026	18,541
Professional Fees	-	-	-	-	21,061	21,061
Rental Expense	-	-	14,404	19,252	4,271	23,523
Repairs and Maintenance	-	-	-	-	4,823	4,823
Stipends	-	-	20,400	20,400	1,200	21,600
Sponsorship Expenses	-	-	-	500	250	750
Subscriptions	-	-	370	719	7,553	8,272
Supplies	-	-	13,457	76,928	10,419	87,347
Travel and Transportation	2,150	834	13,390	105,457	6,665	112,122
Utilities and Telephone	-	-	1,565	17,863	14,177	32,040
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 154,645</u>	<u>\$ 114,427</u>	<u>\$ 194,241</u>	<u>\$ 3,384,667</u>	<u>\$ 612,349</u>	<u>\$ 3,997,016</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2016**

	Blue Cross/Blue Shield of Louisiana	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	HIV/AIDS- HAP	HOSA	Rapides Foundation
Compensation and Related Expenses							
Salaries	\$ 7,556	\$ 344,498	\$ 268,181	\$ 193,593	\$ 20,884	\$ -	\$ 11,260
Employee Benefits							
Medical and Dental Insurance	388	23,895	18,205	9,242	5,768	-	1,010
401(k) Retirement Contributions	456	12,017	5,768	7,737	845	-	535
Payroll Taxes	866	27,923	18,952	15,154	1,585	-	876
	<u>9,266</u>	<u>408,333</u>	<u>311,106</u>	<u>225,726</u>	<u>29,082</u>	<u>-</u>	<u>13,681</u>
Conference Registration	-	-	2,155	-	482	1,597	-
Contractual Services	65,193	-	57,854	-	75	327	5,080
Depreciation	751	-	1,420	993	-	303	-
Equipment	450	-	-	384	381	-	-
Incentives	-	-	2,500	-	-	-	-
Insurance	48	1,458	1,117	817	87	-	47
Marketing Expense	12,451	-	27,540	-	-	-	-
Meetings Expense	640	-	40	-	417	19,081	-
Other	-	-	5,752	91	45	4	-
Postage	14	-	277	362	52	3	-
Printing	12	-	35,000	-	106	78	11
Professional Fees	450	-	-	-	-	-	-
Rental Expense	1,315	-	-	-	2,042	11,640	-
Repairs and Maintenance	-	-	-	-	-	-	-
Stipends	-	-	-	-	-	-	-
Subscriptions	-	-	-	-	-	-	-
Supplies	8,832	-	69,525	1,729	3,685	6,931	-
Travel and Transportation	3,191	-	11,678	4,551	3,728	8,337	-
Utilities and Telephone	1,813	-	-	-	1,273	279	203
	<u>104,426</u>	<u>409,791</u>	<u>525,964</u>	<u>234,653</u>	<u>41,455</u>	<u>48,580</u>	<u>19,022</u>
TOTAL	<u>\$ 104,426</u>	<u>\$ 409,791</u>	<u>\$ 525,964</u>	<u>\$ 234,653</u>	<u>\$ 41,455</u>	<u>\$ 48,580</u>	<u>\$ 19,022</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, 2016**

