

**SOUTHWEST LOUISIANA AREA
HEALTH EDUCATION CENTER
FOUNDATION**

Lafayette, Louisiana

Financial Report

Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

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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, 2020 and 2019, 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 audit. 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SWLAHEC as of June 30, 2020 and 2019, 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* 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 December 7, 2020, on our consideration of SWLAHEC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SWLAHEC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SWLAHEC's internal control over financial reporting and compliance.

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

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

Lafayette, Louisiana
December 7, 2020

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and Interest Bearing Deposits	\$ 360,280	\$ 257,621
Due from Other Agencies	781,667	832,836
Prepaid Expenses	<u>15,086</u>	<u>15,754</u>
Total Current Assets	<u>1,157,033</u>	<u>1,106,211</u>
 PROPERTY AND EQUIPMENT (NET)	 <u>1,014,878</u>	 <u>926,046</u>
 OTHER ASSETS		
Utility Deposits	<u>1,206</u>	<u>1,206</u>
 TOTAL ASSETS	 <u>\$ 2,173,117</u>	 <u>\$ 2,033,463</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Notes Payable - Current Portion	\$ 15,522	\$ 4,896
Accounts Payable	55,087	68,020
Accrued Liabilities	115,532	86,248
Deferred Revenue	<u>55,348</u>	<u>53,470</u>
Total Current Liabilities	<u>241,489</u>	<u>212,634</u>
 LONG-TERM LIABILITIES	 <u>479,804</u>	 <u>399,688</u>
 TOTAL LIABILITIES	 <u>721,293</u>	 <u>612,322</u>
 NET ASSETS		
Without Donor Restrictions	1,433,745	1,396,056
With Donor Restrictions	<u>18,079</u>	<u>25,085</u>
Total Net Assets	<u>1,451,824</u>	<u>1,421,141</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,173,117</u>	 <u>\$ 2,033,463</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF ACTIVITIES
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND OTHER SUPPORT		
Grant Revenue	\$ 4,030,271	\$ 3,329,867
Interest Income	833	2,562
Miscellaneous Revenue	<u>21,114</u>	<u>37,987</u>
Total Unrestricted Revenues and Other Support	4,052,218	3,370,416
 NET ASSETS RELEASED FROM DONOR RESTRICTIONS		
Satisfaction of Equipment Acquisition Restrictions	<u>7,006</u>	<u>9,928</u>
 Total Revenues, Other Support, and Net Assets Released From Donor Restrictions	<u>4,059,224</u>	<u>3,380,344</u>
 EXPENSES		
Program Services:		
Health Education	3,369,031	2,792,127
Supporting Services:		
Management and General	<u>652,504</u>	<u>586,615</u>
Total Expenses	<u>4,021,535</u>	<u>3,378,742</u>
 CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>37,689</u>	<u>1,602</u>
 NET ASSETS WITH DONOR RESTRICTIONS		
Grant - Equipment	2,125	-
Equipment Acquisition Restrictions	<u>(9,131)</u>	<u>(9,928)</u>
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(7,006)</u>	<u>(9,928)</u>
 CHANGE IN NET ASSETS	30,683	(8,326)
 NET ASSETS AT BEGINNING OF YEAR	<u>1,421,141</u>	<u>1,429,467</u>
 NET ASSETS AT END OF YEAR	<u>\$ 1,451,824</u>	<u>\$ 1,421,141</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2020**

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	HIV/AIDS- HAP	COVID-19
Compensation and Related Expenses					
Salaries	\$ 487,642	\$ 239,225	\$ 243,187	\$ 21,401	\$ 288
Employee Benefits					
Medical and Dental Insurance	62,537	15,039	12,113	3,814	-
401(k) Retirement Contributions	13,754	7,372	4,699	877	-
Payroll Taxes	38,338	18,373	18,777	1,661	26
	<u>602,271</u>	<u>280,009</u>	<u>278,776</u>	<u>27,753</u>	<u>314</u>
Conference Registration	-	1,250	-	35	-
Contractual Services	-	16,554	15,192	-	25,837
Depreciation	-	2,599	755	-	-
Equipment	-	-	-	-	-
Incentives	-	-	-	-	-
Insurance	2,286	1,111	1,156	103	1
Interest	-	-	-	-	-
Marketing Expense	-	-	-	-	235
Meetings Expense	-	-	-	172	138
Other	106	90	-	-	-
Postage	-	47	35	29	-
Printing	-	-	-	-	-
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	897	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	300
Supplies	-	8,191	2,884	13,675	394
Travel and Transportation	832	4,881	4,500	2,966	-
Utilities and Telephone	-	2,831	-	1,368	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 605,495</u>	<u>\$ 317,563</u>	<u>\$ 303,298</u>	<u>\$ 46,998</u>	<u>\$ 27,219</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, 2020**

