

OF DATE 06/11/19

**SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION  
FINANCIAL REPORT  
JUNE 30, 2005**

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 2-15-06

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT	1 and 2
FINANCIAL STATEMENTS	
Statements of financial position	3
Statement of activities	4 and 5
Statements of cash flows	6
Notes to financial statements	8 - 22
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	23 and 24
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	25 and 26
Schedule of findings and questioned costs	27 and 28
Schedule of prior findings	29
Supplementary schedule of expenditures of federal awards	30 and 31



## BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

C E R T I F I E D P U B L I C A C C O U N T A N T S

4112 West Congress • P.O. Box 61400 • Lafayette, Louisiana 70596-1400

phone: (337) 988-4930 • fax: (337) 984-4574 • www.bplb.com

*Other Offices:*

Crowley, LA  
(337) 783-0650

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

### INDEPENDENT AUDITORS' REPORT

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

Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Craig C. Babineaux, CPA\*  
Peter C. Borrello, CPA\*  
George J. Trappey III, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*  
Troy J. Breaux, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, CPA\*  
Craig J. Viator, CPA\*

*Retired:*

Sidney L. Broussard, CPA\* 1980  
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  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Ralph Friend, CPA\* 2002  
Eugene C. Gilder, CPA\* 2004

We have audited the accompanying statements of financial position of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) as of June 30, 2005 and 2004, 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.

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, 2005 and 2004, 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 a report dated September 9, 2005, 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, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

\*A Professional Accounting Corporation

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, Lochi, Lewis + Breant, L.L.P.*

Lafayette, Louisiana  
September 9, 2005

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENTS OF FINANCIAL POSITION  
June 30, 2005 and 2004

ASSETS	<u>2005</u>	<u>2004</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 546,476	\$ 368,230
Due from other agencies	298,766	411,424
Prepaid expenses	<u>-</u>	<u>1,040</u>
Total current assets	<u>\$ 845,242</u>	<u>\$ 780,694</u>
<b>FIXED ASSETS</b>		
Property and equipment, net	<u>\$ 104,285</u>	<u>\$ 42,502</u>
Total assets	<u>\$ 949,527</u>	<u>\$ 823,196</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 70,713	\$ 99,716
Accrued liabilities	37,144	18,443
Due to other agencies	-	2,402
Deferred revenue	65,360	10,000
Notes payable	<u>39,490</u>	<u>-</u>
Total current liabilities	<u>\$ 212,707</u>	<u>\$ 130,561</u>
<b>NET ASSETS</b>		
Unrestricted	\$ 577,322	\$ 606,235
Temporarily restricted	<u>159,498</u>	<u>86,400</u>
Total net assets	<u>\$ 736,820</u>	<u>\$ 692,635</u>
Total liabilities and net assets	<u>\$ 949,527</u>	<u>\$ 823,196</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grant revenue	\$ 2,191,686	\$ 83,281	\$2,274,967
Sponsor income	-	57,317	57,317
Interest income	1,934	-	1,934
Matching sites revenue	230,957	-	230,957
Miscellaneous revenue	27,658	-	27,658
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>67,500</u>	<u>(67,500)</u>	<u>-</u>
Total revenues, gains, and other support	<u>\$ 2,519,735</u>	<u>\$ 73,098</u>	<u>\$2,592,833</u>
<b>EXPENSES AND LOSSES</b>			
Program expenses:			
Medical Job Fair	\$ 53,596	\$ -	\$ 53,596
Post Secondary/Medical	45,389	-	45,389
Tobacco Control	35,344	-	35,344
Pfizer	588	-	588
HIV/AIDS- HAP	54,205	-	54,205
MASH	11,207	-	11,207
Parent Liaison	36,399	-	36,399
Tobacco Control - Coalition	14,315	-	14,315
Tobacco Control - Resource	1,788	-	1,788
SAMHSA - SHIP	292,831	-	292,831
Americorps	572,260	-	572,260
Robert W. Johnson Program	219,683	-	219,683
Injury Prevention - Region IV	40,132	-	40,132
Injury Prevention - Region V	52,075	-	52,075
Project Cares	1,692	-	1,692
WIC - Region V	46,163	-	46,163
HIV - CDC	336	-	336
CDC - SNAP	69,719	-	69,719
CDC - Promise	236,042	-	236,042
DHH Recruiter	48,253	-	48,253
Diabetes Control	19,615	-	19,615
Musicians Clinic	10,263	-	10,263
Other programs	131,798	-	131,798
General and administrative expenses	<u>554,955</u>	<u>-</u>	<u>554,955</u>
Total expenses and losses	<u>\$ 2,548,648</u>	<u>\$ -0-</u>	<u>\$2,548,648</u>
Change in net assets	\$ (28,913)	\$ 73,098	\$ 44,185
Net assets, beginning of year	<u>606,235</u>	<u>86,400</u>	<u>692,635</u>
Net assets, end of year	<u>\$ 577,322</u>	<u>\$ 159,498</u>	<u>\$ 736,820</u>
See Notes to Financial Statements.			

