

LIVING WELL FOUNDATION
(A Component Unit of
Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Financial Statements
For the Year Ended December 31, 2020

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

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*Denotes Schedule



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Living Well Foundation
West Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the **Living Well Foundation** (the Foundation), a component unit of Hospital Service District No. 1 of Ouachita Parish, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Board of Directors
Living Well Foundation
West Monroe, Louisiana

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 respective financial position of the governmental activities and the major fund of the Living Well Foundation as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 5 through 8 and page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Living Well Foundation's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule

Board of Directors
Living Well Foundation
West Monroe, Louisiana

of Compensation, Benefits and Other Payments to CEO is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Compensation, Benefits and Other Payments to CEO have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021 on our consideration of the Foundation'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 solely 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 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 the Foundation's internal control over financial reporting and compliance.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

June 17, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
(PART A)**

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)

West Monroe, Louisiana

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Our discussion and analysis of the Living Well Foundation (the Foundation) (A Component Unit of Hospital Service District No. 1 of Ouachita Parish) provides an overview of the Foundation's activities for the year ended December 31, 2020. The Foundation, formerly Ward Five Healthcare Foundation, is a Louisiana nonprofit quasi-governmental entity. Please read our discussion and analysis in conjunction with the Foundation's financial statements that begin on page 9.

OVERVIEW OF THE FINANCIAL STATEMENTS

Although the Foundation is a quasi-governmental entity, it uses governmental accounting principles; therefore, it is considered a governmental entity for financial statement presentation.

This discussion and analysis is intended to serve as an introduction to the Foundation's basic financial statements. The Foundation's basic financial statements comprise three components: 1) government-wide financial statements (GWFS), 2) fund financial statements (FFS), and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements.

The Foundation's government-wide financial statements report information about the Foundation using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Statement of Net Position* presents information on all of the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The *Statement of Activities* presents the current year's revenues and expenses and other information showing how the Foundation's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Foundation, like state and local governments and other quasi-governmental entities, uses fund accounting. The Foundation's General Fund is categorized as a major governmental fund.

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(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Management's Discussion and Analysis
For the Year Ended December 31, 2020

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Likewise, this information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Foundation maintains one governmental fund—the General Fund. The Foundation adopts an annual appropriated budget for the General Fund, and a budgetary comparison statement is provided for this fund to demonstrate compliance with its budget.

Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Foundation's progress in funding its obligation to promote the general health of the community. Required supplementary information can be found on page 31.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the year ended December 31, 2020, the Foundation's assets exceeded liabilities by \$48,501,276. The majority of the Foundation's assets are in investments with a market value of \$48,282,551 and total face value of \$47,414,130, at December 31, 2020.

The principal amount (\$46,199,652) is restricted by the cooperative endeavor agreement with the Hospital Service District No. 1 of Ouachita Parish (the District) who transferred the money to the Foundation.

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Management's Discussion and Analysis
 For the Year Ended December 31, 2020

A summary of the Foundation's net position is as follows:

Living Well Foundation		Summary of Net Position	
		December 31,	
		2020	2019
Current and other assets	\$	48,684,467	\$ 48,711,957
Capital assets		22,255	17,397
Total assets	\$	48,706,722	\$ 48,729,354
Current liabilities	\$	205,446	\$ 391,709
Total liabilities	\$	205,446	\$ 391,709
Invested in capital assets	\$	22,255	\$ 17,397
Restricted		46,199,652	46,199,652
Unrestricted		2,279,369	2,120,596
Total net position	\$	48,501,276	\$ 48,337,645

Governmental Activities

The Foundation's net position increased \$163,631 during the current year of operation as compared to its \$1,130,035 increase in net position during the prior year. Investment income decreased by \$1,151,756 in 2020 due to the large number of called/redeemed notes and the resultant high amount of cash on hand at very low interest rates with little investment opportunity, the increased premiums on new purchases, and overall lower earnings potential based on the market status.

Living Well Foundation
Summary of Governmental Activities

		For the Year Ended December 31,	
		2020	2019
Revenues			
General revenues			
Investment income	\$	851,720	\$ 2,003,476
Event revenue		17,340	11,225
Grants		50,000	-
Gifts and endowments		2,930	2,720
Miscellaneous Income		6,568	533
Total general revenues		928,558	2,017,954
Total revenues		928,558	2,017,954
Expenses			
Health and welfare		764,927	887,919
Increase (Decrease) in net position		163,631	1,130,035
Net position at beginning of the year		48,337,645	47,207,610
Net position at end of year	\$	48,501,276	\$ 48,337,645

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Management's Discussion and Analysis
For the Year Ended December 31, 2020

FINANCIAL ANALYSIS OF THE FOUNDATION'S FUND

As previously noted, the Foundation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the Foundation present its General Fund as a major governmental fund. Further, the changes discussed in the section below provide explanations of the fund's activities during the year.

Governmental Fund

The focus of the governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the Foundation's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the Foundation had \$48,684,467 in assets and \$205,446 in liabilities. The Foundation's fund balance (total assets less total liabilities) increased by \$158,773 from \$48,320,248 to \$48,479,021.

The Governmental Fund's only fund is the General Fund.

The inclusion of capital assets (\$22,255) on the Statement of Net Assets is the only difference when comparing to the Balance Sheet to the Statement of Net Assets. The differences between the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance, is comprised of depreciation expense (\$5,528) and equipment purchases (\$10,386).

GENERAL BUDGETARY ANALYSIS

General Fund

The Foundation uses formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual include the original adopted budget amounts and the final amended budget amounts. The original budget adopted October 3, 2019, was based on estimated revenues, estimated expenses, and other financial information known to the Foundation at the time of the budget's adoption. Amendments to the original budget are made throughout the year as changes in operations, expected funding levels, and estimated expenditures occur. The final amended budget is prepared at the time the Foundation anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations. The fiscal year 2020 budget was amended August 6, 2020.

CAPITAL ASSETS

During 2020, capital assets increased by \$4,858 due to the purchase of new equipment (\$10,386) less depreciation expense (\$5,528).

