

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
MONROE, LOUISIANA

RECEIVED
LEGISLATIVE AUDITOR
2000 JAN 12 AM 9:18

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

REPORT ON INTERNAL CONTROLS AND COMPLIANCE
BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

APPENDIX TO REPORT ON INTERNAL CONTROLS AND
COMPLIANCE BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 2-2-00

FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
SEPTEMBER 30, 1999
AND
INDEPENDENT AUDITORS' REPORT

MINCHEW, ROBINSON, GARDNER, LANGSTON AND BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 FORSYTHE AVENUE
P.O. BOX 4550
MONROE, LOUISIANA 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

**REPORT ON INTERNAL CONTROLS AND
COMPLIANCE BASED ON AN AUDIT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of North Louisiana Area Health Education Center Foundation (a nonprofit organization), as of and for the year ended September 30, 1999 and have issued our report thereon, dated December 13, 1999. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The attached Appendix is an integral part of this report.

In planning and performing our audit, we obtained an understanding of North Louisiana Area Health Education Center Foundation's internal control and assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We also tested the North Louisiana Area Health Education Center Foundation's compliance with laws, regulations, and other provisions of contracts and grants that could have a direct and material effect on the financial statements.

We identified no material weaknesses in internal control that are required to be reported herein under *Government Auditing Standards*. Our consideration of the North Louisiana Area Health Education Center Foundation's internal control and our testing of its compliance with laws, regulations, and provisions of contracts and grants were not designed to and did not provide sufficient evidence to express an opinion on such matters and would not necessarily disclose all matters that might be material weaknesses. Accordingly, we do not express an opinion on North Louisiana Area Health Education Center Foundation's internal control or in its compliance with laws, regulations, and provisions of contracts and grants.

This report is intended for the information of the board of directors, management, state awarding agencies and regulatory and legislative bodies.

Minchew, Robinson, Gardner, Langston and Bryan CPA's

December 13, 1999

MINCHEW, ROBINSON, GARDNER, LANGSTON AND BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 FORSYTHE AVENUE
P.O. Box 4650
MONROE, LOUISIANA 71211-4650

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

**APPENDIX TO REPORT ON INTERNAL CONTROLS
AND COMPLIANCE BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Responsibility of Management

The management of North Louisiana Area Health Education Center Foundation is responsible for compliance with laws, regulations, contracts, and grants applicable to North Louisiana Area Health Education Center Foundation, and for establishing and maintaining internal control. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Definitions

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the North Louisiana Area Health Education Center Foundation's ability to record, process, summarize, and report financial data consistent with the assertion of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of internal control does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited could occur and not be detected with a timely period by employees in the normal course of performing their assigned functions.

Minchew, Robinson, Gardner, Langston and Bryan CPAs
December 13, 1999

**NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
SEPTEMBER 30, 1999
AND
INDEPENDENT AUDITORS' REPORT**

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

CONTENTS

| | <u>Page</u> |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITORS' STANDARDS</i> | 1 |
| STATEMENT OF FINANCIAL POSITION | 2 |
| STATEMENT OF ACTIVITIES | 3 |
| STATEMENT OF CASH FLOWS | 4 |
| NOTES TO FINANCIAL STATEMENTS | 5 |

MINCHEW, ROBINSON, GARDNER, LANGSTON AND BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 FORSYTHE AVENUE
P.O. BOX 4550
MONROE, LOUISIANA 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL
STATEMENTS BASED ON AN AUDIT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying statement of financial position of North Louisiana Area Health Education Center Foundation as of September 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of North Louisiana Area Health Education Center Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 audit provides 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 North Louisiana Area Health Education Center Foundation, as of September 30, 1999, and the changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 1999 on our consideration of North Louisiana Area Health Education Center Foundation's internal control and tests of its compliance with laws and regulations.