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grant revenue	\$ 2,413,534	\$ 16,559	\$2,430,093
Sponsor income	-	28,112	28,112
Interest income	1,611	-	1,611
Matching sites revenue	207,411	-	207,411
Miscellaneous revenue	41,899	5,960	47,859
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>36,096</u>	<u>(36,096)</u>	<u>-</u>
Total revenues, gains, and other support	<u>\$ 2,700,551</u>	<u>\$ 14,535</u>	<u>\$2,715,086</u>
<b>EXPENSES AND LOSSES</b>			
Program expenses:			
Medical Job Fair	\$ 26,817	\$ -	\$ 26,817
Post Secondary/Medical	38,807	-	38,807
Tobacco Control	26,199	-	26,199
Pfizer	89,565	-	89,565
HIV/AIDS- HAP	91,238	-	91,238
MASH	12,299	-	12,299
Parent Liaison	34,577	-	34,577
Tobacco Control - Coalition	42,032	-	42,032
SAMHSA - SHIP	129,267	-	129,267
Americorps	483,457	-	483,457
Robert W. Johnson Program	183,231	-	183,231
Injury Prevention - Region IV	46,338	-	46,338
Injury Prevention - Region V	52,965	-	52,965
Project Cares	291,520	-	291,520
WIC - Region IV	79,874	-	79,874
WIC - Region V	85,934	-	85,934
HIV - CDC	211,645	-	211,645
CDC - SNAP	30,263	-	30,263
DHH Recruiter	44,501	-	44,501
Diabetes Control	40,361	-	40,361
Musicians Clinic	22,066	-	22,066
Other programs	74,933	-	74,933
General and administrative expenses	<u>493,302</u>	<u>-</u>	<u>493,302</u>
Total expenses and losses	<u>\$ 2,631,191</u>	<u>\$ -0-</u>	<u>\$2,631,191</u>
Change in net assets	\$ 69,360	\$ 14,535	\$ 83,895
Net assets, beginning of year	<u>536,875</u>	<u>71,865</u>	<u>608,740</u>
Net assets, end of year	<u>\$ 606,235</u>	<u>\$ 86,400</u>	<u>\$ 692,635</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 44,185	\$ 83,895
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,499	13,087
(Increase) decrease in due from other agencies	112,657	(108,388)
(Increase) decrease in prepaid expenses	1,040	(1,040)
Increase (decrease) in accounts payable	(29,003)	31,070
Increase (decrease) in accrued liabilities	18,701	(678)
Increase (decrease) in due to other agencies	(2,402)	1,767
Increase in deferred revenue	<u>55,360</u>	<u>6,667</u>
Net cash provided by operating activities	<u>\$ 222,037</u>	<u>\$ 26,380</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>\$ (35,055)</u>	<u>\$ (16,560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on debt	<u>\$ (8,736)</u>	<u>\$ -0-</u>
Increase in cash	\$ 178,246	\$ 9,820
Cash, beginning of year	<u>368,230</u>	<u>358,410</u>
Cash, end of year	<u>\$ 546,476</u>	<u>\$ 368,230</u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid	<u>\$ 1,273</u>	<u>\$ -0-</u>
NONCASH INVESTING AND FINANCING TRANSACTIONS:		
Purchase of vehicle financed with bank debt	<u>\$ 48,226</u>	<u>\$ -0-</u>

See Notes to Financial Statements.



This page intentionally left blank.

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 21% of the total revenues, gains and other support 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.

## NOTES TO FINANCIAL STATEMENTS

### 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.

### 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, 2005 and 2004, accrued annual leave totaled \$24,017 and \$18,010, 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.

### Property, plant and equipment:

Property, plant 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.

NOTES TO FINANCIAL STATEMENTS

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, 2005 and 2004, purchased under the cooperative endeavor with LSUHSC was \$180,755 and \$180,755, respectively.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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, 2005 and 2004, the Foundation's uninsured balances in both banks the Foundation has accounts with totaled \$359,487 and \$212,568, respectively.