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(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)

West Monroe, Louisiana

Management's Discussion and Analysis

For the Year Ended December 31, 2020

ECONOMIC FACTORS AND FUTURE OUTLOOK

The Foundation's budgeted revenues and expenditures for 2020 reflect a continued effort to use its investment income to award grants or support initiatives to nonprofit organizations that have demonstrated the ability to improve the community by promoting and improving the health and well-being of the citizens in the Service Area of the Foundation.

The ongoing impact from the COVID-19 pandemic, as well as regional weather disasters, indicates that gaps continue to exist in services and programs within the Foundation's service area, as well as the identification of new or broader issues affecting the health and well-being of those served. Within the Foundation's mission and goals, and with close scrutiny to market conditions related to earnings, activities in grant-making will continue to be evaluated for large impact and recovery from the challenges of 2020. While earnings continue to be challenged by low interest rates on appropriate investments for the Foundation, grant-making will also require focused strategies to ensure the ability to serve its mission within the revenues available. It is the intent of the Foundation to seek earnings, while respecting the principles of safety, liquidity, and yield, in order to grant, while also positioning the portfolio for future opportunities as interest rates rise over time. The Foundation is currently positioned in investments that provide both low risk and low volatility to the portfolio.

CONTACTING THE FOUNDATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Foundation's finances and to show its accountability for the money it expends. If you have questions about this report or need additional financial information, contact A. Whitfield Hood, Jr (Board Chair 2021), or Dave N. Norris, Jr. (Vice Chair, Finance/Investment Committee 2021) of the Foundation, at P.O. Box 2773, West Monroe, LA 71294 or by phone at 318-396-5066.

BASIC FINANCIAL STATEMENTS

Living Well Foundation
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Governmental Fund-Balance Sheet (FFS) /
Governmental Activities-Statement of Net Position (GWFS)

December 31, 2020

	Balance Sheet		Statement of
	Major Fund		Net Position
	General Fund	Adjustments	Net Position
Assets			
Cash	\$ 177,446	\$ -	\$ 177,446
Cash Equivalent	4,003,992		4,003,992
Investments	44,278,559	-	44,278,559
Investment income receivable	214,715	-	214,715
Prepaid expenses	8,719	-	8,719
Other assets	1,036	-	1,036
Capital assets, net	-	22,255	22,255
Total assets	\$ 48,684,467	\$ 22,255	\$ 48,706,722
Liabilities			
Accounts payable	\$ 2,740	\$ -	\$ 2,740
Grants payable	191,508	-	191,508
Accrued liabilities	11,198	-	11,198
Total liabilities	\$ 205,446	-	\$ 205,446
Fund balance / net position			
Fund balance			
Nonspendable for			
prepaid expenses	\$ 8,719		
Restricted	46,199,652		
Unassigned	2,270,650		
Total fund balance	48,479,021	(48,479,021)	
Total liabilities and fund balance	\$ 48,684,467		
Net position			
Net investment in capital assets		\$ 22,255	\$ 22,255
Restricted		46,199,652	46,199,652
Unrestricted		2,279,369	2,279,369
Total net position		\$ 22,255	\$ 48,501,276

The accompanying notes are an integral part of this statement.

Living Well Foundation
(A component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Reconciliation of the Governmental Fund-Balance Sheet (FFS)
to the Governmental Activities-Statement of Net Position (GWFS)

December 31, 2020

Fund Balance \$ 48,479,021

Amounts reported for governmental activities in the Statement of Net Position are different because

The cost of capital assets purchased is reported as an expenditure in the Governmental Funds. The Statement of Net Position includes those capital assets among the assets of the Foundation as a whole. The cost of those capital assets will be allocated over their estimated useful lives (as depreciation expense) to Health and Welfare as reported as Governmental Activities in the Statement of Activities.

Property and equipment	\$ 48,917	
Accumulated depreciation	<u>(26,662)</u>	<u>22,255</u>

Net Position \$ 48,501,276

Living Well Foundation
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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Governmental Fund-Statement of Revenues, Expenditures and Changes in Fund Balance (FFS)
Governmental Activities-Statement of Activities (GWFS)

For the Year Ended December 31, 2020

	Statement of Revenues, Expenditures and Changes in Fund Balance		Adjustments	Statement of Activities
	Major Fund			
	General Fund			
Revenues				
General revenues				
Investment income, net	\$ 851,720	\$ -	\$ -	\$ 851,720
Event revenue	17,340	-	-	17,340
Grant	50,000	-	-	50,000
Gifts and endowments	2,930	-	-	2,930
Miscellaneous income	6,568	-	-	6,568
	<u>928,558</u>	<u>-</u>	<u>-</u>	<u>928,558</u>
Expenditures / expenses				
Current				
Health & welfare				
Grants, initiatives and programs				
Grant awards - current year	210,743	-	-	210,743
Grant awarded- restricted	52,500	-	-	52,500
Dental hygiene initiative	28,372.00	-	-	28,372
East Ouachita Parish-grant award	110,000	-	-	110,000
Special project-WM Med Clinic grant award	125,000	-	-	125,000
Grants, initiatives and programs, gross	<u>526,615</u>	<u>-</u>	<u>-</u>	<u>526,615</u>
Unspent grant awards				
Return of unspent grant awards	(27,831)	-	-	(27,831)
Total unspent grant awards	<u>(27,831)</u>	<u>-</u>	<u>-</u>	<u>(27,831)</u>
Grants, initiatives and programs, net	<u>498,784</u>	<u>-</u>	<u>-</u>	<u>498,784</u>
All other charges				
Accounting	12,794	-	-	12,794
Annual update event	5,245	-	-	5,245
Auditing	19,000	-	-	19,000
Bank fees	366	-	-	366
Community meetings	362	-	-	362
Conference/training/travel	1,228	-	-	1,228
Contractual services	8,394	-	-	8,394
Depreciation expense	-	5,528	-	5,528
Equipment	10,386	(10,386)	-	-
Equipment rental	3,115	-	-	3,115
Insurance	14,006	-	-	14,006
Investment fees	37,507	-	-	37,507
Legal fees	12,545	-	-	12,545
Maintenance/repair	220	-	-	220
Marketing/media/PR/printing	1,819	-	-	1,819
Office rent	9,600	-	-	9,600
Postage and freight	413	-	-	413
Salaries and benefits	124,365	-	-	124,365
Storage	540	-	-	540
Supplies	2,586	-	-	2,586
Telephone and communications	5,153	-	-	5,153
Utilities	1,357	-	-	1,357
Total of all other charges	<u>271,001</u>	<u>(4,858)</u>	<u>-</u>	<u>266,143</u>
Total expenditures / expenses	<u>769,785</u>	<u>(4,858)</u>	<u>-</u>	<u>764,927</u>
Excess (deficiency) of revenues over expenditures / expenses	158,773	4,858	-	163,631
Fund balance/net position at beginning of year	<u>48,320,248</u>	<u>17,397</u>	<u>-</u>	<u>48,337,645</u>
Fund balance/net position at end of year	<u>\$ 48,479,021</u>	<u>\$ 22,255</u>	<u>\$ -</u>	<u>\$ 48,501,276</u>