	SNAP	Nurse Family Partnership	Well Ahead	Partnership	Navigator
Compensation and Related Expenses					
Salaries	\$ 87,799	\$ 373,775	\$ 97,104	\$ 40,545	\$ 88,514
Employee Benefits					
Medical and Dental Insurance	14,315	21,282	9,727	3,467	11,911
401(k) Retirement Contributions	3,094	12,484	1,603	6	3,397
Payroll Taxes	6,723	28,595	6,854	3,119	6,592
	111,931	436,136	115,288	47,137	110,414
Conference Registration	-	-	1,251	-	170
Contractual Services	-	10,680	269,225	130	77,620
Depreciation	-	2,311	-	93	100
Equipment	376	-	-	-	-
Incentives	-	-	-	-	-
Insurance	393	463	433	177	1,606
Interest	-	-	-	-	-
Marketing Expense	-	-	5,490	21	1,369
Meetings Expense	-	-	-	783	-
Other	-	170	-	693	-
Postage	-	26	-	-	3,516
Printing	4,189	-	1,142	678	842
Professional Fees	-	-	300	-	-
Rental Expense	-	-	-	147	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	-
Supplies	544	10,082	14,162	490	4,681
Travel and Transportation	6,142	20,615	5,324	989	4,288
Utilities and Telephone	-	1,701	827	-	1,332
	\$ 123,575	\$ 482,184	\$ 413,442	\$ 51,338	\$ 205,938
TOTAL	\$ 123,575	\$ 482,184	\$ 413,442	\$ 51,338	\$ 205,938

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES - continued
JUNE 30, 2020**

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 122,484	\$ 116,686	\$ 315,227	\$ 2,233,877	\$ 345,878	\$ 2,579,755
Employee Benefits						
Medical and Dental Insurance	17,900	17,871	21,979	211,955	26,782	238,737
401(k) Retirement Contributions	2,942	4,161	8,267	62,656	13,753	76,409
Payroll Taxes	9,767	9,211	24,640	172,676	25,862	198,538
	<u>153,093</u>	<u>147,929</u>	<u>370,113</u>	<u>2,681,164</u>	<u>412,275</u>	<u>3,093,439</u>
Conference Registration	-	-	50	2,756	235	2,991
Contractual Services	-	-	42,039	457,277	113,506	570,783
Depreciation	-	-	3,273	9,131	23,205	32,336
Equipment	-	-	-	376	336	712
Incentives	-	-	140	140	-	140
Insurance	550	545	1,444	10,268	33,602	43,870
Interest	-	-	-	-	16,889	16,889
Marketing Expense	-	-	4,201	11,316	-	11,316
Meetings Expense	-	-	6,882	7,975	2,158	10,133
Other	-	-	3,111	4,170	1,211	5,381
Postage	-	-	1,133	4,786	943	5,729
Printing	-	-	1,251	8,102	82	8,184
Professional Fees	-	-	-	300	754	1,054
Rental Expense	-	-	6,985	8,029	1,532	9,561
Repairs and Maintenance	-	-	596	596	3,233	3,829
Stipends	-	-	9,500	9,500	-	9,500
Sponsorship Expenses	-	-	-	-	150	150
Subscriptions	-	-	889	1,189	5,844	7,033
Supplies	-	-	18,195	73,298	13,531	86,829
Travel and Transportation	1,039	-	17,313	68,889	7,828	76,717
Utilities and Telephone	-	-	1,710	9,769	15,190	24,959
	<u>-</u>	<u>-</u>	<u>1,710</u>	<u>9,769</u>	<u>15,190</u>	<u>24,959</u>
TOTAL	<u>\$ 154,682</u>	<u>\$ 148,474</u>	<u>\$ 488,825</u>	<u>\$ 3,369,031</u>	<u>\$ 652,504</u>	<u>\$ 4,021,535</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