Note 3. Due From Other Agencies

Due from other agencies consisted of the following at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Other Regional AHEC's	\$ -	\$ 415
State of Louisiana	277,538	390,740
Others	<u>21,228</u>	<u>20,269</u>
	<u>\$ 298,766</u>	<u>\$ 411,424</u>

Note 4. Property, Plant and Equipment

Property and equipment consisted of the following at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Equipment	\$ 148,012	\$ 70,273
Furniture and fixtures	<u>14,369</u>	<u>8,826</u>
	\$ 162,381	\$ 79,099
Less accumulated depreciation	<u>(58,096)</u>	<u>(36,597)</u>
	<u>\$ 104,285</u>	<u>\$ 42,502</u>

Depreciation expense for the years ended June 30, 2005 and 2004 was \$21,499 and \$13,087, 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, 2005 and 2004, the Foundation expended \$52,498 and \$49,380, respectively, on lease payments. The following details the written lease agreements in effect for the year ended June 30, 2005:

- Lafayette office: \$3,250 per month, for the period January 1, 2005 - December 31, 2007.
- Franklin office: \$420 per month, renews month to month.
- Lake Charles office: \$800 per month, for the period December 1, 2003 - November 30, 2006.

Minimum future lease payments required under the Lafayette and Lake Charles offices' operating lease agreements for each of the next three years are as follows:

Years Ended <u>June 30,</u>	
2006	\$ 48,600
2007	43,000
2008	<u>19,500</u>
Total minimum future lease payments	<u>\$ 111,100</u>

Note 6. Notes Payable

Notes payable at June 30, 2005 and 2004 consisted of the following:

	<u>2005</u>	<u>2004</u>
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>\$ 39,490</u>	<u>\$ -0-</u>

Because the bank has the right to call the loan upon demand, the entire amount of the note is classified as current. If the bank, however, does not demand payment before maturity, the note is expected to be paid as follows:

2006	\$ 11,635
2007	12,231
2008	12,857
2009	<u>2,767</u>
	<u>\$ 39,490</u>

NOTES TO FINANCIAL STATEMENTS

Interest expense for the years ended June 30, 2005 and 2004 totaled \$1,273 and \$-0-, 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 2005 and 2004. Contributions made by the Foundation for the fiscal years ended June 30, 2005 and 2004 were \$22,780 and \$25,219, respectively.

Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Unexpended contributions:		
New Doc on the Block	\$ 24,684	\$ 12,353
Medical Job Fair	23,123	23,253
Musician's Clinic	3,102	3,764
Other programs	4,305	4,528
Equipment	<u>104,284</u>	<u>42,502</u>
Totals	<u>\$ 159,498</u>	<u>\$ 86,400</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, 2005 and 2004 as follows:

	<u>2005</u>	<u>2004</u>
Purpose restrictions accomplished:		
Medical Job Fair	\$ 130	\$ 5,497
AHEC of a Summer	800	-
Musician's Clinic	6,354	3,763
New Doc on the Block	33,345	10,716
Other programs	5,373	3,034
Time restriction expired:		
HIV/AIDS- HAP	396	395
HIV - CDC	6,736	2,841
Tobacco Control	92	92
Project Cares	1,692	1,692
Parent Liaison	414	414
Other	909	1,264
Americorps	412	253
Robert W. Johnson Program	5,221	3,963
Abstinence	206	310
SAMHSA - SHIP	3,734	676
Pfizer	588	588
DHH Recruiter	522	261
Injury Prevention V	<u>576</u>	<u>337</u>
 Totals	 <u>\$ 67,500</u>	 <u>\$ 36,096</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses

Expenses incurred were for the following for the year ended June 30, 2005 and 2004:

	Medical Job Fair	Post Secondary/ Medical	Tobacco Control	Pfizer	(HAP) HIV/AIDS	MASH
2005:						
Salary	\$ 31,667	\$ 33,352	\$21,720	\$ -	\$ 29,041	\$ -
Payroll tax	2,571	2,652	1,807	-	2,397	-
401(k) contribution	-	1,410	63	-	782	-
Insurance	4,131	4,464	814	-	4,480	420
Repairs and maintenance	-	-	-	-	-	-
Depreciation	-	-	92	588	396	-
Supplies	1,518	490	2,540	-	3,740	969
Telephone/ utilities	80	846	1,242	-	2,992	7
Travel	1,703	1,493	3,234	-	3,694	253
Contract services	7,250	20	-	-	-	5,404
Postage	600	25	428	-	93	73
Printing	511	86	522	-	555	127
Stipends	-	-	-	-	-	-
Consulting	990	-	300	-	208	-
Rent	-	-	1,500	-	4,033	-
Dues and subscriptions	-	-	453	-	-	-
Equipment	-	-	-	-	-	-
Automobile	-	-	-	-	-	-
Conference registration	75	120	582	-	780	-
Books and audio-visuals	-	45	26	-	-	987
Meetings	2,411	286	21	-	-	2,761
Other	89	100	-	-	1,014	206
Totals	<u>\$ 53,596</u>	<u>\$ 45,389</u>	<u>\$35,344</u>	<u>\$ 588</u>	<u>\$ 54,205</u>	<u>\$11,207</u>



NOTES TO FINANCIAL STATEMENTS

<u>Parent Liaison</u>	<u>Tobacco Control-Coalition</u>	<u>Tobacco Control-Resource</u>	<u>SAMHSA-SHIP</u>	<u>Americorps</u>	<u>Robert W. Johnson Program</u>	<u>Injury Prevention-Region IV</u>
\$25,000	\$ 7,554	\$ 1,621	\$152,321	\$ 473,997	\$ 102,130	\$ 26,148
2,050	619	149	12,642	36,458	8,170	2,138
1,000	30	-	1,976	1,000	2,264	-
5,208	442	14	22,281	45,550	8,539	1,590
-	-	-	150	-	-	-
414	-	-	3,734	412	5,221	-
791	3,554	-	8,127	4,512	8,520	6,271
-	49	-	3,750	559	2,674	59
1,385	141	-	13,303	4,442	17,567	1,998
-	-	-	46,249	80	39,387	-
33	3	4	1,017	137	1,352	-
23	23	-	4,083	977	3,552	-
-	-	-	-	-	-	-
-	1,600	-	8,653	-	1,505	-
-	300	-	3,230	-	-	-
-	-	-	421	-	-	125
-	-	-	1,274	-	505	-
-	-	-	-	-	-	-
315	-	-	3,342	645	2,145	485
-	-	-	1,204	297	87	830
148	-	-	1,395	348	15,802	278
32	-	-	3,679	2,846	263	210
<u>\$36,399</u>	<u>\$ 14,315</u>	<u>\$ 1,788</u>	<u>\$292,831</u>	<u>\$ 572,260</u>	<u>\$ 219,683</u>	<u>\$ 40,132</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses (Continued)

	Injury Prevention- <u>Region V</u>	Project <u>Cares</u>	WIC - <u>Region V</u>	HIV- <u>CDC</u>	CDC- <u>SNAP</u>
Salary	\$ 26,230	\$ -	\$ 36,563	\$ -	\$45,138
Payroll tax 401(k) contribution	2,144 622	-	3,089 32	-	3,783 1,200
Insurance	3,928	-	3,730	9	6,911
Repairs and maintenance	-	-	-	-	-
Depreciation	577	1,692	-	-	-
Supplies	13,329	-	91	-	1,357
Telephone/ utilities	-	-	-	-	580
Travel	3,745	-	382	-	6,305
Contract services	-	-	-	-	-
Postage	-	-	-	20	100
Printing	154	-	-	-	1,820
Stipends	-	-	-	-	-
Consulting	-	-	1,984	-	220
Rent	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Equipment	555	-	-	-	-
Automobile	-	-	-	-	-
Conference registration	200	-	-	-	70
Books and audio-visuals	505	-	-	-	-
Meetings	86	-	-	-	55
Other	-	-	292	307	2,180
Totals	<u>\$ 52,075</u>	<u>\$ 1,692</u>	<u>\$ 46,163</u>	<u>\$ 336</u>	<u>\$69,719</u>