The accompanying notes are an integral part of this statement.

Living Well Foundation
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
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**Reconciliation of the Governmental Fund-Statement of Revenues, Expenditures
 and Changes in Fund Balance (FFS) to Governmental Activities -
 Statement of Activities (GWFS)**

For the Year Ended December 31, 2020

Change in fund balance	\$	158,773
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in the Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Equipment	\$	10,386	
Depreciation		<u>(5,528)</u>	<u>4,858</u>
Change in net position	\$		<u><u>163,631</u></u>

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2020

Introduction

The Living Well Foundation (the Foundation) was created on August 17, 2006. On December 7, 2010, the Board of Directors (the Board) voted to amend the Foundation's Articles of Incorporation to change the Foundation's name from Ward Five Healthcare Foundation to the Living Well Foundation. The Foundation is the sole component unit member of Hospital Service District No. 1 of Ouachita Parish (the District).

A cooperative endeavor agreement which outlines the scope of services to be performed by the Foundation was signed by representatives of the Foundation and the District on January 31, 2007. The Foundation agrees to administer activities related to rendering care to the sick and injured or in the promotion of health, to cooperate with other public and private institutions and agencies engaged in providing hospital and other health care services to residents of the district, and to participate in activities designed and conducted to promote the general health of the community, including but not limited to the following services:

Identifying, selecting, funding and conducting clinical or other programs to improve the health of the residents of the District and the community;

Identifying, selecting and providing grants to nonprofit charitable organizations and public agencies that provide health and wellness related services in the District and the community;

Promoting, supporting and conducting educational programs that enable residents of the community to improve their health and wellness; and

Engaging in fund raising activities for the support of the Foundation and that assist in achieving its goals of community health and wellness.

The Foundation's area of service includes the following eight northeastern Louisiana parishes: Caldwell, Franklin, Jackson, Lincoln, Morehouse, Ouachita, Richland, and Union.

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Foundation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Although the Foundation is a quasi-governmental entity, it uses governmental accounting principles, and therefore, is considered a governmental entity for financial statement presentation. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2020

B. Financial Reporting Entity

The Foundation was officially incorporated on August 17, 2006, in accordance with the Louisiana Nonprofit Corporation Law and operates a program of social welfare for the aid and support of the needy within the meaning of Article 7, Section 14(B)(1) of the Louisiana Constitution. During 2010, the Board voted to amend the Foundation's Articles of Incorporation and By-Laws. The Board consists of twelve members, eight of which are recommended by the nominee recommendation committee, nominated by the Board, and elected by the District. The remaining four members are nominated and elected by the Ouachita Parish Police Jury (the Police Jury).

GASB Statement 61 provides for the issuance of primary government financial statements that are separate from those of the reporting entity (the Police Jury); therefore, the Foundation's financial statements are not a substitute for the reporting entity's financial statements of the District or the reporting entity's financial statements of the Police Jury. The accompanying financial statements have been prepared in conformity with GAAP as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity of the District or the Police Jury, and therefore, are intended to reflect only the financial statements of the Foundation.

Under provisions of GASB Statement 61, the Foundation is considered a component unit of the District because the District elects the majority of the Board and can impose its will on the Foundation. The District is considered a component unit of the Police Jury which is the reporting entity of the Parish. As a component unit, the accompanying financial statements of the Foundation should be included within the reporting of the primary government (the District), either blended into those financial statements or separately reported as a discrete component unit.

The accompanying basic financial statements present information only on the fund maintained by the Foundation and do not present information on the District or the Police Jury.

C. Fund Accounting

The financial transactions of the Foundation are recorded in individual funds, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that includes its assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates a fund according to its intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

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Notes to the Financial Statements
For the Year Ended December 31, 2020

The minimum number of funds is maintained consistent with legal and managerial requirements.

The Foundation uses the following fund type:

Governmental Funds

Governmental funds account for the Foundation's general governmental activities including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental Funds that do not meet the dollar tests for major funds. The General Fund is the only governmental fund, it is always a major fund, and is defined as follows:

General Fund - The General Fund is the general operating fund of the Foundation. It accounts for all of its financial resources except those required to be accounted for in another fund.

D. Basis of Accounting / Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the Foundation as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized when committed in accordance with *Accounting and Financial Reporting for Non-exchange transactions*.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating

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Notes to the Financial Statements
For the Year Ended December 31, 2020

statements of these funds present increases (i.e. revenue and other financing source and decreases (i.e. expenditures and other financing uses) in net current assets.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to pay current period liabilities.

Expenditures are recorded when the related fund liability is incurred.

E. Budgetary Practices

A preliminary operating budget based on the modified accrual basis of accounting for the General Fund is prepared annually by the Finance/Investment Committee. The proposed budget is reviewed by the Board and thereafter by the Board of Commissioners of the District and revised as deemed necessary.