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

	Calcasieu Parish Health Unit	Launch	Fetal Infant Mortality Review	HIV/AIDS- HAP	HOSA
Compensation and Related Expenses					
Salaries	\$ 356,209	\$ 246,296	\$ 151,927	\$ 21,866	\$ -
Employee Benefits					
Medical and Dental Insurance	31,925	13,892	4,951	3,881	-
401(k) Retirement Contributions	10,228	9,378	2,206	841	-
Payroll Taxes	28,602	19,831	11,610	1,700	-
	426,964	289,397	170,694	28,288	-
Conference Registration	-	555	-	-	1,500
Contractual Services	-	7,458	3,795	180	22,948
Depreciation	-	2,773	692	-	303
Equipment	-	10,495	-	-	-
Insurance	1,811	1,272	742	107	-
Marketing Expense	-	-	-	15	-
Meetings Expense	-	796	-	328	343
Other	224	276	52	-	-
Postage	-	120	45	-	27
Printing	-	702	-	137	(43)
Professional Fees	-	-	-	-	-
Rental Expense	-	-	-	2,052	-
Repairs and Maintenance	-	-	-	-	-
Stipends	-	-	-	-	-
Sponsorship Expenses	-	-	-	-	-
Subscriptions	-	-	-	-	-
Supplies	-	14,988	8,854	2,653	184
Travel and Transportation	-	8,318	2,896	1,861	1,209
Utilities and Telephone	-	3,843	-	1,351	-
	\$ 428,999	\$ 340,993	\$ 187,770	\$ 36,972	\$ 26,471
TOTAL	\$ 428,999	\$ 340,993	\$ 187,770	\$ 36,972	\$ 26,471

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

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

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

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

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

	WIC IV	WIC V	Other Programs	Total Program Services	Management and General	Total
Compensation and Related Expenses						
Salaries	\$ 115,366	\$ 103,173	\$ 215,150	\$ 1,721,584	\$ 341,585	\$ 2,063,169
Employee Benefits						
Medical and Dental Insurance	19,438	18,419	20,068	147,689	30,201	177,890
401(k) Retirement Contributions	2,178	3,411	5,727	48,439	13,727	62,166
Payroll Taxes	9,338	8,297	16,905	136,914	25,585	162,499
	<u>146,320</u>	<u>133,300</u>	<u>257,850</u>	<u>2,054,626</u>	<u>411,098</u>	<u>2,465,724</u>
Conference Registration	-	255	3,113	8,156	1,265	9,421
Contractual Services	-	-	86,076	421,414	68,019	489,433
Depreciation	-	-	3,063	9,864	11,724	21,588
Equipment	-	-	200	13,689	-	13,689
Insurance	457	522	1,086	8,537	22,071	30,608
Marketing Expense	-	-	702	2,486	-	2,486
Meetings Expense	-	-	1,798	4,229	4,657	8,886
Other	-	-	2,005	10,018	1,581	11,599
Postage	22	-	288	1,294	510	1,804
Printing	-	-	70	6,747	594	7,341
Professional Fees	-	-	-	-	18,734	18,734
Rental Expense	-	-	17,886	20,190	3,558	23,748
Repairs and Maintenance	-	-	-	-	2,461	2,461
Stipends	-	-	9,000	9,000	137	9,137
Sponsorship Expenses	-	-	-	-	3,950	3,950
Subscriptions	-	-	73	73	486	559
Supplies	-	-	19,089	118,073	8,605	126,678
Travel and Transportation	668	706	26,887	94,145	12,616	106,761
Utilities and Telephone	-	-	1,526	9,586	14,549	24,135
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 147,467</u>	<u>\$ 134,783</u>	<u>\$ 430,712</u>	<u>\$ 2,792,127</u>	<u>\$ 586,615</u>	<u>\$ 3,378,742</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENTS OF CASH FLOWS
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 30,683	\$ (8,326)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	32,336	21,588
Changes in Current Assets and Liabilities:		
Due from Other Agencies	51,169	(155,315)
Prepaid Expenses	668	(11,043)
Accounts Payable	(12,933)	11,618
Accrued Liabilities	29,284	13,265
Deferred Revenue	<u>1,878</u>	<u>4,747</u>
 <i>Net Cash Provided By (Used In) Operating Activities</i>	 <u>133,085</u>	 <u>(123,466)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>(121,168)</u>	<u>(472,695)</u>
 <i>Net Cash (Used In) Investing Activities</i>	 <u>(121,168)</u>	 <u>(472,695)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	<u>90,742</u>	<u>404,584</u>
 <i>Net Cash Provided By Financing Activities</i>	 <u>90,742</u>	 <u>404,584</u>
 NET CHANGE IN CASH AND EQUIVALENTS	 102,659	 (191,577)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>257,621</u>	 <u>449,198</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 360,280</u>	 <u>\$ 257,621</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	<u>\$ 30,051</u>	<u>\$ 3,833</u>