NOTES TO FINANCIAL STATEMENTS

<u>CDC- Promise</u>	<u>DHH Recruiter</u>	<u>Diabetes Control</u>	<u>Musicians Clinics</u>	<u>Other Programs</u>	<u>General and Administrative</u>	<u>Totals</u>
\$133,926	\$ 24,133	\$ 14,595	\$ 6,252	\$ 15,345	\$ 264,034	\$1,470,767
11,408	1,944	1,127	478	1,203	20,690	117,519
1,948	904	510	-	146	8,893	22,780
20,706	1,902	1,942	95	3,023	63,645	203,824
-	-	-	-	1,176	4,169	5,495
6,942	523	-	-	908	-	21,499
5,347	591	269	1,382	14,229	13,492	91,119
2,652	56	279	142	458	16,797	33,222
26,707	785	689	893	9,253	22,614	120,586
-	1,095	-	-	10,591	16,032	126,108
217	11	6	108	1,025	6,510	11,762
3,995	385	198	282	(71)	3,780	21,002
-	-	-	-	21,600	-	21,600
570	40	-	200	3,933	42,744	62,947
4,200	-	-	120	823	41,279	55,485
-	37	-	-	11,192	402	12,630
2,236	-	-	-	1,216	4,917	10,703
3,185	-	-	-	-	217	3,402
2,285	-	-	56	1,399	8,420	20,919
2,154	-	-	-	8,487	708	15,330
70	15,847	-	203	24,270	7,675	71,656
<u>7,494</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>1,592</u>	<u>7,937</u>	<u>28,293</u>
<u>\$236,042</u>	<u>\$ 48,253</u>	<u>\$ 19,615</u>	<u>\$ 10,263</u>	<u>\$131,798</u>	<u>\$ 554,955</u>	<u>\$2,548,648</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses (Continued)

2004:	Medical Job Fair	Post Secondary/ Medical	Tobacco Control	Pfizer	(HAP) HIV/AIDS	MASH
Salary	\$ 15,718	\$ 26,588	\$10,103	\$16,203	\$ 59,413	\$ -
Payroll tax	1,271	1,162	814	1,226	4,692	-
401(k) contribution	-	1,494	67	598	2,329	-
Insurance	253	4,498	466	667	4,811	308
Repairs and maintenance	-	-	-	-	-	-
Depreciation	-	-	92	588	396	-
Supplies	3,619	576	6,747	189	3,255	844
Telephone/ utilities	154	382	997	686	2,744	254
Travel	849	797	2,662	1,424	6,109	230
Contract services	400	-	504	64,800	-	25
Postage	809	10	135	338	219	499
Printing	1,348	79	715	586	1,291	37
Stipends	-	-	-	-	100	-
Consulting	286	590	594	200	820	6,844
Rent	-	-	1,125	1,037	3,886	-
Dues and subscriptions	-	-	-	-	-	-
Equipment	134	69	-	-	(97)	-
Conference registration	-	2,474	185	195	775	-
Books and audio-visuals	-	-	56	-	-	987
Meetings	1,948	88	282	806	445	2,271
Other	28	-	655	22	50	-
<b>Totals</b>	<b>\$ 26,817</b>	<b>\$ 38,807</b>	<b>\$26,199</b>	<b>\$89,565</b>	<b>\$ 91,238</b>	<b>\$12,299</b>

NOTES TO FINANCIAL STATEMENTS

<u>Parent Liaison</u>	<u>Tobacco Control-Coalition</u>	<u>SAMHSA-SHIP</u>	<u>Americorps</u>	<u>Robert W. Johnson Program</u>	<u>Injury Prevention-Region IV</u>	<u>Injury Prevention-Region V</u>
\$24,359	\$ 23,962	\$ 36,071	\$ 411,871	\$ 78,290	\$ 27,272	\$ 28,284
1,932	1,910	2,881	31,802	6,320	2,162	2,431
974	67	569	1,032	3,228	645	165
4,642	5,296	4,248	33,150	6,500	3,266	3,565
-	-	450	-	293	-	-
414	-	676	253	3,963	-	337
605	5,095	2,458	1,362	6,619	7,542	14,211
3	797	2,523	620	3,676	3	-
865	721	3,828	1,285	14,988	2,643	2,771
-	-	59,478	120	13,700	-	-
41	172	271	76	516	-	66
-	99	451	20	1,371	-	-
-	-	-	-	-	-	-
-	1,064	1,860	-	31,780	100	-
-	800	7,449	1,600	-	-	-
-	-	-	-	-	-	-
559	-	729	-	335	-	442
25	1,008	1,015	210	1,794	371	95
-	-	2,356	-	-	1,849	209
126	169	1,807	-	8,608	485	260
<u>32</u>	<u>872</u>	<u>147</u>	<u>56</u>	<u>1,250</u>	<u>-</u>	<u>129</u>
<u>\$34,577</u>	<u>\$ 42,032</u>	<u>\$129,267</u>	<u>\$ 483,457</u>	<u>\$ 183,231</u>	<u>\$ 46,338</u>	<u>\$ 52,965</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Natural Classification of Expenses (Continued)