The budgetary data included in the accompanying financial statements includes the originally adopted budget and any amendments thereto.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. For financial statement purposes, the Foundation considers cash in its checking account to be the only cash item and all amounts included in its investment accounts to be investments, regardless of classification or maturity.

G. Investments

The Foundation maintains an independent third-party custodian managed investment account with diversification in a money market account, certificates of deposit, and notes/bonds with maturities of four years or less unless approved by the Executive Committee and the express written approval of any two commissioners of HSD, per the Investment Policy which was revised in February 2020. During 2020, based upon market conditions, the Foundation invested in large CD instruments through self-direction at local banks and in compliance with the Investment Policy. These CDs are included in the investment valuations on the financial statements. All investments acquired after August 1, 2018, require written approval by the Vice Chair of the Finance/Investment Committee and the written approval of one additional member of either the Finance/Investment

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Committee or the Executive Committee together with the express written approval of any two commissioners of the Hospital Service District (HSD). The policy of the Foundation is to hold until maturity unless strategic market opportunities present for swaps or calls which improve the Foundation's positions and which are presented by the investment manager and approved by the Board and HSD. Each of these accounts has the following characteristics except where differentiated:

Credit risk – The Foundation minimizes credit risk, which is the risk due to the failure of the security issuer or backer, by investing in the following instruments:

- a. direct United States Treasury obligations;
- b. bonds; debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America or such other instruments that are federally sponsored;
- c. direct security repurchase agreements of any federal book entry only securities enumerated in paragraphs in (a) or (b) above;
- d. time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks or share accounts and share certificate;
- e. accounts of federally or state-chartered credit unions issuing time certificates of deposit;
- f. mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies;
- g. Investment of funds in such mutual or trust fund institutions shall be limited to 25% of the monies considered available for investment; and
- h. Investment grade (A-1/P-1) commercial paper of domestic United States corporations.

Investments in derivatives of the above instruments require authorization by the Foundation's Board members and prior establishment of internal controls for any derivatives to ensure that the risks inherent in derivatives are adequately managed.

Concentration of credit risk – The investments shall be diversified by:

- a. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- b. Limiting investment in securities that have higher credit risks;
- c. Investing in securities with varying maturities; and
- d. Continuously investing a portion of the portfolio in readily available funds such as money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

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In establishing specific diversification strategies, portfolio maturities are staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected provide stability of income and reasonable liquidity.

Interest rate risk – The Foundation manages its exposure to declines in fair values by managing the maturities of its investment portfolio to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools, and limiting the average maturity of the portfolio.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Capital Assets

Capital Assets are reported in the governmental activities in the government-wide financial statements. The Foundation considers assets with an initial individual cost of \$1,000 or more and an estimated life of 1 year or more as a capital asset. Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that any salvage value would be immaterial.

Half-year straight-line depreciation is used based on the following useful lives:

Seven years – Signage
Seven years – Furniture & Fixtures
Seven to twenty years – Designs
Five to seven years – Equipment
Fifteen years – Leasehold Improvements

J. Grants Payable

The Foundation awards grants annually to entities that promote the health and enhance the quality of life of all residents within the eight northeastern Louisiana parishes of the Foundation's service area based on an application process. When grants are approved by the Board, they are recorded as a payable at that time and are disbursed according to the terms of the grant agreement at a certain point in the future.

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In 2020, due to the COVID-19 pandemic and local weather disasters, the Foundation Board of Directors, with approval from the Hospital Service District #1, voted to hold a special funding cycle earlier than its typical fall grant cycle, specifically the Special Funding Cycle – COVID-19 Impact. This cycle was necessary to address the needs incurred within the region for personal protective equipment and supplies, tele-health and tele-counseling services, and other medical and health challenges. Within the previously awarded grants from the Fall 2019 grant cycle, there were identified issues for repurposing some grants or extending the grant durations to address pandemic challenges experienced by the grant recipients out of their control but within the scope of the mission of the Foundation.

In addition, based on the ongoing pandemic and disaster events, the Foundation voted to provide special funding in one-time grants for service area requests that would address specific issues that had arisen regarding large population impact. These projects included replacement of patient dental chairs at a school-based dental hygiene clinic to ensure appropriate hygienic provisions during the pandemic, and matching funds for a medical clinic to serve the Medicaid population in south West Monroe, contingent upon other grant awards to the partner agencies. As of the date of this report, those other agencies grant funds are pending, and implementation of the project is delayed.

The Foundation also benefitted from a special disaster grant cycle established by the Blue Cross and Blue Shield of Louisiana (BCBSLA) Foundation in a \$50,000 grant award. This grant award was used to fund specific projects during the pandemic with partner agencies in the service area, and included food distribution in Union Parish, activity kits and outreach services for unschooled kids, and an outdoor classroom playground.

From time to time, and within the scope of its mission and vision, the Foundation's Board of Directors approves funding for specific initiatives, outside of the normal grant-making cycle, to serve identified areas of need. Those initiatives include dental hygiene clinics with the University of Louisiana at Monroe Dental Hygiene Program, and the establishment of school-based health centers within sustainable funding models. The focus of these initiatives is to assist those who are needy, who have less access, who are under- or un-insured, and who can benefit from the services through onsite models of delivery of care. These initiatives comply with the findings of the Community Needs Assessment and the Community Plan and are approved annually by the Board and the Hospital Service District #1 as presented for funding.

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K. Compensated Absences

The Foundation has the following policy relating to vacation:

Full-time employees with less than 1 year of service earn 1 day of vacation for each full month worked prior to January 1, up to a maximum of 10 vacation days; 1-5 years of service earn 12 vacation days each year; 6-10 years of service earn 18 vacation days each year; and over 10 years of service earn 24 vacation days each year. Per the policy change by the Board of Directors in 2015, there are no benefits paid for part-time employees unless negotiated differently upon hire.

Vacation is credited at the beginning of each calendar year. Upon termination of employment, unused vacation is paid to employees as applicable per policy at the employee's current rate of pay.