	Teen Outreach Program	SNAP	Nurse Family Partnership	Well Ahead	Music and Mentoring	Partnership	Navigator
Compensation and Related Expenses							
Salaries	\$ 3,136	\$ 45,945	\$ 252,675	\$ 57,462	\$ 3,988	\$ 29,271	\$ 198,026
Employee Benefits							
Medical and Dental Insurance	1,403	5,102	9,681	5,581	-	933	20,471
401(k) Retirement Contributions	304	1,524	6,957	1,557	75	661	6,822
Payroll Taxes	545	3,818	19,983	4,256	322	2,444	15,061
	<u>5,388</u>	<u>56,389</u>	<u>289,296</u>	<u>68,856</u>	<u>4,385</u>	<u>33,309</u>	<u>240,380</u>
Conference Registration	-	700	840	286	-	455	475
Contractual Services	-	150	-	65,800	12,400	-	699,157
Depreciation	523	-	792	-	-	151	1,001
Equipment	-	-	-	-	-	-	311
Incentives	-	-	-	-	-	-	-
Insurance	29	193	1,074	230	17	126	789
Marketing Expense	-	-	-	29,625	-	-	2,611
Meetings Expense	-	-	-	2,403	85	150	541
Other	-	86	157	435	-	105	878
Postage	51	2	32	25	-	-	1,234
Printing	5	695	1,685	542	-	7	1,724
Professional Fees	-	-	-	-	-	-	61
Rental Expense	36	-	-	-	-	252	106
Repairs and Maintenance	-	-	-	-	-	-	260
Stipends	-	-	-	-	-	-	-
Subscriptions	-	-	-	-	-	-	-
Supplies	-	909	8,175	13,707	872	397	6,896
Travel and Transportation	-	4,309	18,466	5,022	429	1,831	17,227
Utilities and Telephone	299	3	-	1,237	102	128	7,156
	<u>299</u>	<u>3</u>	<u>-</u>	<u>1,237</u>	<u>102</u>	<u>128</u>	<u>7,156</u>
TOTAL	<u>\$ 6,331</u>	<u>\$ 63,436</u>	<u>\$ 320,517</u>	<u>\$ 188,168</u>	<u>\$ 18,290</u>	<u>\$ 36,911</u>	<u>\$ 980,807</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, 2016**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 122,499	\$ 84,733	\$ 54,960	\$ 1,698,667	\$ 327,761	\$ 2,026,428
Employee Benefits						
Medical and Dental Insurance	18,050	7,095	359	127,183	30,654	157,837
401(k) Retirement Contributions	4,485	2,188	2,208	54,139	10,953	65,092
Payroll Taxes	9,926	7,228	4,233	133,172	24,922	158,094
	<u>154,960</u>	<u>101,244</u>	<u>61,760</u>	<u>2,013,161</u>	<u>394,290</u>	<u>2,407,451</u>
Conference Registration	-	-	-	6,990	3,387	10,377
Contractual Services	-	-	12,463	918,499	37,261	955,760
Depreciation	-	-	1,481	7,415	10,160	17,575
Equipment	-	-	330	1,856	2,154	4,010
Incentives	-	-	-	2,500	-	2,500
Insurance	526	366	233	7,157	38,961	46,118
Marketing Expense	-	-	150	72,377	-	72,377
Meetings Expense	-	-	4,283	27,640	6,040	33,680
Other	-	124	1,116	8,793	6,624	15,417
Postage	-	-	446	2,498	2,066	4,564
Printing	-	-	117	39,982	1,441	41,423
Professional Fees	-	-	-	511	1,742	2,253
Rental Expense	-	-	-	15,391	16,390	31,781
Repairs and Maintenance	-	-	-	260	18,772	19,032
Stipends	-	-	13,620	13,620	5,580	19,200
Subscriptions	-	-	923	923	8,300	9,223
Supplies	-	-	11,491	133,149	11,354	144,503
Travel and Transportation	1,401	-	4,045	84,215	7,345	91,560
Utilities and Telephone	-	-	494	12,987	17,365	30,352
	<u>-</u>	<u>-</u>	<u>494</u>	<u>12,987</u>	<u>17,365</u>	<u>30,352</u>
TOTAL	<u>\$ 156,887</u>	<u>\$ 101,734</u>	<u>\$ 112,952</u>	<u>\$ 3,369,924</u>	<u>\$ 589,232</u>	<u>\$ 3,959,156</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF CASH FLOWS
JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 24,589	\$ 108,390
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	18,814	17,575
Changes in Current Assets and Liabilities:		
Due from Other Agencies	130,435	94,430
Prepaid Expenses	(1)	(34)
Other Assets	-	7,769
Accounts Payable	(3,027)	(24,326)
Accrued Liabilities	(7,589)	(16,248)
Deferred Revenue	6,427	(120,109)
Net Cash Provided By Operating Activities	169,648	67,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(40,641)	(9,683)
Net Cash (Used In) Investing Activities	(40,641)	(9,683)
NET INCREASE IN CASH AND EQUIVALENTS	129,007	57,764
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	296,939	239,175
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 425,946	\$ 296,939

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

(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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets 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, 2017 AND 2016**

(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, 2017 and 2016.