	<u>Project Cares</u>	<u>WIC - Region IV</u>	<u>WIC - Region V</u>	<u>HIV- CDC</u>	<u>CDC- SNAP</u>	<u>DHH Recruiter</u>
Salary	\$ 6,084	\$ 60,973	\$ 68,325	\$102,747	\$20,542	\$ 21,888
Payroll tax	579	5,057	5,728	9,143	1,467	1,753
401(k) contribution	-	1,661	945	1,224	751	738
Insurance	2,362	7,902	9,124	7,178	1,963	1,561
Repairs and maintenance	238	-	-	(50)	-	-
Depreciation	1,692	-	-	3,150	-	262
Supplies	6,894	-	104	20,936	1,711	137
Telephone/ utilities	3,643	-	-	3,972	1	-
Travel	13,498	2,627	1,488	14,560	2,827	3,170
Contract services	180,620	-	-	27,380	-	-
Postage	65	-	-	358	2	689
Printing	-	-	-	736	51	28
Stipends	-	-	-	324	50	-
Consulting	62,489	1,386	-	14,192	162	-
Rent	-	-	-	(270)	-	-
Dues and subscriptions	-	-	-	-	-	-
Equipment	-	-	-	1,276	-	133
Conference registration	10,616	110	220	1,395	-	350
Books and audio-visuals	22	-	-	726	-	-
Meetings	2,443	69	-	2,419	586	13,792
Other	275	89	-	249	150	-
Totals	<u>\$291,520</u>	<u>\$ 79,874</u>	<u>\$ 85,934</u>	<u>\$211,645</u>	<u>\$30,263</u>	<u>\$ 44,501</u>

NOTES TO FINANCIAL STATEMENTS

<u>Diabetes Control</u>	<u>Musicians Clinic</u>	<u>Other Programs</u>	<u>General and Administrative</u>	<u>Totals</u>
\$ 29,550	\$ 16,179	\$ 7,958	\$ 229,136	\$1,321,516
2,342	1,243	480	17,412	103,807
690	-	62	7,980	25,219
4,047	194	4,573	49,891	160,465
-	-	1,018	3,539	5,488
-	-	1,264	-	13,087
889	203	13,038	10,222	107,256
400	855	931	16,596	39,237
2,041	163	5,606	17,844	102,996
-	1,040	2,755	9,305	360,127
63	48	950	5,038	10,365
56	674	2,483	1,689	11,714
-	100	700	-	1,274
50	-	11,078	47,109	180,604
-	-	-	33,753	49,380
-	-	967	9,228	10,195
-	1,367	4,886	16,129	25,962
-	-	1,771	4,833	27,442
-	-	5,517	394	12,116
205	-	8,080	4,581	49,470
28	-	816	8,623	13,471
<u>\$ 40,361</u>	<u>\$ 22,066</u>	<u>\$ 74,933</u>	<u>\$ 493,302</u>	<u>\$2,631,191</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, 2005:

<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	\$ 53,620
HIV Prevention Projects for Community-Based Organizations	CFDA #93.939	298,916
2005 Medical Job Fair	CFMS #615645	53,466
DHH Recruiter	CFMS #615645	47,730
Parent Liaison Program	CFMS #615564	40,000
PCE 120	CFMS #595460	4,000
WIC - Region V	CFDA #10.557	49,794
Injury Prevention - Region IV	CFMS #577845	43,886
Injury Prevention - Region V	CFMS #577336	56,338
Tobacco Control	CFDA #93.283	38,155
Diabetes Control	CFMS #609147	21,547
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine	CFMS #502590	534,691
Robert Wood Johnson Foundation	-	222,508
Tobacco Control - Coalition Corporation for National and Community Service:	-	9,326
Americorps Grant	CFDA #94.006	323,066
U.S. Department of Health and Human Services:		
Social Network Demonstration Project	200-2003-02870	89,314
Substance Abuse and Mental Health Services	CFDA #93.243	363,083
Others	-	<u>25,527</u>
Total		<u>\$2,274,967</u>

Note 12. Contingent Liabilities

The Foundation receives grants for specific purposes that are subject to review and audit by the agencies providing the funding. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. As of the date of this report, an audit of the AmeriCorps grant had been performed by the grantor whereby the grantor is questioning some of the costs related to this grant. Because the grantor has not issued a final determination related to these potential questioned costs, no amount is accrued in the financial statements. In addition, management was not aware of any disallowances related to other grants. Furthermore, in the opinion of management, such disallowances related to these other grants, if any, would be immaterial.





