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**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION  
FINANCIAL REPORT  
JUNE 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/28/09

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**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

**INDEPENDENT AUDITORS' REPORT**

**Other Offices:**

Crowley, LA  
(337) 783-5693

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
P. John Blanchet, III, CPA\*  
Martha B. Wyatt, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Craig J. Viator, CPA\*  
Stacey E. Singleton, CPA\*  
John L. Istre, CPA\*  
Tricia D. Lyons, CPA\*  
Mary T. Miller, CPA\*  
Elizabeth J. Moreau, CPA\*  
Frank D. Bergeron, CPA\*

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

We have audited the accompanying statements of financial position of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

*Referred:*

Sidney L. Broussard, CPA 1925-2005  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Louisiana Area Health Education Center Foundation as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2008, on our consideration of Southwest Louisiana Area Health Education Center Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts

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*of Louisiana*

and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Southwest Louisiana Area Health Education Center Foundation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Broussard, Locke, Lewis & Bracey, L.L.P.*

Lafayette, Louisiana  
December 3, 2008

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENTS OF FINANCIAL POSITION  
June 30, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash	\$ 413,817	\$ 337,865
Due from other agencies	<u>948,263</u>	<u>620,303</u>
Total current assets	<u>\$1,362,080</u>	<u>\$ 958,168</u>
FIXED ASSETS		
Property and equipment, net	<u>\$ 71,703</u>	<u>\$ 86,369</u>
Total assets	<u>\$1,433,783</u>	<u>\$1,044,537</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 207,443	\$ 38,247
Accrued liabilities	37,542	45,539
Deferred revenue	4,741	6,304
Line of credit	190,814	-
Note payable	<u>3,912</u>	<u>16,708</u>
Total current liabilities	<u>\$ 444,452</u>	<u>\$ 106,798</u>
NET ASSETS		
Unrestricted	\$ 893,915	\$ 816,673
Temporarily restricted	<u>95,416</u>	<u>121,066</u>
Total net assets	<u>\$ 989,331</u>	<u>\$ 937,739</u>
Total liabilities and net assets	<u>\$1,433,783</u>	<u>\$1,044,537</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Grant revenue	\$ 3,939,501	\$ 7,106	\$3,946,607
Sponsor income	-	245	245
Donations	-	59,486	59,486
Interest income	3,811	-	3,811
Matching sites revenue	466,452	-	466,452
Miscellaneous revenue	23,858	47	23,905
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>92,534</u>	<u>(92,534)</u>	<u>-</u>
Total revenues, gains, and other support	<u>\$ 4,526,156</u>	<u>\$ (25,650)</u>	<u>\$4,500,506</u>
EXPENSES AND LOSSES			
Program expenses:			
AHECs for a Healthy Louisiana	\$ 122,913	\$ -	\$ 122,913
Post Secondary/Medical	44,448	-	44,448
Tobacco Control	30,549	-	30,549
HIV/AIDS- HAP	62,807	-	62,807
MASH	24,459	-	24,459
Tobacco Control - Coalition	56,343	-	56,343
SAMHSA - SHIP	283,391	-	283,391
Americorps	1,289,547	-	1,289,547
Injury Prevention - Region IV	57,673	-	57,673
Injury Prevention - Region V	57,860	-	57,860
CDC - Promise	275,172	-	275,172
PCE 120	19,615	-	19,615
CDBG	1,386,515	-	1,386,515
UEMRS	25,000	-	25,000
LEMU	25,000	-	25,000
March of Dimes	78,466	-	78,466
TFL Musicians	24,976	-	24,976
Tulane Research Assistant	14,731	-	14,731
Cancer Coalition	25,193	-	25,193
LRC	26,952	-	26,952
Other programs	69,340	-	69,340
General and administrative expenses	444,364	-	444,364
Loss on disposal of assets	<u>3,600</u>	<u>-</u>	<u>3,600</u>
Total expenses and losses	<u>\$ 4,448,914</u>	<u>\$ -0-</u>	<u>\$4,448,914</u>
Change in net assets	\$ 77,242	\$ (25,650)	\$ 51,592
Net assets, beginning of year	<u>816,673</u>	<u>121,066</u>	<u>937,739</u>
Net assets, end of year	<u>\$ 893,915</u>	<u>\$ 95,416</u>	<u>\$ 989,331</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grant revenue	\$ 3,450,854	\$ 9,622	\$3,460,476
Sponsor income	-	44,250	44,250
Donations	-	2,263	2,263
Interest income	4,840	-	4,840
Matching sites revenue	580,666	-	580,666
Miscellaneous revenue	23,637	2,412	26,049
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>70,986</u>	<u>(70,986)</u>	<u>-</u>
Total revenues, gains, and other support	<u>\$ 4,130,983</u>	<u>\$ (12,439)</u>	<u>\$4,118,544</u>
<b>EXPENSES AND LOSSES</b>			
Program expenses:			
Medical Job Fair	\$ 46,529	\$ -	\$ 46,529
Post Secondary/Medical	43,550	-	43,550
Tobacco Control	28,157	-	28,157
LaMaison Project	36,309	-	36,309
HIV/AIDS- HAP	51,552	-	51,552
MASH	18,373	-	18,373
Tobacco Control - Coalition	109,239	-	109,239
SAMHSA - SHIP	288,113	-	288,113
Americorps	1,911,746	-	1,911,746
Injury Prevention - Region IV	54,158	-	54,158
Injury Prevention - Region V	54,880	-	54,880
Recruitment Events	37,271	-	37,271
CDC - Promise	238,563	-	238,563
DHH Recruiter	57,818	-	57,818
Musicians Clinic	35,637	-	35,637
PCE 120	17,872	-	17,872
CDBG	55,189	-	55,189
DHH - CDRHP/INFORMED	33,628	-	33,628
UEMRS	72,500	-	72,500
LEMU	72,550	-	72,550
Other programs	175,423	-	175,423
General and administrative expenses	598,887	-	598,887
Loss on disposal of assets	<u>665</u>	<u>-</u>	<u>665</u>
Total expenses and losses	<u>\$ 4,038,609</u>	<u>\$ -0-</u>	<u>\$4,038,609</u>
Change in net assets	\$ 92,374	\$ (12,439)	\$ 79,935
Net assets, beginning of year	<u>724,299</u>	<u>133,505</u>	<u>857,804</u>
Net assets, end of year	<u>\$ 816,673</u>	<u>\$ 121,066</u>	<u>\$ 937,739</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 51,592	\$ 79,935
Other	3,600	665
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	23,358	26,977
(Increase) decrease in due from other agencies	(327,960)	4,654
Decrease in prepaid expenses	-	23,260
Increase (decrease) in accounts payable	169,196	(189,993)
Increase (decrease) in accrued liabilities	(7,997)	21,569
Decrease in due to other agencies	-	(1,112)
Decrease in deferred revenue	<u>(1,563)</u>	<u>(88,097)</u>
Net cash used in operating activities	<u>\$ (89,774)</u>	<u>\$ (122,142)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>\$ (12,292)</u>	<u>\$ (10,269)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on debt	\$ (66,982)	\$ (12,165)
Proceeds from line of credit	<u>245,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>\$ 178,018</u>	<u>\$ (12,165)</u>
Increase (decrease) in cash	\$ 75,952	\$ (144,576)
Cash, beginning of year	<u>337,865</u>	<u>482,441</u>
Cash, end of year	<u>\$ 413,817</u>	<u>\$ 337,865</u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid	<u>\$ 2,187</u>	<u>\$ 1,180</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Southwest Louisiana Area Health Education Center Foundation (the "Foundation") is a Louisiana nonprofit corporation chartered on March 7, 1991. Its purpose is to operate an area health education center in Southwest Louisiana in order to plan for additional clinical educational opportunities in rural and underserved communities.