The accompanying notes are an integral part of these statements.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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, 2020 and 2019.

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, 2020 and 2019 deferred revenues were \$55,348 and \$53,470, respectively.

Advertising - Advertising costs are expensed as incurred. There were no advertising costs incurred during the fiscal years ended June 30, 2020 or 2019.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

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

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

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

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

The cost of office furniture and equipment purchased under the cooperative endeavor between LSUHSC and SWLAHEC has not been capitalized. Title to the equipment purchased under this agreement remains with LSUHSC. The total cost of equipment at June 30, 2020 and 2019, 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, 2020, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Compensated Absences - Employees of the Organization earn leave in varying amounts depending upon length of service. Accrual is capped at either 15 or 20 days depending upon years of service. As such, no employee may have more than 20 days of service accrued at any time. Subject to the above limitation, unused time is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 2020 and 2019, accrued annual leave totaled \$115,062 and \$86,932, 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, 2020, the tax years that remain subject to examination by taxing authorities begin with 2017. Tax returns for 2017, 2018, and 2019 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

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.

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

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

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

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

(B) DUE FROM OTHER AGENCIES

Due from other agencies consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
State of Louisiana	\$ 337,938	\$ 562,119
Federal Government	59,049	19,931
Other	<u>384,680</u>	<u>250,786</u>
Total	<u>\$ 781,667</u>	<u>\$ 832,836</u>

(C) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 256,424	\$ 256,424
Building	792,752	422,737
Equipment	200,888	187,710
Furniture and Fixtures	14,290	13,695
Improvements	14,798	-
Construction in Progress	<u>-</u>	<u>277,418</u>
	1,279,152	1,157,984
Less: Accumulated Depreciation	<u>(264,274)</u>	<u>(231,938)</u>
Total Fixed Assets	<u>\$ 1,014,878</u>	<u>\$ 926,046</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$36,336 and \$21,588, respectively.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

(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 2020 and 2019. Contributions made for the fiscal years ended June 30, 2020 and 2019 were \$76,409 and \$62,166, 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.

(F) SUMMARY OF GRANTS/CONTRACT FUNDING

SWLAHEC is funded through the following grants and contracts for the year ended June 30, 2020:

<u>Funding Source</u>	<u>Award Number</u>	<u>Support</u>
State of Louisiana Department of Health and Hospitals:		
HIV Prevention Program	LAGOV: 2000333324	\$ 30,804
Fetal Infant Mortality Review	LAGOV: 200051540	337,474
Nurse Family Partnership Program	LAGOV: 2000357803	522,961
WIC IV	LAGOV: 2000164751	169,363
WIC V	LAGOV: 2000176761	162,424
Launch	LAGOV: 2000179012	343,352
Well Ahead	LAGOV: 200051540	445,201
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine	19-OME-201-SW	463,657
State of Louisiana Department of Public Safety:		
Louisiana Highway Safety Commission		
Social Norming for Alcohol Prevention	SRM: 2000377270	161,889
U.S. Department of Health and Human Services:		
Navigator Grant	1NAVCA190339-01-00	164,915
Navigator Grant	1NAVCA180339-01-00	65,477
COVID-19		37,863