Minchew, Robinson, Gardner, Langston and Bryan CPAs
December 13, 1999

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 1999

ASSETS

CURRENT ASSETS

| | | |
|-------------------------------|--|---------------|
| Cash and cash equivalents | | \$ 155,818 |
| Cost reimbursement receivable | | <u>58,807</u> |

| | | |
|----------------------|--|------------|
| Total current assets | | \$ 214,625 |
|----------------------|--|------------|

PROPERTY AND EQUIPMENT (NOTE 1)

| | | |
|------------------|--|---------------|
| Office equipment | | \$ 76,045 |
| Furniture | | 18,645 |
| Motor home | | 33,000 |
| Building | | <u>60,742</u> |

\$ 188,432

| | | |
|--------------------------------|--|-----------------|
| Less: Accumulated depreciation | | <u>(77,291)</u> |
|--------------------------------|--|-----------------|

| | | |
|--|--|----------------|
| Total capital assets - net of depreciation | | <u>111,141</u> |
|--|--|----------------|

| | | |
|--------------|--|-------------------|
| Total assets | | <u>\$ 325,766</u> |
|--------------|--|-------------------|

LIABILITIES AND NET ASSETS

LIABILITIES

| | | |
|---------------------------|--|----------------|
| Accounts payable | | \$ 15,850 |
| Accrued payroll taxes | | 2,302 |
| Deferred revenue (Note 7) | | <u>213,038</u> |

| | | |
|-------------------|--|-------------------|
| Total liabilities | | <u>\$ 231,190</u> |
|-------------------|--|-------------------|

NET ASSETS

| | | |
|-------------------------|--|------------------|
| Unrestricted net assets | | <u>\$ 94,576</u> |
|-------------------------|--|------------------|

| | | |
|------------------|--|------------------|
| Total net assets | | <u>\$ 94,576</u> |
|------------------|--|------------------|

| | | |
|----------------------------------|--|-------------------|
| Total liabilities and net assets | | <u>\$ 325,766</u> |
|----------------------------------|--|-------------------|

See Notes to Financial Statements.

**NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

| | <u>Unrestricted</u> |
|--|---------------------|
| PUBLIC SUPPORT, GOVERNMENT GRANTS AND REVENUE | |
| Grants - Area Health Education Program | \$ <u>826,011</u> |
| Other Revenue: | |
| Program service fees | \$ 66,759 |
| Interest income | 4,229 |
| Donations | <u>150</u> |
| Total other revenue | \$ <u>71,138</u> |
| Total public support, government grants and revenue | \$ <u>897,149</u> |
| PROGRAM AND SUPPORTING SERVICES EXPENSE | |
| Direct program expenses | \$ <u>481,429</u> |
| Total program expenses | \$ <u>481,429</u> |
| Supporting Services Expense | |
| Salaries | \$ 268,513 |
| Payroll taxes and benefits | 60,057 |
| Supplies and postage | 17,631 |
| Telephone | 21,965 |
| Occupancy expense | 18,293 |
| Travel | 22,490 |
| Other operating expenses | 38,288 |
| Depreciation | 22,421 |
| Marketing and membership | 15,252 |
| Supplies | <u>10,631</u> |
| Total supporting services expense | \$ <u>495,541</u> |
| Total program and supporting services expense | \$ <u>976,970</u> |
| Change in net assets | \$ (79,821) |
| NET ASSETS - BEGINNING OF YEAR | <u>174,397</u> |
| NET ASSETS - END OF YEAR | <u>\$ 94,576</u> |

See Notes to Financial Statements.

**NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

| | |
|--|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| (Decrease) in net assets | \$ (79,821) |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | |
| Depreciation | 22,421 |
| Increase in: | |
| Accounts receivable | (25,560) |
| Accounts payable | 2,487 |
| Deferred revenue | 213,038 |
| Decrease in accrued payroll taxes | <u>(2,184)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 130,381</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchases of equipment | <u>\$ (15,456)</u> |
| NET CASH (USED) BY INVESTING ACTIVITIES | <u>\$ (15,456)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | <u>\$ 0</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$ 114,925 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>40,893</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 155,818</u> |

See Notes to Financial Statements.