Vacation is reported in the Statement of Net Position as a short-term liability and expensed in the Statement of Activities. Vacation accrued in the Statement of Net Position as of the end of the year is valued using the employee's current rate of pay. Vacation leave will be paid from future years' resources. A liability for vacation is reported in the Governmental Funds only if it is payable at year-end. As of December 31, 2020, the Foundation had \$8,525 in accrued annual leave.

L. Net Position (GWFS) / Fund Balances (FFS)

In the government-wide financial statements, net position, the difference between a government's assets and liabilities, is reflected as follows:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

Restricted Net Position – Consists of net position less related liabilities reported in the government-wide statement of net position that are subject to constraints on their use by creditors, grantors, contributors or legislature. The \$46,199,652 is the amount transferred by the District to the Foundation and can only be used with specific approvals which are set out in the Bylaws of the Foundation and in the Cooperative Endeavor Agreement between the District and the Foundation.

Unrestricted Net Position – Represents net position not appropriate for expenditures or legally segregated for a specific future use.

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It is the Foundation's policy that when both restricted and unrestricted funds are available to be spent, restricted funds will be utilized first.

In the fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the state or federal laws, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the Foundation. These amounts cannot be used for any other purposes unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned – Amounts that are intended to be used for specific purposes as established by the Board designated for that purpose but do not meet the criteria to be classified as restricted or committed.

Unassigned – All amounts not included in other spendable classifications. Unassigned fund balances are the residual classification.

M. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Cash

Custodial credit risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation's policy that mitigates this risk requires each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Foundation that the fiscal

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agent bank has failed to pay deposited funds upon demand. Accordingly, the Foundation had no custodial credit risk related to its deposits at December 31, 2020.

At December 31, 2020, the Foundation had a reconciled cash balance of \$177,446, with a bank balance of \$178,950. These deposits are stated at cost, which approximates market value. All of the Foundation's cash was secured by Federal deposit insurance as required or applicable at December 31, 2020.

Note 3 - Investments

The portfolio of the Foundation includes U.S backed notes and bonds, Louisiana agency municipal bonds, and local bank certificates of deposits insured by pledged securities, of varying maturities of four years or less, unless otherwise approved by the Executive Committee and the express written approval of two commissioners of HSD, per the Investment Policy revised in February 2020. These holdings, including all certificates of deposits and cash, had a modified duration of 2.0 years, and par value (without variance for market value) of \$47,414,130. In accordance with its investment policy, the Foundation anticipates holding all bonds and notes until maturity, unless there is opportunity for available calls, or swaps that are approved by the Board and HSD. As of December 31, 2020, the Foundation's investments consist of the following securities and are carried at fair value of \$48,282,551.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
Certificates of Deposit	18,003,992	37.3%
LA Municipal Bonds	13,243,391	27.4%
Federated Money Market Account at Argent	7,144,130	14.8%
Federal Home Loan Mortgage Corporation	3,021,385	6.3%
Federal Home Loan Bank	1,999,595	4.1%
U.S. Treasury Notes	1,869,468	3.9%
Federal National Mortgage Association	1,500,695	3.1%
Federal Farm Credit Bank	\$ 1,499,895	3.1%
Total	<u>\$ 48,282,551</u>	<u>100.0%</u>

Investments held with the fiscal agent who does not have discretionary use of the funds are composed of United States Treasury Strips, Treasury Bills, and Treasury Securities – State and Local Government Series (SLGS) which makes up the Foundation's irrevocable trust and are carried at fair value. ASC Section 820 establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

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- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Foundation has the ability to access;
- Level 2 Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There is no movement in Level 3 year to year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation's investments at December 31, 2020, are valued at quoted market prices and other relevant information generated by market transactions held by the Foundation at that date and are considered to be level 1 in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2020, is as follows:

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	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2020</u>
Capital assets being depreciated				
Office equipment	\$ 25,122	\$ 10,386	\$ -	\$ 35,508
Furniture and fixtures	6,559	-	-	6,559
Identity/Logo Design	6,680	-	-	6,680
Signage	<u>170</u>	<u>-</u>	<u>-</u>	<u>170</u>
Total capital assets being depreciated	38,531	10,386	-	48,917
Less accumulated depreciation	<u>(21,134)</u>	<u>(5,528)</u>	<u>-</u>	<u>(26,662)</u>
Net capital assets being depreciated	<u>\$ 17,397</u>	<u>\$ 4,858</u>	<u>\$ -</u>	<u>\$ 22,255</u>

Depreciation expense for 2020 totaled \$5,528.

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Note 5- Grants, Initiatives, and Programs Activities

During 2020, the Foundation awarded new grants and initiatives and disbursed previously awarded monies as follows:

Recipient / Purpose	Payable 1/1/2020	Grants Initiatives & Programs	Disbursed	Unused	Returned	Payable 12/31/2020
Grants						
ARCO						
Resource Access for Children and Adults with Disabilities (Fall 2019)	18,970	-	(17,500)	-	-	1,470
Ascent Health						
PPE Supplies for Rural Health Providers (Special Funding Cycle - COVID-19 Impact)	-	12,000	(11,250)	-	-	750
Broaden Horizons						
Therapeutic Performing and Visual Arts Academy (Fall 2019)	6,000	-	(6,000)	-	-	-
COVID-19 Relief Project (Special Funding Cycle - COVID-19 Impact)	-	10,000	(9,500)	-	-	500
Camp Quality Louisiana						
Summer Camp (Fall 2019)	7,500	-	(7,500)	-	-	-
Center for Children and Families						
Tele-Health Counseling Services (Special Funding Cycle - COVID-19 Impact)	-	14,658	(14,000)	-	-	658
Citizens Medical Center						
COVID-19 2020 (Special Funding Cycle - COVID-19 Impact)	-	20,000	(19,000)	-	-	1,000
Downtown & Greater Ouachita Lions Clubs						
CubSight (Fall 2018)	750	-	-	(1,269)	519	-
Health Hut						
La Salud de la Familia (The Health of the Family) Part 2 (Fall 2018)	1,000	-	(186)	(814)	-	-
La Salud de la Familia - AND BEYOND! (Fall 2019)	19,801	-	(18,801)	-	-	1,000
LA Center for the Blind						
Fitness Without Barriers (Fall 2018)	2,000	-	(1,910)	(90)	-	-
LA Delta Community College						
Nursing Electronic Health Records Documentation for Students (Fall 2019)	5,100	-	(4,600)	-	-	500
LA Emergency Response Network (LERN)						
Stop the Bleed Education (Fall 2018)	1,000	-	(1,000)	-	-	-
Emergency Nurse Pediatrics Education (Fall 2019)	21,330	-	(20,330)	-	-	1,000
LA Endowment for the Humanities						
PRIMETIME Head Start: Encouraging Healthy Weight & Nutrition Thru Sports (Fall 2018)	250	-	(250)	-	-	-
LA Tech University - Nursing & Entrepreneurship						
AI to Reduce AED Response Time (Fall 2018)	2,000	-	-	(3,390)	1,390	-
Community Awareness of AED Locations and Procedures (Fall 2019)	21,280	-	(19,280)	-	-	2,000
LA Tech University - Psychological Services Clinic						
Providing Mental Health Svcs to LGBT-Identified Citizens of NE LA (Fall 2018)	100	-	-	(111)	11	-
Affordable Psychological Testing in Lincoln Parish (Fall 2019)	19,500	-	(19,000)	-	-	500

LSU Health Sciences Foundation						
Mobile COVID-19 Community Testing & Outreach (Special Funding Cycle - COVID-19 Impact)	-	20,000	(19,000)	-	-	1,000
Mercy Medical Health Center						
Vision and Hearing for Mini Miracles (Fall 2019)	12,653	-	(12,518)	(135)	-	-
MMC Takes COVID-19 (Special Funding Cycle - COVID-19 Impact)	-	20,000	(19,000)	-	-	1,000
Morehouse Community Medical Centers, Inc.						
WMHS AED Project (Fall 2019)	18,223	-	(18,223)	-	-	-
Mer Rouge Pediatric Expansion (Fall 2019)	17,500	-	(16,500)	-	-	1,000
Riser Dental Hygiene Clinic - Replacement of Chairs	-	12,000	(11,500)	-	-	500
Morehouse General Hospital						
Safe and Sound (Fall 2019)	30,000	-	(29,000)	-	-	1,000
COVID-19 Testing (Special Funding Cycle - COVID-19 Impact)	-	20,000	(19,000)	-	-	1,000
NE LA Children's Museum						
Eat Well, Play Well Exhibit (Fall 2018)	250	-	(250)	-	-	-
The Healthy Heart (Fall 2019)	7,500	-	(7,000)	-	-	500
NE LA Housing & Supportive Services						
Supplies to Stop COVID-19 Spread in Homeless Populations in NELA (Sp Funding Cycle - COVID)	-	11,585	(11,000)	-	-	585
Ouachita Outreach						
Tele-Health Counseling Services	-	9,500	(9,000)	-	-	500
Ouachita Parish School Board						
Riverbend Community Health Park (Fall 2018)	1,500	-	(1,391)	(109)	-	-
Riverbend Community Health Park - Phase 2 (Fall 2019)	19,750	-	(18,750)	-	-	1,000
Outdoor Wilderness Learning Center						
The Pegasus Project (Fall 2018)	1,400	-	(436)	(964)	-	-
Rays of Sonshine						
Healthy You (Fall 2018)	1,000	-	(1,000)	-	-	-
Health Equity (Fall 2019)	12,000	-	(12,000)	-	-	-
COVID-19 Food Supply Crisis (Special Funding Cycle - COVID-19 Impact)	-	14,000	(13,750)	-	-	250
Richland Parish Hospital						
Delhi Hospital: Ouchless ER Initiative (Fall 2019)	14,602	-	(13,602)	-	-	1,000
Salvation Army of Monroe						
Momroe Assistance Programs (Fall 2018)	1,000	-	(1,000)	-	-	-
Red Shield Emergency Shelter (Fall 2019)	15,000	-	(14,000)	-	-	1,000
Social Services Program COVID-19 Response (Special Funding Cycle - COVID-19 Impact)	-	20,000	(19,000)	-	-	1,000
ULM - Kitty Degree School of Nursing						
Healthy Today, Healthy Tomorrow (KK) (Fall 2018)	150	-	(150)	-	-	-
Mobile Bridge to Health (RH) (Fall 2018)	1,500	-	-	(2,191)	691	-
ULM - Occupational Therapy Clinic						
Occupational Therapy Services for Underserved Adults (Fall 2018)	1,500	-	(1,432)	(68)	-	-
Occupational Therapy Services for Underserved Children and Adults (Fall 2019)	32,928	-	(30,000)	-	-	2,928
ULM - Pharmacy						
Promotion of Enhanced Access to Health Care (Fall 2018)	1,000	-	(697)	(303)	-	-