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Calcasieu Parish Police Jury	\$ 718,921
City of Lake Charles	6,983
Cameron Parish Police Jury	77,297
Southwest Louisiana Area Health Education Center:	
Eat, Play, Grow	53,129
Louisiana Board of Regents:	
Gear-Up	225
Region V Task Force-Southern HIV Impact Fund	69,993
Tulane University	87,938
Blue Cross	10,000
AHEC of a SMILE	31,777
AHECS for a Healthy	1,000
CHR&R	4,900
Suicide Prevention	10,441
Harm Reduction	10,632
Smoke Free LC/ANDRF	29,948
AHA – Smoke Free LC/ANRF	2,500
NAO – Foch Presentation	5,000
Office Administrations	4,207
Total	\$4,030,271

Approximately 50% of the total fiscal year 2020 grants and contract revenues are provided by the State of Louisiana Department of Health and Hospitals through various grant programs. Approximately 13% is provided by the Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Health Sciences Center (LSUHSC).

LSUHSC has been awarded a grant by the state government, and the agreement entered into between LSUHSC and SWLAHEC for providing services fulfills the purpose of the grant. Another 6% of the total fiscal year 2020 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 31% of grant and contract revenues.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

(G) LONG-TERM DEBT

On February 12, 2019, the Organization entered into a \$500,000 note payable for the purchase and rehabilitation of a building. The terms of the loan are interest only payments for 12 consecutive months beginning March 12, 2019 then 227 monthly principal and interest payments of \$3,632.74 beginning March 12, 2020 with one final payment of \$1,989.06 on December 12, 2038. The loan bears interest at 5.75 percent per annum and the Organization drew down the funds on an as needed basis during the rehabilitation process, which was completed during the current year. The total amount drawn down as of June 30, 2020 was \$495,326.

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

	2020	2019
Note payable-bank dated February 12, 2019, bearing interest at 5.75 percent per annum, The loan is secured by a mortgage on the land and building.	\$ 495,326	\$ 404,584
Less: Current Portion	(15,522)	(4,896)
Long-Term Portion	\$ 479,804	\$ 399,688

Interest expense for the years ended June 30, 2020 and 2019 totaled \$30,051 and \$3,833, respectively. Interest expense was capitalized as a cost of construction during the construction period in the amount of \$13,162 and \$3,833, for the years ended June 30, 2020 and 2019, respectively.

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

2021	\$ 15,522
2022	16,440
2023	17,409
2024	18,437
2025	19,526
Thereafter	407,992
	\$ 495,326

(H) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2020 and 2019:

	2020	2019
Equipment	\$ 18,079	\$ 25,085

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

(I) NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or the expiration of time during the years ended June 30, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 9,131	\$ 9,928

(J) REVENUE RECOGNITION

The Organization has analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform with the new standard. Revenues are recognized when received.

(K) 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, 2020, the Organization's cash balance was fully secured.

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

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

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

A detail of compensation, benefits, and other payments paid to the Executive Director, Brian Burton, for the year ended June 30, 2020:

<u>Purpose</u>	<u>Brian Burton</u>
Salary	\$ 87,125
Benefits – Insurance	\$ 6,584
Benefits – Retirement	\$ 3,485
Reimbursements	\$ -
Conference Travel	\$ 4,307

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

(M) NEW ACCOUNTING PRONOUNCEMENT

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, *Revenue from Contracts with Customers*, or Accounting Standards Codification Topic 606 (“ASC 606”), which supersedes the revenue recognition requirements, in ASC 605, *Revenue Recognition* (“ASC 605”). This literature is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The accounting guidance also requires additional disclosure regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts including significant judgments and changes in judgments, as well as assets recognized from costs incurred to obtain or fulfill a contract. On January 1, 2019, the Organization adopted ASC 606.