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

North Louisiana Area Health Education Center Foundation (NLAHECF) is a Louisiana nonprofit corporation chartered on March 7, 1989. Its purpose is to operate an area health education center in North Louisiana in order to plan for additional clinical educational opportunities and facilitate the recruitment and retentions of health care professionals in rural and other medically underserved communities.

North Louisiana Area Health Education Center is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The accounting policies of North Louisiana Area Health Education Center Foundation conform to generally accepted accounting principles as applicable to nonprofit organizations.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No permanently restricted or temporarily restricted assets were held during fiscal year 1999 and, accordingly, these financials do not reflect any activity related to these classes of net assets for the year ended September 30, 1999.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows the Organization considers all cash in operating bank accounts, cash on hand, certificates of deposit and unrestricted highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

Use of Estimates

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

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Donated Use of Facilities

Pursuant to their contractual agreement, LSUMC budgets for expenditures for capital assets to be acquired for North Louisiana Area Health Education Center Foundation. The contractual agreements for years 1989, 1990, 1991 and 1992, with LSUMC stated that the ownership of assets purchased with grant funds would remain with LSUMC. The agreements for years 1993 and 1994 do not specify this reversionary ownership. However, according to federal regulations, the title to assets purchased with federal funds generally reverts to the grantor at the end of the grant period. Accordingly, these costs were recorded as revenue and expenditures in the activity statement of North Louisiana Area Health Education Center Foundation and are not capitalized for prior years. The assets purchased beginning October 1, 1994 are budgeted for in a cooperative endeavor agreement between LSUMC and NLAHECF as described in Note 1. This agreement does not contain a provision for reversionary ownership and, accordingly, as of the beginning of the fiscal year ending September 30, 1995 NLAHECF capitalizes assets purchased and records these purchases at cost. Depreciation is calculated using straight-line method over the estimated useful lives of the assets ranging from 3 to 20 years. Budgets and actual costs for federal grants do not include asset purchases for the year ending September 30, 1999.

The building is capitalized and depreciated over its estimated useful life. E. A. Conway Memorial Hospital, an affiliated organization with Louisiana State University Medical Center, provides the use of land for the portable building. The use of land is not recorded in the financial statements. The office was relocated in April, 1997 to Shreveport, Louisiana to space leased from a commercial office building.

Revenues and Expenses

North Louisiana Area Health Education Center Foundation is funded by contractual agreements with Louisiana State University. These agreements represent exchange transactions for goods and services under the guidance provided by Statement of Financial Accounting Standards No. 116 "Accounting for Contributions Received and Contributions Made". Exchange transactions do not meet the definition of contributions, accordingly, SFAS No. 116 does not apply. Support for North Louisiana Area Health Education Center Foundation is provided by the Louisiana Legislature through funding to Louisiana State University Medical Center (LSUMC) for continuing the operations of the Area Health Education Program. In accordance with Article 7, Section 14(c) of the Louisiana Constitution a Cooperative Endeavor was entered into by and between the Board of Supervisors of Louisiana State University Agricultural and Mechanical College, acting on behalf of the Louisiana State University Medical Center, Shreveport and

the North Louisiana Area Health Education Center Foundation. This agreement is a state funded replacement of a cooperative agreement originally between the United States Public Health Service (entered into in 1988 and terminated on September 29, 1994) and Louisiana State University Medical Center for the establishment of a state wide area health education center program.

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenses (Continued)

Expenditures are to be made in accordance with a budget which has been adopted and made a part of the contract agreement with LSUMC. North Louisiana Area Health Education Center Foundation is to be reimbursed by LSUMC for costs incurred in carrying out the provisions of this agreement. An advance is paid to North Louisiana Area Health Education Center Foundation by the tenth working day of each month. Actual expenses for each month are billed to Louisiana State University Medical Center and any over/under payment will be deducted/added on a subsequent payment. Revenues are recorded when earned and expenses when incurred.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has not received any restricted contributions.