## **BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.**

C E R T I F I E D P U B L I C A C C O U N T A N T S

4112 West Congress • P.O. Box 61400 • Lafayette, Louisiana 70596-1400

phone: (337) 988-4930 • fax: (337) 984-4574 • www.bplb.com

### *Other Offices:*

Crowley, LA  
(337) 783-0650

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Craig C. Babineaux, CPA\*  
Peter C. Borrello, CPA\*  
George J. Trappey III, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*  
Troy J. Breaux, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, CPA\*  
Craig J. Viator, CPA\*

### *Retired:*

Sidney L. Broussard, CPA\* 1980  
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  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Ralph Friend, CPA\* 2002  
Eugene C. Gilder, CPA\* 2004

### REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

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, 2005, and have issued our report thereon dated September 9, 2005. 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.

#### Compliance

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 grants, 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 that are required to be reported under Government Auditing Standards.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or

operation of the internal control over financial reporting that, in our judgment, could adversely affect the Foundation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item #2005-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

This report is intended solely for the information and use of management, 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, Poché, Lewis + Proulx, L.L.P.*

Lafayette, Louisiana  
September 9, 2005



## **BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.**

C E R T I F I E D   P U B L I C   A C C O U N T A N T S

4112 West Congress • P.O. Box 61400 • Lafayette, Louisiana 70596-1400

phone: (337) 988-4930 • fax: (337) 984-4574 • www.bplb.com

*Other Offices:*

Crowley, LA  
(337) 783-0650

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

Donald W. Kelley, CPA\*

Herbert Lemoine II, CPA\*

Frank A. Stagno, CPA\*

Scott J. Broussard, CPA\*

L. Charles Abshire, CPA\*

Kenneth R. Dugas, CPA\*

P. John Blanchet III, CPA\*

Craig C. Babineaux, CPA\*

Peter C. Borrello, CPA\*

George J. Trappey III, CPA\*

S. Scott Soileau, CPA\*

Patrick D. McCarthy, CPA\*

Martha B. Wyatt, CPA\*

Troy J. Breaux, CPA\*

Fayette T. Dupré, CPA\*

Mary A. Castille, CPA\*

Joey L. Breaux, CPA\*

Terrel P. Dressel, CPA\*

Craig J. Viator, CPA\*

*Retired:*

Sidney L. Broussard, CPA\* 1980

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

Larry G. Broussard, CPA\* 1996

Lawrence A. Cramer, CPA\* 1999

Ralph Friend, CPA\* 2002

Eugene C. Gilder, CPA\* 2004

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

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 each of its major federal programs for the year ended June 30, 2005. 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 each of 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 and 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.

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 each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item #2005-2.

**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 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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, 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, Loché, Lewis + Breau, L.L.P.*

Lafayette, Louisiana  
September 9, 2005

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2005

Section I. Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: unqualified.

Internal control over financial reporting:

- Material weakness identified?  Yes  No
- Reportable conditions 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
- Reportable conditions 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>
93.243	Substance Abuse and Mental Health Services
94.006	AmeriCorps

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

Auditee qualified as low-risk auditee?        \_\_\_ Yes        X No

Section II - Financial Statement Findings

**#2005-1 Segregation of Duties**

Finding: Due to the size of the Foundation, an adequate segregation of duties does not exist in the administrative offices. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Foundation may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Section III - Federal Award Findings and Questioned Costs

**#2005-2 Matching Requirement**

Finding: AmeriCorps requires that the Foundation provide a match for the program. In the prior year while testing the match provided, it was discovered that part of the match was coming from a federal grant which is a violation of OMB Circular A-133. During our testing this year, we encountered this same issue, however, the transactions in question occurred prior to the previous year finding. The Foundation had notified Americorps of this issue during the previous year audit, but to date, the issue has not been resolved by AmeriCorps.

Recommendation: The Foundation should continue to contact the grantor to determine the course of action to be taken to resolve this issue.

SOUTHWEST LOUISIANA AREA HEALTH  
EDUCATION CENTER FOUNDATION

SCHEDULE OF PRIOR FINDINGS  
Year Ended June 30, 2005

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

**#2004-1 Segregation of Duties**

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: See Finding #2005-1.