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, 2017 and 2016 deferred revenues were \$6,542 and \$115, 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) 958-605-25-16 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, 2017 AND 2016**

(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, 2017 and 2016, 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, 2017, 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, 2017 and 2016, accrued annual leave totaled \$73,975 and \$76,604, 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, 2017, the tax years that remain subject to examination by taxing authorities begin with 2014. Tax returns for 2014, 2015, and 2016 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, 2017 AND 2016**

(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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
State of Louisiana	\$ 314,948	\$ 475,871
Federal Government	97,609	87,205
Other	<u>260,013</u>	<u>239,929</u>
Total	<u>\$ 672,570</u>	<u>\$ 803,005</u>

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

(C) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 224,294	\$ 224,294
Building	261,869	249,849
Equipment	172,695	144,075
Furniture and Fixtures	<u>13,695</u>	<u>13,695</u>
	672,553	631,913
Less: Accumulated Depreciation	<u>(188,065)</u>	<u>(169,252)</u>
Total Fixed Assets	\$ 484,488	\$ 462,661

Depreciation expense for the years ended June 30, 2017 and 2016 was \$18,814 and \$17,575, 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 2017 and 2016. Contributions made for the fiscal years ended June 30, 2017 and 2016 were \$68,325 and \$65,092, 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, 2017 AND 2016**

(F) SUMMARY OF GRANTS/CONTRACT FUNDING

SWLAHEC is funded through the following grants and contracts for the year ended June 30, 2017:

<u>Funding Source</u>	<u>Award Number</u>	<u>Support</u>
State of Louisiana Department of Health and Hospitals:		
HIV Prevention Program	LAGOV # 2000128576	\$ 42,858
Fetal Infant Mortality Review	CFMS # 727656	202,935
Nurse Family Partnership Program	CFMS # 727912	361,404
WIC IV	LAGOV # 2000164751	170,543
WIC V	LAGOV # 2000176761	124,595
Launch	CFMS # 1000114715	516,256
Well Ahead	LAGOV # 2000107025	350,206
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine	96-89102-A35-SW	435,164
	96-89102-A36-SW	
State of Louisiana Department of Public Safety:		
Louisiana Highway Safety Commission		
Social Norming for Alcohol Prevention	SRM # 2000246671	92,026
U.S. Department of Health and Human Services:		
Navigator Grant	4NAVACA140176-01-02	225,213
Navigator Grant	5NAVACA150282-02-00	836,040
Calcasieu Parish Police Jury:		
City of Lake Charles		498,892
		5,365
Southwest Louisiana Area Health Education Center:		
Eat, Play, Grow		40,573
Lupus		2,150
Louisiana Board of Regents:		
Gear-Up		16,739
Total		<u>\$ 3,920,959</u>

Approximately 45% of the total fiscal year 2017 grants and contract revenues are provided by the State of Louisiana Department of Health and Hospitals through various grant programs. Approximately 11% is provided by the Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Health Sciences Center (LSUHSC).

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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

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 27% of the total fiscal year 2017 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 17% of grant and contract revenues.

(G) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Equipment	\$ <u>32,738</u>	\$ <u>26,236</u>

(H) 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, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Blue Cross/Blue Shield	\$ -	\$ 68,896
Equipment	<u>7,509</u>	<u>7,415</u>
Totals	<u>\$ 7,509</u>	<u>\$ 76,311</u>

(I) 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, 2017, the Organization has cash balances in excess of these limits by \$120,583.