Significant accounting policies:

Basis of accounting:

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting.

Income tax status:

The Foundation is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

Support and expenses:

All contributions 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 temporarily restricted or permanently restricted support, depending on the nature of the restriction, that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions. Approximately 12% of the total fiscal year 2008 revenues, gains and other support (13% for fiscal year 2007) for the Foundation is provided by 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 the Foundation for providing services fulfills the purpose of the grant.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Allowance for doubtful accounts:

The Foundation considers accounts receivable/due from other agencies to be fully collectible; accordingly, no allowance for doubtful accounts is required.

## NOTES TO FINANCIAL STATEMENTS

### Compensated absences:

Employees of the Foundation earn leave in varying amounts depending upon length of service. At the end of each year, employees may carryforward time earned but not taken with a maximum allowable carryover of unused time of ten days per year. 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, 2008 and 2007, accrued annual leave totaled \$42,937 and \$42,937, respectively.

### Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Donated services:

The Foundation 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 SFAS No. 116 have not been satisfied.

### Cash and cash equivalents:

For the purposes of the statement of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Foundation has no cash equivalents at June 30, 2008 or 2007.

### Property and equipment:

Property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds, excluding those purchased under the LSUHSC agreement as discussed below, are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the asset must be used, the Foundation 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 range from five to seven years.

The cost of office furniture and equipment purchased under the cooperative endeavor between LSUHSC and the Foundation has not been capitalized. Title to the equipment purchased under this agreement remains with LSUHSC. The total cost of equipment at June 30, 2008 and 2007, purchased under the cooperative endeavor with LSUHSC, was \$96,264 and \$96,264, respectively.

NOTES TO FINANCIAL STATEMENTS

Use of estimates:

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

Note 2. Concentration of Credit Risk

The Foundation maintains cash and time deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) coverage in banks. FDIC coverage is \$100,000 per bank. At June 30, 2008 and 2007, the Foundation's uninsured balances in both banks the Foundation has accounts with totaled \$269,689 and \$190,549, respectively.