The Organization primarily receives cash from various government contracts on an exchange transaction for specified services. These revenues are not considered contributions and are recorded as an increase in unrestricted net assets.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization has not received any promises to give.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Costs are allocated between fund raising, management and general, supporting services or the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

NOTE 2 - CASH IN BANK

At year-end, the carrying amount of North Louisiana Area Health Education Center Foundation's deposits (checking, savings and certificates of deposit) was \$155,817 and the bank balance was \$222,275.

Of the \$222,275 bank balance, \$122,082 was in Hibernia National Bank and \$100,007 was in Bank One. Deposits in each bank are secured by \$100,000 of federal deposit insurance leaving a total of unsecured deposits of \$22,089.

NOTE 3 - CASH FLOW INFORMATION

Supplemental disclosures of cash flow information:

Cash paid during the year for:

| | |
|--------------|-----|
| Interest | -0- |
| Income taxes | -0- |

Supplemental schedule of noncash investing and financing activities:

There were no noncash investing and financing activities for the year.

Disclosure of accounting policy:

For the purpose of the statement of cash flows, the organization considers cash in checking accounts, savings accounts, and certificates of deposit to be cash and cash equivalents.

NOTE 4 - DEFERRED COMPENSATION PLAN

North Louisiana Area Health Education Center Foundation sponsors all of its eligible full-time employees in a noncontributory tax-deferred compensation plan under the rules in IRC Section 403(b). The amount of contributions by North Louisiana Area Health Education Center Foundation to the Plan will be determined annually based on budget allocations and applicable law limitations. Contributions by North Louisiana Area Health Education Center Foundation totaled \$31,411 for the year.

NOTE 5 - CONCENTRATION OF REVENUES

North Louisiana Area Health Education Center Foundation operates an area health education center to plan for additional clinical educational opportunities and facilitate the recruitment and retention of health care professionals in rural and other medically underserved communities. Revenue for these services are paid primarily by the State of Louisiana pursuant to a contract between North Louisiana Area Health Education Center Foundation and Louisiana State University Medical Center, Shreveport. This contract, which is the primary source of funds for North Louisiana Area Health Education Foundation, is executed annually subject to availability and appropriation of state funds.

**NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION**

**NOTES OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments

The Organization has a lease agreement for office space in Shreveport, Louisiana expiring July, 2002. The office space is used by Administration and accounting department.

Total rent expense related to these and other short-term lease agreements was \$10,300 for the year ended September 30, 1999. Future aggregate minimum lease payments are as follows:

| | |
|---------------|------------------|
| FYE 9-30-2000 | \$ 26,890 |
| FYE 9-30-2001 | <u>17,926</u> |
| | <u>\$ 44,816</u> |

NOTE 7 - DEFERRED REVENUE

During February, 1999, the Organization received a \$260,000.00 payment from the Maternal and Child Health Bureau of the Department of Health and Human Services that represent advanced funds under the Health Start Program. At September 30, 1999, the Organization had incurred cost of \$46,962 in connection with the grant. The balance of \$213,038 is recorded as deferred revenue in the financial statements.

NOTE 8 - YEAR 2000 (Y2K) ISSUE (UNAUDITED)

North Louisiana Area Health Education Center Foundation recognizes the potential implications of the Y2K issue on systems that may contain date-related transactions, data, embedded chips, etc. The Organization has assessed the impact of the Y2K issue on its operations and is now in the process of renovating or replacing, as necessary, the computer applications and business processes to provide for continued services in the new millennium. An assessment of the preparedness of external entities that interface with North Louisiana Area Health Education Center Foundation is also ongoing. There can be no assurance that there will not be a material adverse effect on North Louisiana Area Health Education Center Foundation if its actions and/or those of related third parties fail to address all significant issues in a timely manner.

The costs of North Louisiana Area Health Education Center Foundation's Y2K compliance efforts are expensed as incurred and are being funded with cash flows from operations. At this time, the costs of these efforts are not expected to be material to North Louisiana Area Health Education Center Foundation's financial position or the results of their operations in any given period.

Time and cost estimates are based on currently available information. Actual results could differ from those estimated.