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, 2017 AND 2016**

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

A detail of compensation, benefits, and other payments paid to the Executive Director, Margaret Durand, for the year ended June 30, 2017:

Purpose	
Salary	\$ 87,656
Benefits – Insurance	\$ 12,581
Benefits – Retirement	\$ 3,506
Reimbursements	\$ 300
Conference Travel	\$ 1,329

(K) SUBSEQUENT EVENTS

Subsequent events were evaluated through November 21, 2017, 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, 2017**

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 - 2015 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	* 4NAVACA140176-01-02	-	\$ 225,213	\$ 219,810
PHF - 2016 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	* 5 NAVCA150282-02-00	-	836,040	521,331
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	CFMS #727656	144,084	-
Nurse Family Partnership	93.994	N/A	CFMS #727912	151,789	-
HIV Prevention Activities - Health Department Based Launch	93.940	N/A	LAGOV: 2000128576	42,858	-
Well Ahead Program	93.243	N/A	CFMS 1000114715	516,167	-
	93.758	N/A	LAGOV: 2000107025	350,206	-
Louisiana State University Health Sciences Center:					
Area Health Model Program	93.107	N/A	96-89102-A36-SW	80,798	-
Southwest Louisiana Area Health Education Center:					
Lupus	93.068	N/A		2,150	-
Calcasieu Parish Police Jury Project K.I.S.S.	93.569	N/A		1,730	-
U.S. Department of Agriculture-					
State Department of Health and Hospitals:					
WIC IV	10.557	N/A	LAGOV: 2000164751	170,543	-
WIC V	10.557	N/A	LAGOV: 2000176761	124,595	-
U.S. Department of Transportation-					
State Department of Public Safety and Corrections:					
SNAP Partnership Grant	20.607	N/A	SRM: 2000246671	92,026	-
U.S. Department of Education					
Louisiana Board of Regents					
GEAR-UP	84.334	N/A		16,739	-
U.S. Department of Housing and Urban Development					
City of Lake Charles					
Dare to be Healthy	14.218	N/A		5,365	-
Total Expenditures				<u>\$2,760,303</u>	<u>\$ 741,141</u>

* - denotes a major program.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2017**

(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, 2017. 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.

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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

JOHN W. WRIGHT, CPA *
JAMES H. DUPUIS, CPA, CFP *
JAN H. COWEN, CPA *
LANCE E. CRAPPELL, CPA, CGMA *
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 **
JOAN MARTIN, CPA, CVA, CFF, DABFA**

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** A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA^
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JOE D. HUTCHINSON, CPA *+
BRIDGET R. TILLEY, CPA, MT**+

+RETIRED
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MARY PATRICIA KEELEY, CPA
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WENDY ORTEGO, CPA, CVA
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KEITH SIBILLE, CPA
ROBIN G. STOCKTON, CPA
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, 2017, 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 21, 2017.

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
November 21, 2017

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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JAMES H. DUPUIS, CPA, CFP *

JAN H. COWEN, CPA *

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MICAH R. VIDRINE, CPA *

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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, 2017. 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 the requirements of laws, regulations, contracts, and grants 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, 2017.

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
November 21, 2017

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation as of and for the year ended June 30, 2017, and have issued our report thereon dated November 21, 2017. 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, 2017 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, 2017, had one major program:

- Department of Health and Human Services – CFDA No. 93.332

Low-Risk Auditee

SWLAHEC is considered a low-risk auditee for the year ended June 30, 2017.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2017.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED JUNE 30, 2017**

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, 2017.

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, 2017**

There were no prior year findings.

**SOUTHWEST LOUISIANA AREA
HEALTH EDUCATION CENTER
FOUNDATION**
Lafayette, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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** A LIMITED LIABILITY COMPANY

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MICHAEL G. DEHART, CPA * +
JOE D. HUTCHINSON, CPA * +
BRIDGET R. TILLEY, CPA, MT**+

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

We have performed the procedures enumerated below, which were agreed to by the management of Southwest Louisiana Area Health Education Center Foundation and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Southwest Louisiana Area Health Education Center Foundation's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of Southwest Louisiana Area Health Education Center Foundation is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

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

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

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

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

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

- d) **Receipts**, including receiving, recording, and preparing deposits

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

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

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

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

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

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

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

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

This section is not applicable to not for profit entities.