Note 3. Due From Other Agencies

Due from other agencies consisted of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
State of Louisiana	\$ 802,445	\$ 397,983
Federal government	73,100	127,560
Others	<u>72,718</u>	<u>94,760</u>
	<u>\$ 948,263</u>	<u>\$ 620,303</u>

Note 4. Property and Equipment

Property and equipment consisted of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Equipment	\$ 170,425	\$ 171,577
Furniture and fixtures	<u>14,774</u>	<u>13,869</u>
	\$ 185,199	\$ 185,446
Less accumulated depreciation	<u>(113,496)</u>	<u>(99,077)</u>
	<u>\$ 71,703</u>	<u>\$ 86,369</u>

Depreciation expense for the years ended June 30, 2008 and 2007 was \$23,358 and \$26,977, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 5. Lease of Facilities

The Foundation leases various buildings to serve as branch offices. For the years ended June 30, 2008 and 2007, the Foundation expended \$62,400 and \$56,475, respectively, on lease payments. The following details the written lease agreements in effect for the year ended June 30, 2008:

- Lafayette office (1): \$3,250 per month, for the period January 1, 2005 - December 31, 2007; \$3,750 per month, for the period January 1, 2008 - February 29, 2008; and \$4,500 per month for the period March 1, 2008 - December 31, 2008.
- Lafayette office (2): \$675 per month, for the period October 1, 2005 - September 30, 2006; \$650 per month, for the period October 1, 2006 - September 30, 2008.
- Lake Charles office: \$800 per month, renews month to month.

Minimum future lease payments required under the Lafayette office's operating lease agreements for each of the next two years are as follows:

Years Ended	
<u>June 30,</u>	
2009	<u>\$ 28,950</u>

Note 6. Note Payable and Line of Credit

Line of credit and note payable obligations consisted of the following at June 30:

	<u>2008</u>	<u>2007</u>
Line of Credit:		
\$200,000 line of credit payable to Iberia Bank, due December 31, 2009, interest payable monthly at a variable interest rate based on the prime rate of interest as published in the Wall Street Journal, collateralized with accounts and other receivables of the Foundation.	<u>\$ 190,814</u>	<u>\$ -0-</u>
Note Payable:		
Note payable, Iberia Bank, 5.00% interest, secured by vehicle, dated December 13, 2004, due on demand by lender, if no demand is made monthly, principal and interest payments of \$1,112, final payment due December 13, 2008.	<u>\$ 3,912</u>	<u>\$ 16,708</u>

NOTES TO FINANCIAL STATEMENTS

Principal repayment on the note payable required for the next five years are as follows:

2009 \$ 3,912

Interest expense for the years ended June 30, 2008 and 2007 totaled \$2,187 and \$1,180, respectively.

Note 7. Retirement Benefits

The Foundation maintains a 401(k) Retirement Plan for its employees. Generally all employees are eligible to participate in the plan. The Foundation's contribution was 4% of gross payroll for each eligible participant in fiscal years 2008 and 2007. Contributions made by the Foundation for the fiscal years ended June 30, 2008 and 2007 were \$33,300 and \$30,642, respectively.

Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Unexpended contributions:		
Recruitment events	\$ 28,432	\$ 32,905
Other programs	2,453	5,104
Equipment	<u>64,531</u>	<u>83,057</u>
Totals	<u>\$ 95,416</u>	<u>\$ 121,066</u>

NOTES TO FINANCIAL STATEMENTS

Note 9. Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or the expiration of time during the years ended June 30, 2008 and 2007 as follows:

	<u>2008</u>	<u>2007</u>
Purpose restriction accomplished:		
LRHAP	\$ 49	\$ 3,573
Musician's Clinic	-	1,962
Recruitment events	4,473	37,571
Americorps	59,291	-
Other programs	3,090	1,060
Time restriction expired:		
AHECs for a Healthy Louisiana	921	-
Tobacco Control	54	92
HIV/AIDS - HAP	167	344
SAMHSA - SHIP	3,913	3,879
Americorps	3,255	3,111
Injury Prevention IV	145	-
Injury Prevention V	577	577
CDC Promise	8,014	6,300
CDBG	631	26
Cancer Coalition	330	110
LRC	1,721	1,213
Other programs	<u>5,903</u>	<u>11,168</u>
Totals	<u>\$ 92,534</u>	<u>\$ 70,986</u>

NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses

Expenses incurred were for the following for the year ended June 30, 2008 and 2007:

<u>2008:</u>	<u>AHECs for a Healthy Louisiana</u>	<u>Post Secondary/ Medical</u>	<u>Tobacco Control</u>	<u>HIV/AIDS - HAP</u>	<u>MASH</u>
Salary	\$ 88,237	\$ 31,287	\$21,499	\$ 28,439	\$ -
Payroll taxes	7,162	2,502	1,696	2,236	-
Insurance:					
Group and workers comp.	5,526	2,691	1,723	5,260	-
General liability	-	-	350	700	420
401(k) retirement plan	1,683	-	856	1,083	-
Professional fees	-	-	111	396	-
Contractual services	453	568	87	782	17,916
Postage	447	161	180	6	261
Printing	165	46	178	356	228
Telephone/ utilities	3,306	157	375	7,340	-
Supplies	3,859	3,251	808	8,478	2,459
Depreciation expense	921	-	54	167	-
Travel/ transporta- tion	8,605	2,421	1,599	2,761	1,349
Meeting expenses	328	171	44	59	1,826
Conference registration	1,462	933	25	-	-
Rental expense	253	-	700	4,419	-
Books and audio visuals	-	-	-	-	-
Stipends	-	-	-	-	-
Subscriptions	-	80	-	-	-
Equipment	-	-	-	-	-
Incentives	-	-	264	325	-
Other	506	180	-	-	-
Totals	<u>\$ 122,913</u>	<u>\$ 44,448</u>	<u>\$30,549</u>	<u>\$ 62,807</u>	<u>\$24,459</u>