Union General Hospital						
Promoting Healthy Eating and Physical Activity for a Healthier Community (Fall 2018)	500	-	(455)	(45)	-	-
Project Protect Against COVID-19 (Special Funding Cycle - COVID-19 Impact)	-	15,000	(14,250)	-	-	750
United Way of NE LA						
211 Community Resource Navigator (Fall 2019)	20,000	-	(20,000)	-	-	-
Housing for our Neighbors (Special Funding Cycle - COVID-19 Impact)	-	12,000	(11,000)	-	-	1,000
Wellspring Alliance						
The Wellspring "YES" Program (Fall 2018)	500	-	(500)	-	-	-
CFDC Tele-health Counseling Program (Fall 2019)	6,000	-	(5,500)	-	-	500
West Monroe Police Department						
Police with Heart (Fall 2019)	9,431	-	(9,000)	-	-	431
Workforce Development Board SDA - 83, Inc.						
NELA Nursing Adjunct Faculty Project (Fall 2018)	1,000	-	-	(12,634)	11,634	-
NELA Nursing Adjunct Faculty Project (Fall 2019)	18,000	-	(17,500)	-	-	500
Dental Hygiene Initiative						
ULM - Riser Dental Hygiene Clinic						
2019 July - Dec	1,700	-	-	(2,102)	402	-
2020 Jan - June	-	9,186	(7,521)	(1,665)	-	-
2020 July - Dec	-	9,686	(8,500)	-	-	1,186
ULM - Mobile Dental Hygiene Unit (MDHU)						
2019 July - Dec	1,875	-	(1,715)	(160)	-	-
2020 Jan - June	-	4,500	(3,500)	(1,779)	779	-
2020 July - Dec	-	5,000	(4,000)	-	-	1,000
SBHC Initiative						
MCMC						
Union Parish High School SBHC	5,000	-	(5,000)	-	-	-
Relocate WMHS SBHC	-	110,000	(99,000)	-	-	11,000
Special Funding - BCBSLA Grant						
BCBSLA Remaining Funds to Award out of \$50,000 grant with matching funds of \$2,500 donation	-	3,210	-	-	-	3,210
Boys and Girls Clubs of North Louisiana						
Special Project 2020	-	12,000	(11,500)	-	-	500
Food Bank of NELA						
Food Distribution in Union Parish	-	15,000	(14,500)	-	-	500
Morehouse Community Medical Centers						
Morehouse Elementary School Outdoor Classroom	-	22,290	-	-	-	22,290
Special Funding Projects						
Morehouse Community Medical Centers						
FQHC Medical Clinic in South WM	-	125,000	-	-	-	125,000
Salvation Army of Monroe						
Special One-Time Funding - Sheltering for One Month	500	-	(500)	-	-	-
Total	\$ 380,543	\$ 526,615	\$ (703,246)	\$ (27,831)	\$ 15,427	\$ 191,508

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**Note 6 - Commitments and Contingencies –
Dental Hygiene Clinics Initiative with ULM**

In 2016, LWF signed a renewable five year Memorandum of Understanding (MOU) with the University of Louisiana at Monroe (ULM), effective through December 31, 2020, as a separate initiative from its grant-making activities and cycles in order to support two dental hygiene clinics within the service area, including a school-based dental hygiene clinic at Riser Middle/Elementary Schools, and a mobile dental hygiene unit (MDHU), both owned and operated by ULM. This initiative continued through 2020 within the budgeted \$35,000 and actual funding of \$28,372. Upon completion of some segments of the initiative, unused funds were realized as follows: \$3,444 in unused funds for January to June 2020, reconciled September 2020, and previous year's unused funds of \$2,262 for July to December 2019, upon reconciliation as of February 2020.

This FY 2020, LWF signed a second renewable 5-year term Memorandum of Understanding (MOU) with the University of Louisiana at Monroe (ULM), effective from January 1, 2021, through December 31, 2025, for annual funding up to \$35,000.

School-Based Health Centers (SBHC) Initiative – These funded projects were undertaken to continue the LWF's strategic goals to establish and support SBHCs in the service area.

Morehouse Community Medical Centers, Inc. (MCMC) – Union Parish High School SBHC– The Foundation awarded \$240,000 for the SBHC at Union Parish High School in 2019 and out of the total, \$235,000 was paid in 2019 and \$5,000 was paid in 2020.

Morehouse Community Medical Centers, Inc. (MCMC) – West Monroe High School SBHC– As part of the budget process for 2020, the Foundation granted \$110,000 for the SBHC at West Monroe High School. Out of \$110,000, \$99,000 was paid in 2020 and \$11,000 is to be paid in 2021.

Special Project Funding – West Monroe Medical Clinic (FQHC) – The Foundation approved matching funds of \$125,000 for a specialty Medicaid clinic, as a federally qualified health center, in south West Monroe, contingent upon the partner agencies receiving Federal grant funds and commitment of other matching funds. At the date of this report, the Federal grant funds were still pending, and the project has not yet been implemented. That project is projected for some time in 2021 but with ongoing updates as to status and compliance to Federal grant provisions and timelines.

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Note 7 - Retirement System

The Foundation contributes up to 3% of salaries into a SIMPLE IRA Plan, a defined contribution plan, for all full-time employees. The Foundation requires 90 days of service before an employee is added to the plan. During 2020, the Foundation contributed into this retirement plan.

Note 8 - Rental Expense

The Foundation leases office space for a one-year term that began April 1, 2014, with four additional yearly options to renew. Office rent for 2020 totaled \$9,600. The lease for office space was renewed prior to the renewal date in April 2019 with the same terms but including a contingency to move into a larger suite when that tenant vacates and at a new rate of \$1,100 per month if that occurs.

Note 9 - Related Party Transactions

The Cooperative Endeavor Agreement provides that the Foundation will pay or reimburse all reasonable and necessary District overhead expenses. Since 2009 the District has annually waived this requirement and has indicated that they plan to continue to waive this requirement for the foreseeable future. Accordingly, until notified otherwise by the District, the Foundation no longer budgets for these expenses.

Due to the active nature of the board members that serve on the Living Well Foundation board, conflicts of interest are known to exist with people serving on this board who also serve on the boards of potential grantees and/or serve in other governance capacities. In these cases, these conflicts of interest are noted in the board minutes and the board member is excused from the meeting for all discussions with respect to the grantee. The grant award must also be reviewed and approved by the District prior to the award being awarded.

Note 10 - Income Tax Status

The Foundation, a nonprofit corporation, has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Foundation's federal form 990 for the tax years ending December 31, 2017 and after remain subject to examination by the Internal Revenue Service.

Note 11- Payroll Tax Credit and Paycheck Protection Program

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides two distinct and substantial employment tax benefits for certain employers under Sections 2301 and 2302 of the Act. Section 2301 provides a refundable payroll tax credit of up to \$5,000 per employee for eligible employers. The credit is equal to 50% of "qualified wages" paid to employees during a quarter, capped at \$10,000 of "qualified wages." for

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2020

wages paid to employees from March 13 to December 31, 2020. The Foundation qualified for the Section 2301 tax benefits and received \$6,016 as the payroll tax credit for FY 2020. The Foundation also qualified for the Paycheck Protection Program but decided not to participate as the Foundation felt that there was much need of this Program to other business across Northeast Louisiana.