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

NOTE 9 - FUNCTIONAL EXPENSES BY FUNCTIONAL CLASSIFICATION

| | Program Service Expenses | Supporting Service Expenses | Total |
|---------------------------------------|--------------------------------|-----------------------------------|------------|
| Salaries and related expenses | | | |
| Salaries | \$ 134,167 | \$268,513 | \$ 402,680 |
| Payroll taxes | 11,953 | 24,108 | 36,061 |
| Employee benefits | 14,972 | 35,949 | 50,921 |
| Miscellaneous personnel expense | | 2,574 | 2,574 |
| | \$ 161,092 | \$331,144 | \$ 492,236 |
| Other expenses | | | |
| Active Computer Learning System | \$ 13,677 | \$ | \$ 13,677 |
| AHEC of A Summer | 39,201 | | 39,201 |
| Children's Trust | 2,776 | | 2,776 |
| Continuing Medical Education | 250 | | 250 |
| Community Development | 3,606 | | 3,606 |
| Community Immunization | 454 | | 454 |
| Continuing Education | 15,896 | | 15,896 |
| Child Desk Review Panel | 1,545 | | 1,545 |
| Community Health Education | 19,720 | | 19,720 |
| E. A. Conway Medical Center | 3,929 | | 3,929 |
| Elem. - Jr. School | 1,572 | | 1,572 |
| Health Career Awareness | 4,118 | | 4,118 |
| Healthy Start | 20,717 | | 20,717 |
| Innovative Neighborhood Network | 5,133 | | 5,133 |
| Learning Resource Center | 17,291 | | 17,291 |
| LSUMC - Family Residence Program | 481 | | 481 |
| MASH | 25,908 | | 25,908 |
| Medical Job Fair | 6,752 | | 6,752 |
| Miscellaneous Community Projects | 4,643 | | 4,643 |
| Miscellaneous Recruitment | 230 | | 230 |
| Newsletter | 198 | | 198 |
| Nursing Continuing Education | 490 | | 490 |
| Office of Public Health Nursing Staff | 1,412 | | 1,412 |
| Pediatric Advance Life Support | 131 | | 131 |
| Primary Care Rural Perception Program | 66,394 | | 66,394 |
| Project Hope | 58,932 | | 58,932 |
| Telemedicine | 11 | | 11 |
| Turning Point | 4,729 | | 4,729 |
| Women's Health Network | 141 | | 141 |
| Accounting and legal fees | | 6,705 | 6,705 |
| Advertising | | 284 | 284 |

NORTH LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

NOTE 9 - FUNCTIONAL EXPENSES BY FUNCTIONAL CLASSIFICATION (Continued)

| | Program Service Expenses | Supporting Service Expenses | Total |
|----------------------------------|--------------------------------|-----------------------------------|------------|
| Other expenses (Cont'd) | | | |
| Board of directors | \$ | \$ 6,546 | \$ 6,546 |
| Building expenses | | 7,654 | 7,654 |
| Rental and equipment storage | | 10,639 | 10,639 |
| Equipment and maintenance | | 8,362 | 8,362 |
| Furniture and fixtures | | 1,093 | 1,093 |
| Insurance | | 10,839 | 10,839 |
| Legislature and information | | 25 | 25 |
| Marketing and promotion | | 12,166 | 12,166 |
| Membership | | 3,086 | 3,086 |
| Miscellaneous operating expenses | | 766 | 766 |
| Office expenses | | 12,735 | 12,735 |
| Postage | | 4,896 | 4,896 |
| Printing and publications | | 1,094 | 1,094 |
| Supplies | | 10,631 | 10,631 |
| Telephone | | 21,965 | 21,965 |
| Travel | | 22,490 | 22,490 |
| Depreciation | | 22,421 | 22,421 |
| | | <hr/> | <hr/> |
| Total other expenses | \$ 320,337 | \$ 164,397 | \$ 484,734 |
| | | <hr/> | <hr/> |
| Total | \$ 481,429 | \$ 495,541 | \$ 976,970 |