NOTES TO FINANCIAL STATEMENTS

<u>Tobacco Control- Coalition</u>	<u>SAMHSA- SHIP</u>	<u>Americorps</u>	<u>Injury Prevention- Region IV</u>	<u>Injury Prevention- Region V</u>	<u>CDC - Promise</u>	<u>PCE 120</u>
\$ 30,897	\$158,539	\$ 964,161	\$ 34,578	\$ 34,722	\$146,202	\$ -
2,405	12,613	74,691	2,783	2,701	11,803	-
3,586	22,394	76,942	296	2,850	18,713	-
-	-	-	-	-	6,700	150
1,107	3,184	2,515	1,383	1,389	4,666	-
-	188	778	-	-	-	-
209	33,455	16,852	-	-	2,659	-
210	1,590	1,321	-	-	265	104
615	3,267	2,730	-	-	2,388	39
2,922	1,259	6,261	203	-	3,079	-
6,582	6,794	18,679	8,763	11,377	23,257	428
-	3,913	3,255	145	577	8,014	-
4,090	21,033	30,826	6,578	3,117	36,463	1,894
1,776	1,848	6,535	609	860	643	-
600	3,028	4,134	465	10	2,756	-
-	290	2,902	1,289	-	1,047	-
-	-	-	365	-	-	-
-	-	-	-	-	-	16,800
-	-	65	-	-	98	-
-	-	-	-	-	-	-
1,344	9,566	-	-	-	5,410	-
-	430	76,900	216	257	1,009	200
<u>\$ 56,343</u>	<u>\$283,391</u>	<u>\$1,289,547</u>	<u>\$ 57,673</u>	<u>\$ 57,860</u>	<u>\$275,172</u>	<u>\$19,615</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses (Continued)

	<u>CDEG</u>	<u>UEMRS</u>	<u>LEMU</u>	<u>March of Dimes</u>	<u>TFL Musicians</u>
Salary	\$ 233,968	\$ -	\$ -	\$25,157	\$ 17,024
Payroll taxes	18,177	-	-	2,143	1,305
Insurance:					
Group and workers comp.	22,084	-	-	1,483	2,196
General liability	1,496	-	-	18,066	-
401(k) retirement plan	5,326	-	-	510	675
Professional fees	36,650	-	-	-	-
Contractual services	1,007,537	25,000	25,000	7,469	-
Postage	2,100	-	-	26	54
Printing	7,785	-	-	99	122
Telephone/ utilities	7,325	-	-	1,557	587
Supplies	19,469	-	-	659	1,377
Depreciation expense	631	-	-	-	-
Travel/ transporta- tion	7,922	-	-	20,959	1,636
Meeting expenses	605	-	-	139	-
Conference registration	25	-	-	-	-
Rental expense	6,629	-	-	-	-
Books and audio visuals	3,766	-	-	-	-
Stipends	-	-	-	-	-
Subscriptions	1,882	-	-	-	-
Equipment	529	-	-	-	-
Incentives	-	-	-	-	-
Other	<u>2,609</u>	<u>-</u>	<u>-</u>	<u>199</u>	<u>-</u>
Totals	<u>\$1,386,515</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$78,466</u>	<u>\$ 24,976</u>

NOTES TO FINANCIAL STATEMENTS

<u>Tulane Research Assistant</u>	<u>Cancer Coalition</u>	<u>LRC</u>	<u>Other Programs</u>	<u>General and Administrative</u>	<u>Totals</u>
\$ -	\$ 5,346	\$ -	\$ 17,555	\$ 223,299	\$2,060,910
-	430	-	1,342	17,168	161,157
-	110	-	805	20,355	187,014
-	-	-	1,680	15,258	44,820
-	218	-	27	8,678	33,300
-	-	1,000	8,113	16,468	63,704
10,788	18,000	-	5,128	25,083	1,196,986
120	49	58	526	2,942	10,420
217	12	-	595	233	19,075
-	-	-	602	13,100	48,073
320	176	5,734	7,273	4,659	134,402
-	330	1,721	965	2,665	23,358
2,917	-	-	10,899	11,552	176,621
257	372	-	2,119	7,471	25,662
-	150	-	825	8,393	22,806
-	-	-	25	56,441	73,995
-	-	2,533	-	(186)	6,478
-	-	-	4,800	-	21,600
-	-	13,806	30	766	16,727
-	-	-	-	-	529
-	-	-	-	-	16,909
<u>112</u>	<u>-</u>	<u>2,100</u>	<u>6,031</u>	<u>10,019</u>	<u>100,768</u>
<u>\$ 14,731</u>	<u>\$ 25,193</u>	<u>\$26,952</u>	<u>\$ 69,340</u>	<u>\$ 444,364</u>	<u>\$4,445,314</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses (Continued)