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

This section is not applicable to not for profit entities.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met quarterly in accordance with the by-laws.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes discussed financial statements and operating results.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Obtained and reviewed the minutes of the managing board for the fiscal period noting that there is no formal plan for deficit spending (not required for a not for profit entity), however the board reviews financials and discussed spending, program spending, and when applicable, changes to levels of funding which would require changes in spending.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.)

Obtained and reviewed the minutes of the managing board for the fiscal period noting that the executive director was authorized by the board to enter into contracts on behalf of the agency.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Obtained bank statements and reconciliations for all months in the fiscal period noting evidence of review by executive director.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Written documentation was obtained and address the functions noted above. The person responsible for collecting cash also records the cash in the general ledger, mitigating controls were noted and the entity collects minimal cash during the year.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Written documentation was obtained and address the functions noted above.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collection documentation was obtained and address the functions noted above. Due to minimal cash collected, the entity policy is to make deposits twice a month unless a large amount is received, at which time a deposit is made outside of policy.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Collection documentation was obtained and address the functions noted above.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

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

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using the proper approval process.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of all purchases.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Examined supporting documentation for each of the 25 disbursements and found all payments were processed with proper approval, receiving report and approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Written policies and procedures were obtained and address the functions noted above, however the person responsible for processing payments does add vendors to the disbursement system only after the vendor has been approved by the executive director.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

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

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

This step is N/A.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Listing of active credit cards, and name of person who maintain possession of cards and management's representation that the listing is complete was obtained. There are no fuel cards or debit cards used.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Listing was obtained and randomly selected 4 cards.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card

holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Monthly statements were obtained and address the functions noted above.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed on sample selected.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Not applicable.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

This section is N/A – entity is a not for profit.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained. No amounts listed exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses were paid in accordance with written policy.

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Of the five contracts selected for testing, one was unsigned and one was only a proposed scope of service.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

This is not applicable, entity is a not for profit and is not required to follow the Louisiana Public Bid Law.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Of the contracts tested, two were for subgrantee services and two were for professional services related to a grant. The final contract has proposals noted.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Of the five contracts tested, the scope of service proposal was extended when additional grant funds were received. The total amount of the payments under the extended term was \$18,500.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No noncompliance noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Two of the five contracts/scope of service agreements had no indication of approval by the executive director, as required by board policy.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Two of the 25 tested had approved leave slips dated subsequent to the date of the leave taken.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

This is not applicable to not for profit entities.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

This is not applicable to not for profit entities.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

This is not applicable to not for profit entities.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

N/A

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

N/A

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notices were posted on the entity's premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Southwest Louisiana Area Health Education Center, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

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

Lafayette, Louisiana
October 17, 2017



*The mission of
Southwest Louisiana AHEC
is to improve health status through access
to information, education and health
services.*

2017 Board of Directors

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October 17, 2017

Wright, Moore, Dehart,
Dupuis & Hutchinson, LLC
P.O. Box 80569
Lafayette, LA 70598

The following is Management's response to the 2016-2017 AUP report submitted.

COLLECTIONS

6. a) Management will work toward enhancing the mitigating controls that are currently in place.

DISBURSEMENTS

10. Management will work toward enhancing the mitigating controls that are currently in place.

CONTRACTS

21. a) Management feels that a scope of service proposal was appropriate for the services being performed.
b) Due to the nature of these agreements, formal proposals were determined to not be necessary. We do solicit informal proposals for items and services we deemed necessary.
c) Management will work toward implementing policies to insure that contracts and agreements have written extension terms when applicable.
e) Management will work toward insuring the proper documentation is maintained for all contracts.

PAYROLL

23. b) Management has already resolved this issue.

If any additional information is needed, please contact me at (337) 989-0001.

Margaret "Bootsie" Durand, MS
Executive Director