

Central Louisiana Area Health Education Center, Inc.

Alexandria, Louisiana

Financial Statements

June 30, 2020

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KnightMasden

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA

Dona C. Manuel, CPA

Stephanie R. Lemoine, CPA

Independent Auditors' Report

Board of Directors
Central Louisiana Area Health Education Center, Inc.
Alexandria, Louisiana

Report on the Financial Statement

We have audited the accompanying financial statements of Central Louisiana Area Health Education Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows and functional expenses 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.

Auditor's 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 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 auditor's 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.

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 Central Louisiana Area Health Education Center, Inc. as of June 30, 2020, and

5615 J Jackson Street

Alexandria, Louisiana 71303

PH: 318-445-9334

FAX: 318-445-0996

www.knightmasden.com

the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Central Louisiana Area Health Education Center, Inc.'s June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 compensation, benefits and other payments to executive director and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of Central Louisiana Area Health Education Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Central Louisiana Area Health Education Center, Inc.'s internal control over financial reporting and compliance.



KnightMadden
Alexandria, Louisiana
December 2, 2020

Central Louisiana Area Health Education Center, Inc
Statement of Financial Position
June 30

	<u>2020</u>	2019 Summarized <u>Total</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 822,002	\$ 808,570
Grants receivable	<u>262,955</u>	<u>280,308</u>
Total Current Assets	1,084,957	1,088,878
Plant, Property and Equipment, net	<u>213</u>	<u>521</u>
Total Assets	<u>\$ 1,085,170</u>	<u>\$ 1,089,399</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 36,134	\$ -
Payroll liabilities	<u>43,407</u>	<u>36,708</u>
Total Current Liabilities	79,541	36,708
Net Assets		
without Donor Restrictions	826,443	784,353
with Donor Restrictions	<u>179,186</u>	<u>268,338</u>
Total Net Assets	<u>1,005,629</u>	<u>1,052,691</u>
Total Liabilities and Net Assets	<u>\$ 1,085,170</u>	<u>\$ 1,089,399</u>

The accompanying notes are
an integral part of the financial statements.

Central Louisiana Area Health Education Center, Inc
Statement of Activities
For the Year Ended June 30

	<u>without Donor Restrictions</u>	<u>2020 with Donor Restrictions</u>	<u>Total</u>	<u>2019 Summarized Total</u>
Revenues				
Grant income	\$ 1,886,404	\$ -	\$ 1,886,404	\$ 2,061,539
Interest income	31	-	31	130
Program service revenue	<u>12,366</u>	<u>-</u>	<u>12,366</u>	<u>24,045</u>
Total Revenues	1,898,801	-	1,898,801	2,085,714
Net Assets released from restrictions	89,152	(89,152)	-	
Functional Expenses				
Program services	1,687,858	-	1,687,858	1,504,630
Management and general	<u>258,005</u>	<u>-</u>	<u>258,005</u>	<u>228,278</u>
Total Functional Expenses	<u>1,945,863</u>	<u>-</u>	<u>1,945,863</u>	<u>1,732,908</u>
Change in Net Assets	42,090	(89,152)	(47,062)	352,806
Net Assets - Beginning	<u>784,353</u>	<u>268,338</u>	<u>1,052,691</u>	<u>699,885</u>
Net Assets - Ending	<u>\$ 826,443</u>	<u>\$ 179,186</u>	<u>\$ 1,005,629</u>	<u>\$ 1,052,691</u>

The accompanying notes are
an integral part of the financial statements.

Central Louisiana Area Health Education Center, Inc
Statement of Cash Flows
For the Year Ended June 30

	<u>2020</u>	2019 Summarized <u>Total</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (47,062)	\$ 352,806
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	309	1,850
(Increase)/Decrease in receivables	17,353	(196,303)
Increase/(Decrease) in accounts payable	36,134	(2,145)
Increase/(Decrease) in other liabilities	<u>6,698</u>	<u>(74)</u>
Net Cash Provided/(Used) by Operating activities	13,432	156,134
Net Increase (Decrease) in Cash and Cash equivalents	13,432	156,134
Cash and Cash Equivalents - Beginning	<u>808,570</u>	<u>652,436</u>
Cash and Cash Equivalents - Ending	<u>\$ 822,002</u>	<u>\$ 808,570</u>

The accompanying notes are
an integral part of the financial statements.