2007:	Medical Job Fair	Post Secondary/ Medical	Tobacco Control	LaMaison Project	HIV/AIDS - HAP	MASH
Salary	\$ 33,337	\$ 32,399	\$14,200	\$ 23,724	\$ 30,209	\$ -
Payroll taxes	2,636	2,631	1,138	1,830	2,365	-
Insurance	4,346	3,032	795	2,967	5,868	906
401(k) retirement plan	1,333	1,084	545	762	1,160	-
Professional fees	-	30	100	-	396	4,968
Contractual services	25	90	289	379	13	7,130
Postage	125	75	150	53	10	258
Printing	249	502	1,152	199	504	128
Telephone/ utilities	1,023	113	123	193	1,556	-
Supplies	731	1,162	3,827	1,803	820	2,681
Depreciation expense	166	-	92	442	344	-
Travel/ transporta- tion	2,543	1,669	2,673	1,511	3,372	314
Meeting expenses	15	238	416	1,656	-	1,988
Conference registration	-	440	(140)	680	-	-
Rental expense	-	-	1,500	-	4,475	-
Books and audio visuals	-	-	646	-	-	-
Stipends	-	-	-	-	-	-
Subscriptions	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Incentives	-	-	291	-	210	-
Other	-	85	360	110	250	-
Totals	<u>\$ 46,529</u>	<u>\$ 43,550</u>	<u>\$28,157</u>	<u>\$ 36,309</u>	<u>\$ 51,552</u>	<u>\$18,373</u>

NOTES TO FINANCIAL STATEMENTS

<u>Tobacco Control- Coalition</u>	<u>SAMHSA- SHIP</u>	<u>Americorps</u>	<u>Injury Prevention- Region IV</u>	<u>Injury Prevention- Region V</u>	<u>Recruitment Events</u>
\$ 62,540	\$156,096	\$1,575,752	\$ 33,248	\$ 33,386	\$ 6,888
4,965	12,874	121,059	2,672	2,674	546
6,325	20,880	133,646	518	1,027	1,133
2,092	1,616	1,637	1,330	1,336	267
825	40	58	-	-	110
20,300	46,603	2,510	-	-	2,820
650	1,009	1,327	317	13	727
600	3,566	1,831	700	-	389
1,524	1,494	1,148	295	-	1,675
1,809	6,249	15,332	8,932	11,207	5,072
-	3,879	3,111	-	577	-
4,696	19,700	38,150	3,523	3,960	164
1,209	2,389	9,784	500	625	16,679
850	2,950	2,455	300	75	375
-	747	1,817	1,150	-	426
-	-	-	458	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	347	293	-	-	-
811	7,373	-	-	-	-
43	301	1,836	215	-	-
<u>\$ 109,239</u>	<u>\$288,113</u>	<u>\$1,911,746</u>	<u>\$ 54,158</u>	<u>\$ 54,880</u>	<u>\$ 37,271</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses (Continued)

	<u>CDC- Promise</u>	<u>DHH Recruiter</u>	<u>Musicians Clinic</u>	<u>PCE 120</u>	<u>CDBG</u>	<u>DHH - CDRHP/ INFORMED</u>
Salary	\$139,634	\$ 41,285	\$ 24,165	\$ -	\$36,782	\$ 15,291
Payroll taxes	11,191	3,289	1,980	-	2,852	1,195
Insurance	26,536	1,848	2,509	177	2,694	251
401(k) retirement plan	5,322	-	242	-	1,273	552
Professional fees	-	-	80	-	4,232	-
Contractual services	384	1,137	200	-	1,766	1,504
Postage	125	81	222	60	34	51
Printing	2,233	31	175	11	293	7
Telephone/ utilities	3,205	837	2,010	-	199	218
Supplies	16,559	1,518	1,063	532	1,589	4,315
Depreciation expense	6,300	523	383	-	26	-
Travel/ transporta- tion	21,574	4,516	1,002	892	504	2,117
Meeting expenses	550	1,626	981	-	334	8,027
Conference registration	310	900	250	-	-	100
Rental expense	290	-	150	600	2,429	-
Books and audio visuals	1,000	-	-	-	-	-
Stipends	-	-	-	15,600	-	-
Subscriptions	-	-	-	-	-	-
Equipment	513	-	-	-	-	-
Incentives	3,616	-	-	-	-	-
Other	<u>5,521</u>	<u>227</u>	<u>225</u>	<u>-</u>	<u>182</u>	<u>-</u>
Totals	<u>\$244,863</u>	<u>\$ 57,818</u>	<u>\$ 35,637</u>	<u>\$17,872</u>	<u>\$55,189</u>	<u>\$ 33,628</u>

NOTES TO FINANCIAL STATEMENTS

<u>UEMRS</u>	<u>LEMU</u>	<u>Other Programs</u>	<u>General and Administrative</u>	<u>Totals</u>
\$ -	\$ -	\$ 34,527	\$ 317,448	\$2,610,911
-	-	2,356	22,977	201,230
-	-	5,545	43,354	264,357
-	-	100	9,991	30,642
-	-	-	24,011	34,850
72,500	72,560	68,520	25,277	324,007
-	-	309	1,682	7,278
-	-	1,049	2,768	16,387
-	-	213	23,093	38,919
-	-	20,984	16,732	122,917
-	-	10,312	822	26,977
-	-	5,229	17,273	135,382
-	-	2,513	8,829	58,359
-	-	280	4,812	14,637
-	-	2,234	53,935	69,753
-	-	3,602	-	5,706
-	-	-	-	15,600
-	-	11,821	1,232	13,053
-	-	(3,500)	3,423	1,076
-	-	-	-	12,301
-	(10)	3,029	21,228	33,602
<u>\$72,500</u>	<u>\$72,550</u>	<u>\$169,123</u>	<u>\$ 598,887</u>	<u>\$4,037,944</u>