Section II. Internal Control and Compliance Material to Federal Awards

**#2004-2 Matching Requirement**

Recommendation: The Foundation should contact the grantor to determine the course of action to be taken to resolve this issue. In addition, they should establish procedures to ensure that, in the future, any match required is provided by an allowable source.

Current Status: See Finding #2005-2.

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, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>
<b>DIRECT PROGRAMS:</b>		
U.S. Department of Health and Human Services -		
Substance Abuse and Mental Health Services	93.243	1H79SP10554-01/ 6H79SP10554-02
Social Network Demonstration Project HIV Prevention Activities - Non-Governmental Organization Based	-	200-2003-02870
	93.939	U65/CCU624067-01
<b>PASS-THROUGH PROGRAMS:</b>		
U.S. Department of Agriculture - State Department of Health and Hospitals: Special Supplemental Nutrition Program for Women, Infants and Children (WIC) - Region V	10.557	N/A
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	93.940	N/A
Regional Maternal and Child Health Injury Prevention - Region V	93.136	N/A
Tobacco Control	93.136	N/A
Diabetes Control	93.283	N/A
Diabetes Control	93.988	N/A
Louisiana State University Health Sciences Center: Area Health Model Program	93.107	N/A
Corporation for National and Community Service: AmeriCorps	94.006	N/A
U.S. Department of Labor - Lafayette City-Parish Consolidated Government: Local Workforce Investment Act - Youth Activities	17.259	N/A



<u>Pass-Through Grantor's No.'s</u>	<u>Total Current Year Expenses</u>
-	\$ 363,083
-	89,314
-	298,916
CFMS #605740	49,794
CFMS #606410	53,620
CFMS #577845	15,360
CFMS #577336	19,718
CFMS #605392	38,155
CFMS #609147	9,601
-	88,882
-	323,066
#595	<u>18,192</u>
	<u>\$1,367,701</u>



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

**JEANNE SOLIS**  
EXECUTIVE DIRECTOR/CEO

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

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



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



December 22, 2005

To: Louisiana Legislative Auditor  
Ref: Responses to Audit Findings

Name and address of independent public accounting firm conducting audit:  
Broussard, Poche, Lewis & Breaux, LLP  
Certified Public Accountants  
PO Box 61400  
Lafayette, Louisiana, 70506

Audit period: **July 1, 2004 - June 30, 2005**

Southwest Louisiana AHEC (SWLAHEC) recently completed its annual independent financial audit. On behalf of SWLAHEC, I respectfully submit the following corrective action plan for fiscal year ending **June 30, 2005**, as outlined by Federal OMB circular A-133 reporting guidelines. The responses are numbered consistently with the findings in the audit schedule.

**Section II 2005-1**

**Finding:** Segregation of Duties

**Auditor's**

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

**Action:** Separate bookkeeping staff are assigned to post receivables and make bank deposits. SWLAHEC has increased the use of independent CPA services for periodic review of financial statements and consultation for grant funds management. Executive Director and Board Finance Committee oversight of finances will continue. An additional bookkeeping assistant will begin in January 2006, thus allowing additional segregation of duties.

**Section III 2005-2**

**Finding:** Matching Requirement

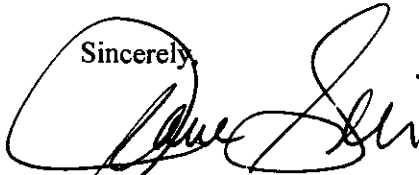
**Auditor's**

**Recommendation:** The Foundation should continue to contact the grantor to determine the course of action to be taken to resolve this issue.

Action: To date, written audit response or request for corrective action has not been provided to SWLAHEC by the Louisiana Serve Commission or Corporation for National Service from the 2004 CNS audit. SWLAHEC program directors are in weekly contact with the state office and national office staff to ensure technical assistance and guidance are provided to SWLAHEC. CNS grant funding renewal was awarded to SWLAHEC in Fall 2005-06. An additional post-hurricanes recovery funding award notification was also been provided to SWLAHEC in December 2005. Subsequent to CNS notification of Louisiana Serve Commission or SWLAHEC regarding the 2004 audit, action will be taken as directed by CNS to further resolve the 2004 finding.

Please let me know if you have questions or need further clarification of the information provided herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne Solis", written over a large, loopy flourish.

Jeanne Solis  
Executive Director/CEO

Enclosures

cc: F. Trahan, CPA, Broussard, Poche, et.al.  
SWLAHEC Board of Directors, Finance Committee

//Finance/legis aud response dec 2005