Statement of Cash Flows

In November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The ASU amends FASB ASC 230-10-45-4 to require that restricted cash and cash equivalents be included in the total cash and cash equivalents at the beginning and end of the period for which changes are shown in the statement of cash flows. The ASU clarifies that transfers between cash and cash equivalents are not part of an entity’s operating, investment, and financing activities and should not be reported as cash flow activities in the statement of cash flows. The standard does not change the definition of restricted cash or restricted cash equivalents. On July 1, 2019, the Organization adopted ASU 2016-18. Adoption of this standard had no effect on the financial statements.

(N) LIQUIDITY AND AVAILABILITY

The Organization has \$1,141,947 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$360,280 and receivables of \$781,667. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

(O) SUBSEQUENT EVENTS

Subsequent events were evaluated through December 7, 2020, 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, 2020**

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 - 2018 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	NAVCA180339-01-00	-	\$ 65,477	\$ 25,894
PHF - 2019 - Cooperative Agreement to Support Navigators in Federally-facilitated and State-facilitated Exchanges	93.332	NAVCA190369-01-00	-	164,915	47,662
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	LAGOV 2000251540	320,763	-
Nurse Family Partnership	93.994	N/A	LAGov: 2000357803	368,836	-
Maternal and Child Health Block Grant - Launch	93.994	N/A	LAGov: 2000432977	208,659	-
HIV Prevention Activities - Health Department Based	93.940	N/A	LAGOV: 721388	30,804	-
Maternal Depression -Early Childhood	93.110	N/A	LAGov: 2000432878	51,377	-
Maternal Depression - Launch	93.110	N/A	LAGov: 2000432977	83,317	-
Well Ahead Program	93.758 *	N/A	CFMS: 734943	445,201	-
Maternal, Infant, and Early Childhood Home Visiting	93.870	N/A	LAGov: 2000437566	154,126	-
Louisiana State University Health Sciences Center: Area Health Model Program	93.107	N/A	19-OME-201-SW-A1	111,720	-
McNeese State University Suicide Prevention and Education Coordinator Agreement	93.959	N/A	-	10,441	-
Imperial Calcasieu Human Services Authority Harm Reduction	93.959	N/A	-	10,633	-
U.S. Department of Agriculture-					
State Department of Health and Hospitals:					
WIC IV	10.557	N/A	2000413422	169,363	-
WIC V	10.557	N/A	2000420304	162,424	-
U.S. Department of Transportation-					
State Department of Public Safety and Corrections:					
SNAP Partnership Grant	20.607 *	N/A	2019-55-15	38,998	-
SNAP Partnership Grant	20.607 *	N/A	2020-55-15	122,891	-
U.S. Department of Housing and Urban Development -					
City of Lake Charles:					
Dare to be Healthy	14.218	N/A	-	6,984	-
Consumer Product Safety Commission-					
State Department of Health and Hospitals:					
Virginia Graeme Baker Pool and Spa Safety Grant	87.002	N/A	LAGOV 2000251540	16,711	-
Total Expenditures				<u>\$2,543,640</u>	<u>73,556</u>

* - denotes a major program.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2020**

(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, 2020. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as reimbursements.

(2) Pass-through entity identifying numbers are presented where available.

(C) INDIRECT COST RATE

SWLAHEC has elected not to use the 10% de minimis indirect cost rate for the year ended June 30, 2020.

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

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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, 2020, 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 December 7, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

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

Lafayette, Louisiana
December 7, 2020

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

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, 2020. SWLAHEC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of SWLAHEC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SWLAHEC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, SWLAHEC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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
December 7, 2020

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**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation as of and for the year ended June 30, 2020 and have issued our report thereon dated December 7, 2020. 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, 2020 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, 2020, had two major programs:

- Department of Health and Human Services – CFDA No. 93.758
- Department of Transportation and Development – CFDA No. 20.607

Low-Risk Auditee

SWLAHEC is considered a low-risk auditee for the year ended June 30, 2020.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2020.

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, 2020.

**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditors' Reports - continued

Significant Deficiencies – Major Program

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

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

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



**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

There were no prior year findings.