NOTES TO FINANCIAL STATEMENTS

Note 11. Summary of Grants/Contracts Funding

The Foundation was funded through the following grants and contracts for the year ended June 30, 2008:

<u>Funding Source</u>	<u>Award Number</u>	<u>Recognized Support</u>
State of Louisiana Department of Health and Hospitals:		
HIV Prevention Program	CFDA #93.940	\$ 41,717
	CFMS #653499	20,744
HIV Prevention Projects for Community-Based Organizations	CFDA #93.939	334,349
AHECs for a Healthy Louisiana	CFMS #654821	121,906
Injury Prevention -		
Region IV	CFMS #649088	64,028
Region V	CFMS #649829	63,011
Tobacco Control	CFMS #658005	30,000
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine	CFMS #502590	521,794
Tobacco Control - Coalition	-	56,343
Corporation for National and Community Service:		
Americorps Grant	CFDA #94.006	697,840
U.S. Department of Health and Human Services:		
Substance Abuse and Mental Health Services	CFDA #93.243	336,030
U.S. Department of Housing and Urban Development:		
Community Development Block Grant	CFDA #14.219	1,390,325
March of Dimes Foundation	-	78,466
AmeriCares Foundation, Inc.	-	50,000
Foundation for the Mid South	-	48,687
Others	-	<u>91,367</u>
Total		<u>\$3,946,607</u>

Note 12. Related Party Transactions

During the fiscal year ended June 30, 2007, the Foundation entered into a related party transaction with Louisiana Emergency Medical Unit (LEMU), a nonprofit corporation. The president of this Corporation was a Board member of the Foundation and the vice president was the Director of the Foundation for both the 2007 and 2008 fiscal years. The transaction with this Corporation was in the form of a contractual services arrangement whereby the Corporation performed services for the Foundation and received \$25,000 and \$72,500 of pass-through grant funds from the Foundation for the fiscal years ending June 30, 2008 and 2007, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 13. In-Kind Contributions

The Foundation accepted in-kind contributions related to training for the Americorps program. The fair value of contributions received in-kind amounted to \$59,291 for the year ended June 30, 2008 and \$-0- for the year ended June 30, 2007. As such, the related revenue and expenses has been recorded in the accompanying financial statements.

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**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

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

**Other Offices:**

Crowley, LA  
(337) 783-5693  
Opelousas, LA  
(337) 942-5217  
Abbeville, LA  
(337) 898-1497  
New Iberia, LA  
(337) 364-4554  
Church Point, LA  
(337) 684-2855

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

Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
P. John Blanchet, III, CPA\*  
Martha B. Wyatt, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Craig J. Viator, CPA\*  
Stacey E. Singleton, CPA\*  
John L. Istre, CPA\*  
Tricia D. Lyons, CPA\*  
Mary T. Miller, CPA\*  
Elizabeth J. Moreau, CPA\*  
Frank D. Bergeron, CPA\*

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 3, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Foundation's internal control over financial reporting 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 the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*Retired:*

Sidney L. Broussard, CPA 1925-2005  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Foundation's ability to initiate,

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Southwest Louisiana Area Health Education Center  
Public Accountants

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authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Foundation's financial statements that is more than inconsequential will not be prevented or detected by the Foundation's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs at #2008-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Foundation's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described at #2008-1 is a material weakness.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item #2008-2.

This report is intended solely for the information and use of management, the Board of Directors, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Broussard, Roche, Lewis & Bureau, L.L.P.*

Lafayette, Louisiana  
December 3, 2008



**BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**Other Offices:**

Crowley, LA  
(337) 783-5693

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

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Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008

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

**Compliance**

We have audited the compliance of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 2008. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 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 Southwest Louisiana Area Health Education Center Foundation'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. Our audit does not provide a legal determination of Southwest Louisiana Area Health Education Center Foundation's compliance with those requirements.

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State of Louisiana  
Public Accounting*

\* A Professional Accounting Corporation

In our opinion, Southwest Louisiana Area Health Education Center Foundation complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items #2008-3 through #2008-5.

#### **Internal Control Over Compliance**

The management of Southwest Louisiana Area Health Education Center Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Southwest Louisiana Area Health Education Center Foundation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Southwest Louisiana Area Health Education Center Foundation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in a entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items #2008-3 and #2008-4 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items #2008-3 and #2008-4 to be material weaknesses.

Southwest Louisiana Area Health Education Center Foundation's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Southwest Louisiana Area Health Education Center Foundation's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Broussard, Poche, Lewis + Breaux, L.L.P.*

Lafayette, Louisiana  
December 3, 2008

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

Section I. Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: unqualified.

Internal control over financial reporting:

- Material weakness identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditors' report issued on compliance for major programs: unqualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.219	Community Development Block Grant
94.006	Americorps
93.243	Substance Abuse and Mental Health Services

Dollar threshold used to distinguish between type A and type B programs:  
\$300,000.