Note 12 - Concentrations and Uncertainties

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. At this point of time, it is difficult to anticipate the duration and severity of this pandemic. The Foundation continued to hold meetings in virtual format and in compliance with all Louisiana governor mandates and proclamations. In addition, the Foundation continues to participate on a panel with BCBSLA Foundation and statewide funders to address the resulting impact and recovery from the pandemic. Management has evaluated the effects of the outbreak and ensuing economic repercussions on the Foundation. While the financial markets declined massively throughout the year 2020, there has been some recovery. The Foundation reviewed the March's 2021 market value and identified that there was a decline in investment market value by less than a 0.5%. The Foundation has not identified a need for an adjustment of Financial Statement as of the date of this report.

Note 13-Subsequent Events

Management has evaluated subsequent events through June 17, 2021 the date which the financial statements were available to be issued and determined that there were no events that occurred subsequent to the reporting period that are required to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION
(PART B)**

Living Well Foundation
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
 West Monroe, Louisiana

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual

Governmental Fund-General Fund
 For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, beginning of year	\$ 47,264,174	\$ 48,320,248	\$ 48,320,248	\$ -
Resources				
General revenues				
Investment income, net	933,400	717,830	847,534	129,704
Interest income	250	250	4,186	3,936
Event revenue	11,500	14,455	17,340	2,885
Grants	-	50,000	50,000	-
Other Income	-	6,295	6,568	273
Contributions, gifts and endowments	850	430	2,930	2,500
Total resources	<u>946,000</u>	<u>789,260</u>	<u>928,558</u>	<u>139,298</u>
Charges to appropriations				
Current				
Health & welfare				
Grants, initiatives and programs				
Grant awards	375,000	375,000	335,743	39,257
Restricted grant awarded	-	50,000	52,500	(2,500)
Return of unspent grant awards	-	(15,000)	(27,831)	12,831
Dental hygiene clinics	35,000	27,500	28,372	(872)
Autism center initiative	34,000	-	-	-
School-based healthcare	125,000	110,000	110,000	-
Grants, initiatives and programs, net	<u>569,000</u>	<u>547,500</u>	<u>498,784</u>	<u>48,716</u>
All other charges				
Accounting	16,700	14,000	12,794	1,206
Annual update event	7,500	7,500	5,245	2,255
Auditing	19,000	19,000	19,000	-
Bank fees	-	300	366	(66)
Community meetings	350	350	362	(12)
Conference/training/travel	5,000	1,300	1,228	72
Contractual services	8,800	8,800	8,394	406
Dues and subscriptions	70	70	-	70
Equipment	-	10,000	10,386	(386)
Equipment rental	4,150	3,500	3,115	385
Insurance	17,500	13,500	14,006	(506)
Investment fees	60,500	45,000	37,507	7,493
Legal fees	14,000	15,500	12,545	2,955
Maintenance/repair	1,750	1,000	220	780
Marketing/media/PR	3,500	2,000	1,819	181
Miscellaneous	5,575	3,500	-	3,500
Office rent	13,200	12,000	9,600	2,400
Postage and freight	750	1,000	413	587
Salaries and benefits	149,977	130,000	124,365	5,635
Storage	900	600	540	60
Supplies	4,000	2,750	2,586	164
Telephone and communications	5,850	5,750	5,153	597
Utilities	1,850	1,250	1,357	(107)
Total other charges	<u>340,922</u>	<u>298,670</u>	<u>271,001</u>	<u>27,669</u>
Total charges to appropriations	<u>909,922</u>	<u>846,170</u>	<u>769,785</u>	<u>76,385</u>
Excess (deficiency) of revenues over expenditures	<u>36,078</u>	<u>(56,910)</u>	<u>158,773</u>	<u>215,683</u>
Fund balance at end of year	<u>\$ 47,300,252</u>	<u>\$ 48,263,338</u>	<u>\$ 48,479,021</u>	<u>\$ 215,683</u>

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, Louisiana

Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2020

Budgetary Policies

A proposed budget for the ensuing year, prepared on the modified accrual basis of accounting, is prepared annually by the Board of the Foundation. This budget is prepared for planned activities in the upcoming year.

Notice of the location and availability of the proposed budget for public inspection and the date of the public hearing to be conducted on the budget are then advertised in the local newspapers, on the website, and at the office location. Prior to or as a part of the selected November meeting, the Foundation conducts a public hearing on the proposed budget(s) in order to receive comments from the citizenry.

Changes are made to the proposed budget based on the public hearing and the desires of the Foundation as a whole. The budget is then adopted during the Foundation's selected meeting, and a notice certifying completion of the required budgetary actions is published on the website and at the office location.

During the year, the Directors receive monthly financials statements that are used as a tool to control Foundation operations.

State law requires the Foundation to amend its budgets when revenues plus projected revenues within a fund are expected to fall short of budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

OTHER SUPPLEMENTARY INFORMATION

LIVING WELL FOUNDATION
(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)
West Monroe, LA

Schedule of Compensation, Benefits and Other Payments
to Chief Executive Officer
For the Year Ended December 31, 2020

Alice Proffit

	<u>Purpose</u>		<u>Amount</u>
Salary		\$	98,800
Benefits - retirement			2,964
Travel			803
Special meals			160
		\$	<u>102,727</u>

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS



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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***

**To the Board of Directors
Living Well Foundation
West Monroe, 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 Comptroller General of the United States, the financial statements of the governmental activities and the major fund information of the **Living Well Foundation** (the Foundation), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated June 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 the Foundation'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 entity'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management of the Foundation, Hospital Service District No. 1 of Ouachita Parish, entities granting funds to the Foundation, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Woodland & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

June 17, 2021