Central Louisiana Area Health Education Center
Statement of Functional Expenses
For the Year Ended June 30

	Program <u>Service</u>	Management <u>and General</u>	2020 <u>Total</u> <u>Expenses</u>	2019 <u>Summarized</u> <u>Total</u>
Salaries	\$ 734,776	\$ 120,156	\$ 854,932	\$ 765,761
Payroll taxes & benefits	142,891	25,833	168,724	150,214
Conference, membership & travel	13,503	4,294	17,797	12,583
Insurance	3,250	5,834	9,084	(402)
Legal & professional	-	19,250	19,250	22,555
Promotional & marketing	553,729		553,729	577,430
Office	10,782	53,827	64,609	43,087
Program expense	216,885	12,500	229,385	111,274
Postage & printing	2,388	5,599	7,987	7,158
Telephone & internet	6,672	9,969	16,641	17,125
Other	2,673	743	3,416	24,273
Depreciation	309	-	309	1,849
	<u>\$ 1,687,858</u>	<u>\$ 258,005</u>	<u>\$ 1,945,863</u>	<u>\$ 1,732,907</u>

The accompanying notes are
an integral part of the financial statements.

Central Louisiana Area Health Education Center, Inc.
Notes to the Financial Statements
June 30, 2020

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Central Louisiana Area Health Education Center, Inc. (CLAHEC) is a non-profit organization incorporated under the laws of the State of Louisiana on January 6, 1992. Its purpose is to operate an area health education center in Central Louisiana in order to plan for additional clinical education opportunities in rural and underserved communities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CLAHEC and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the CLAHEC and/or the passage of time or be permanently maintained by CLAHEC. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of depreciation in preparation of the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

Revenue Recognition and Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the CLAHEC. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Central Louisiana Area Health Education Center, Inc.
Notes to the Financial Statements
June 30, 2020

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one activity are charged to the programs and supporting services based on the estimated amount of time that employees devote to various activities. Additional overhead is allocated to various activities based on the program's direct cost.

Income Taxes

The CLAHEC is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. Furthermore, CLAHEC is not classified as a "private foundation" by the internal revenue service.

Property and Equipment

Property and equipment are stated at cost. Additions, renewals and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets' useful lives, which range from 3 to 39 years. Capitalization threshold of \$2,000 is used.

Grant Receivable

The CLAHEC determines past-due accounts based on contractual terms of net 30 and does not charge interest on the accounts. The CLAHEC charges off receivables if management considers the collection of the outstanding balance to be doubtful. No allowance is recorded because management believes all accounts to be collectable.

Advertising

Advertising costs are expensed as incurred.

Note 2 – Fixed Assets and Depreciation

The following schedule summarizes estimated useful life, cost and accumulated depreciation of property, plant and equipment as of June 30, 2020:

<u>Description</u>	<u>Life</u>	
Equipment	5 - 10 years	\$ 64,951
Furniture	5 - 10 years	11,372
Less: Accumulated Depreciation		<u>(76,110)</u>
Net Fixed Assets		<u>\$ 213</u>

Central Louisiana Area Health Education Center, Inc.
Notes to the Financial Statements
June 30, 2020

Note 2 – Fixed Assets and Depreciation (continued)

Depreciation expense for the year ended June 30, 2020 was \$309.

Note 3 – Donated Services

Unpaid volunteers have made significant contributions of their time to the CLAHEC. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Note 4 – Retirement Plan

CLAHEC adopted a SEP-IRA for its employees. The Plan covers all full time employees. CLAHEC contributes 10% of the employee's pay. CLAHEC contributed \$77,376 to this Plan during the year ended June 30, 2020.

Note 5 – Leases

The CLAHEC is obligated to the following leases, which are classified as operating leases:

- a) Alexandria Office Building – This lease was entered into on January 1, 2020 and is for \$2,550 per month. The lease is for a 36 month period and has two renewal options.
- b) Baton Rouge Office – This lease was entered into on December 21, 2004 and is for \$1,200 annually and is paid semiannually. The lease is renewable annually.

Future minimum lease obligations for the next five years are:

Years Ended	
<u>June 30</u>	<u>Amounts</u>
2021	\$31,800
2020	\$30,600

The total lease payments made during the year ended June 30, 2020 was \$31,858.

Note 6 – Net Assets with Donor Restrictions

Donor restricted net assets as of June 30, 2020 totaled \$179,186 and was restricted for the oral health program.

Note 7 – Fair Value Measurement

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Central Louisiana Area Health Education Center, Inc.
Notes to the Financial Statements
June 30, 2020

Note 7 – Fair Value Measurement (continued)

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at June 30, 2020 are as follows:

<u>Description</u>	<u>Fair Value Measurement at June 30, 2020 Using</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$822,002	\$822,002	\$ -	\$ -

Note 8 – Concentrations of Risk

CLAHEC receives substantially all of the support necessary to operate its core programs through grants administered by the Louisiana State University and Agricultural and Mechanical College. The grant amounts are appropriated each year by the Federal government and the State of Louisiana. Management is not aware of any actions that would adversely affect the aggregate amount of funds CLAHEC will receive in the next fiscal year.