Auditee qualified as low-risk auditee?         Yes         No

Section II - Financial Statement Findings

**#2008-1 Reconciliations**

Finding: A control procedure over cash includes reconciling the cash in the bank to the general ledger balance on a monthly basis. During the course of the audit, when testing the Injury Prevention V grant revenues and expenses, it was discovered that a reimbursement received in November of 2007 had been recorded incorrectly in the general ledger. Instead of recording the cash, the posting was to a revenue account. This error should have been caught when the cash was reconciled that month but it was not. As of year end, the cash was out of balance and an adjustment was provided to us to reconcile. In addition, adjustments were provided to us to reconcile the accounts receivable and accounts payable subsidiary ledgers to the general ledger at year end. These accounts should also be reconciled on a monthly basis.

Recommendation: The cash account as well as the accounts receivable and payable balances should be reconciled each month without exception. Any errors or reconciling items should be properly corrected or documented at the time the reconciliations are prepared.

Response: Accounts are being reconciled on a monthly basis. In addition, modules are being closed in the system as check reconciliations are done to prevent transactions posted to periods already reconciled.

**#2008-2 Administration of Grant**

Finding: In the prior year, a finding was reported related to a Rural Health Network Development Planning Grant where the Foundation was a subrecipient of the grant and Franklin Foundation Hospital was the lead agency. This finding has not been resolved as of the end of the current year.

Recommendation: We recommend that the Foundation contact the grantor to determine proper resolution of the issues raised in the finding.

Response: Contact is now being made with a grants manager employee with DHHS to obtain documentation of budget revisions for the Rural Health Network grant.

Section III - Federal Award Findings and Questioned Costs

94.006 Americorps

**#2008-3 Living Allowance**

Finding: Living allowances are paid on the basis of an Americorps member's selection and enrollment as a full-time participant in a program. The limits on living allowances are provided for in 42USC4955

and 12594; 45CFR Section 2522.240. We tested 39 member files for compliance with the grant requirements. Of the individuals tested, there were four that were not paid the correct living allowance. These individuals were paid less than the amount provided for in the grant guidelines.

In addition, two Americorps members, were overpaid their living allowances in the amount of \$9,969. This overpayment was the result of the members being entered into the payroll system as full-time when in fact they were part-time. The Foundation caught the error and did not request reimbursement from Americorps. However, there should be controls in place to detect this type of error when it occurs rather than at the end of the members' terms.

Recommendation: Procedures should be established to ensure that living allowances are adjusted in accordance with the grant guidelines and that the status of each member entered into the payroll system is accurate.

Response: Americorps bookkeeper has established a spreadsheet to track the balance of each member's living allowance at each pay period. In addition, match sites are not allowed to change member living reimbursement rate during the member's service term.

#### 14.219 Community Development Block Grant

##### **#2008-4 Procurement, Suspension and Debarment**

Finding: There are no controls in place to ensure that covered contracts exceeding \$25,000 are awarded to entities that have not been suspended or debarred. There were a number of such contracts during the year under audit and no documentation on file to indicate that the Foundation verified that the entities had not been suspended or debarred. In addition, the procurement procedures in place during the year under audit, did not ensure compliance with the federal procurement regulations as it relates to bidding of items.

Recommendation: The Foundation should establish controls to ensure compliance with the procurement, suspension and debarment requirements of the grant.

Response: Procedures are being implemented to ensure compliance with the procurement, suspension and debarment requirements of the grant. The Foundation is now aware of resources available to help maintain this compliance.

##### **#2008-5 Reporting**

Finding: We tested the performance report (RWTP 2008 2<sup>nd</sup> Quarter Target Submission) submitted for the period April through June of 2008. The total number of participants reported (260) did not agree to the participant listing (249). In addition, the number reported as low to moderate income (216) did not agree to the listing (236).

Recommendation: The numbers should be reviewed prior to submission to ensure they are in agreement with the participant data.

Response: Procedures are now being implemented to crosscheck data before it is submitted for the RWTP grant.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

SCHEDULE OF PRIOR FINDINGS  
Year Ended June 30, 2008

Section I. Internal Control and Compliance Material to the Financial Statements

**#2007-1 Disbursements and Related Grant Requests**

Recommendation: We recommend that the Foundation revisit its current policies and procedures over disbursements to ensure that all disbursements are properly supported and allowable prior to requesting grant reimbursements.

Current Status: Controls over disbursements have been strengthened.

**#2007-2 AmeriCares Foundation, Inc. Funding**

Recommendation: We recommend that the Foundation obtain documentation to allow them to monitor whether the grant funds were spent in accordance with the grant guidelines. In addition, in the future, the grant agreement should accurately reflect the parties of the grant.

Current Status: This finding is resolved.

**#2007-3 Administration of Grant**

Recommendation: We recommend that the Foundation contact the grantor to determine proper resolution of these issues.

Current Status: This finding is not resolved and repeated at #2008-2.

Section II. Internal Control and Compliance Material to Federal Awards

**#2007-4 Administrative Costs**

Recommendation: We recommend that the Foundation request funds using the percent in the budget as opposed to a monthly amount calculated based on the total budget.

Current Status: The Foundation currently requests funds using the percent in the budget. In addition, the amount over requested in the prior year has been repaid.

**#2007-5 Match Sites**

Recommendation: The revenues and expenses for these sites should be reconciled on a monthly basis.

**#2007-6 Living Allowance**

Recommendation: Procedures should be established to ensure that living allowances are adjusted in accordance with the grant guidelines.

Current Status: A similar finding in the current year at #2008-3.

Section III. Management Letter

The prior year's report did not include a management letter.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>
DIRECT PROGRAMS:		
U.S. Department of Health and Human Services - Substance Abuse and Mental Health Services	93.243	5H79SP10554-01/ 5H79SP10554-02
HIV Prevention Activities: Non-Governmental Organization Based Corporation for National and Community Service: Americorps	93.939     94.006	     5 U65 PS624067-04   -
PASS-THROUGH PROGRAMS:		
U.S. Department of Health and Human Services - State Department of Health and Hospitals: HIV Prevention Activities - Health Department Based Regional Maternal and Child Health Injury Prevention - Region IV Region V Tobacco Control AHECs for a Healthy Louisiana Tulane University School of Medicine: Child Care and Development Block Grant (CCDF Cluster)	   93.940   93.136 93.136 93.283 -  93.575 & 93.596	   N/A   N/A N/A N/A N/A  N/A
Louisiana State University Health Sciences Center: Area Health Model Program U.S. Department of Housing and Urban Development - Community Development Block Grant	   93.107   14.219	   N/A   N/A

<u>Pass-Through Grantor's No.'s</u>	<u>Total Current Year Expenses</u>
N/A	\$ 336,030
N/A	334,349
N/A	697,840
CFMS #653498	30,870
CFMS #649088	25,611
CFMS #649829	28,985
CFMS #658005	24,000
CFMS #654821	10,972
N/A	16,214
-	75,427
CFMS #649664	<u>1,390,325</u>
	<u>\$2,970,623</u>



— S · W · L · A · H · E · C —  
SOUTHWEST LOUISIANA  
AREA HEALTH EDUCATION CENTER

December 11, 2008

Mr. Steve Theriot  
Legislative Auditor  
State of Louisiana  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

**MARGARET "BOOTSIE" DURAND, MS**  
EXECUTIVE DIRECTOR/CEO

Southwest Louisiana Area Health Education Center Foundation respectfully submits the following corrective action plan for the year ended June 30, 2008.

**Improving health status  
through access to  
information, education  
and health services in  
the parishes of:**

Name and address of independent public accounting firm:  
Broussard, Poche', Lewis & Breaux, L.L.P.  
Certified Public Accountants  
Post Office Box 61400  
Lafayette, Louisiana 70596-1400

Audit period: July 1, 2007 through June 30, 2008.

The findings from the 2008 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

- ACADIA
- ALLEN
- BEAUREGARD
- CALCASEU
- CAMERON
- EVANGELINE
- IBERIA
- JEFFERSON DAVIS
- LAFAYETTE
- ST. LANDRY
- ST. MARTIN
- ST. MARY
- VERMILION

**Section II - Financial Statement Findings**

**#2008-1 Reconciliations**

**Recommendation:** The cash account as well as the accounts receivable and payable balances should be reconciled each month without exception. Any errors or reconciling items should be properly corrected or documented at the time the reconciliations are prepared.

**Management Response:** Accounts are being reconciled on a monthly basis. In addition, modules are being closed in the system as check reconciliations are done to prevent transactions posted to periods already reconciled.

**#2008-2 Administration of Grant**

**Recommendation:** We recommend that the Foundation contact the grantor to determine proper resolution of the issues raised in the finding.

**Management Response:** Contact is now being made with a grants manager employee with DHHS to obtain documentation of budget revisions for the Rural Health Network grant.



103 INDEPENDENCE BLVD.  
LAFAYETTE, LA 70506  
(337) 989-0001  
1-800-435-AHEC  
FAX (337) 989-1401  
www.swlahec.com



Section III - Federal Award Findings and Questioned Costs

94.006 Americorps

**#2008-3 Living Allowance**

Recommendation: Procedures should be established to ensure that living allowances are adjusted in accordance with the grant guidelines and that the status of each member entered into the payroll system is accurate.

Management Response: AmeriCorps bookkeeper has established a spreadsheet to track the balance of each member's living allowance at each pay period. In addition, match sites are not allowed to change member living reimbursement rate during the member's service term.

14.219 Community Development Block Grant

**#2008-4 Procurement, Suspension and Debarment**

Recommendation: The Foundation should establish controls to ensure compliance with the procurement, suspension and debarment requirements of the grant.

Management Response: Procedures are being implemented to ensure compliance with the procurement, suspension and debarment requirements of the grant. The Foundation is now aware of resources available to help maintain this compliance.

**#2008-5 Reporting**

Recommendation: The numbers should be reviewed prior to submission to ensure they are in agreement with the participant data.

Management Response: Procedures are now being implemented to crosscheck data before it is submitted for the RWTP grant.

If the Legislative Auditor has questions regarding this plan, please call Ms. Margaret Durand at (337)989-0001.

Sincerely yours,

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION



Margaret Durand, M.S.  
Executive Director/CEO