CLAHEC maintains cash balances with two national banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020 cash on deposit that was in excess of the federally insured limits was \$312,796.

Note 9 – Subsequent Events

The CLAHEC has no material subsequent events that would require disclosure. Subsequent events have been evaluated through December 2, 2020, which is the date the financial statements were available for issuance.

Central Louisiana Area Health Education Center, Inc.
Notes to the Financial Statements
June 30, 2020

Note 10 – Income Taxes

As of June 30, 2020, tax years 2018 and subsequent were still within the prescription period for examination by taxing authorities.

Central Louisiana Area Health Education Center, Inc.
Schedule of Federal Awards
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor</u>	<u>Federal CDFA Number</u>	<u>Pass- through Identifying Number</u>	<u>Pass- through to Sub- recipients</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services				
Area Health Education Centers Point of Service				
Maintenance and Enhancement Awards				
Indirect Programs:				
Louisiana State University HSC	93.107			\$ 104,849
Preventative Health and Health Services Block				
Grant funded solely with Prevention and Public				
Health Funds				
Indirect Programs:				
State of Louisiana Department of Health and Hospitals Office of Public Health	93.758			752,210
PPHF Cooperative Agreement to Support				
Navigators in Federally-facilitated and State				
Partnership Exchanges				
Indirect Programs:				
Southwest Louisiana Area Health Education Center	93.750			<u>73,553</u>
Total U.S. Department of Health and Human Services				930,612
Department of Agriculture Food and Nutrition Services				
Special Supplemental Nutrition Program for				
Women, Infants and Children				
Indirect Programs:				
State of Louisiana Department of Health and Hospitals Office of Public Health	10.557			<u>545,059</u>
Total Expenditures of Federal Awards				<u>\$1,475,671</u>

Central Louisiana Area Health Education Center, Inc.
Notes to the Schedule of Federal Awards
For the Year Ended June 30, 2020

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Central Louisiana Area Health Education Center, Inc. (CLAHEC) . The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Summary of Significant Accounting Policies

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 to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C – Indirect Cost Rate Election

The CLAHEC has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance during the year ended June 30, 2020.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Central Louisiana Area Health Education Center, Inc.
Alexandria, 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 Central Louisiana Area Health Education Center, Inc. (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 2, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Louisiana Area Health Education Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Louisiana Area Health Education Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.



KnightMasden
Alexandria, Louisiana
December 2, 2020



**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control
over Compliance Required by the Uniform Guidance**

Board of Directors
Central Louisiana Area Health Education Center, Inc.
Alexandria, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Central Louisiana Area Health Education Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central Louisiana Area Health Education Center, Inc.'s major federal programs for the year ended June 30, 2020. Central Louisiana Area Health Education Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Central Louisiana Area Health Education Center, Inc.'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 Central Louisiana Area Health Education Center, Inc.'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 Central Louisiana Area Health Education Center, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Central Louisiana Area Health Education Center, Inc. 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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

Management of Central Louisiana Area Health Education Center, Inc. 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 Central Louisiana Area Health Education Center, Inc.'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 Central Louisiana Area Health Education Center, Inc.'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 considered to be a material weakness. However, a material weakness may exist that has not been identified.

Central Louisiana Area Health Education Center, Inc.

Page 3

December 2, 2020

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. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.

Knight Masden

KnightMasden
Alexandria, Louisiana
December 2, 2020

Central Louisiana Area Health Education Center, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

A. Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Central Louisiana Area Health Education Center, Inc.
2. No control deficiency was disclosed during the audit of the financial statements is reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instance of noncompliance material to the financial statements of Central Louisiana Area Health Education Center, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No material weakness in internal control over major federal award programs disclosed during the audit is reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award program administered by Central Louisiana Area Health Education Center, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with the Uniform Guidance are reported in Section C of this schedule.
7. The program tested as major programs include:

Preventative Health and Health Services Block Grant	<u>CFDA Number</u> 93.758
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8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Central Louisiana Area Health Education Center, Inc. does qualify as a low-risk auditee.

Central Louisiana Area Health Education Center, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

B. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDING

No Finding

C. Findings and Questioned Costs – Major Federal Award Programs Audit

DEPARTMENT OF AGRICULTURE

Passed through the State of Louisiana

No Finding

Central Louisiana Area Health Education Center
Schedule of Compensation, Benefits and Other Payments to Gabrielle Juneau,
Executive Director
For the Year Ended June 30, 2020

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,443
Benefits - insurance	1,153
Benefits - retirement	7,844
Travel/mileage reimbursements	4,117
Registration/conference fees	<u>459</u>
	<u>\$ 92,016</u>

The accompanying notes are
an integral part of the financial statements.