

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Financial Statements**  
For the Year Ended December 31, 2022

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

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For the Year Ended December 31, 2022

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## INDEPENDENT AUDITORS' REPORT

### Board of Directors

### Living Well Foundation

West Monroe, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of the **Living Well Foundation** (the Foundation), a component unit of Hospital Service District No. 1 of Ouachita Parish, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Foundation as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of the Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Board of Directors**  
**Living Well Foundation**  
West Monroe, Louisiana

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amount and disclosure in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9 and Budgetary Comparison information on page 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

**Board of Directors  
Living Well Foundation  
West Monroe, Louisiana**

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to CEO is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2023 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Woodland & Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

**May 30, 2023**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(PART A)**

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Management's Discussion and Analysis**  
For the Year Ended December 31, 2022

Our discussion and analysis of the Living Well Foundation (the Foundation) (A Component Unit of Hospital Service District No. 1 of Ouachita Parish) provides an overview of the Foundation's activities for the year ended December 31, 2022. The Foundation, formerly Ward Five Healthcare Foundation, is a Louisiana nonprofit quasi-governmental entity. Please read our discussion and analysis in conjunction with the Foundation's financial statements that begin on page 10.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Although the Foundation is a quasi-governmental entity, it uses governmental accounting principles; therefore, it is considered a governmental entity for financial statement presentation.

This discussion and analysis are intended to serve as an introduction to the Foundation's basic financial statements. The Foundation's basic financial statements are comprised of three components: the government-wide financial statements (GWFS), the fund financial statements (FFS), and the notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements**

The Foundation's government-wide financial statements report information about the Foundation using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Statement of Net Position* presents information on all of the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The *Statement of Activities* presents the current year's revenues and expenses and other information showing how the Foundation's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Foundation, like state and local governments and other quasi-governmental entities, uses fund accounting. The Foundation's General Fund is categorized as a major governmental fund.

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Management's Discussion and Analysis**  
For the Year Ended December 31, 2022

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Likewise, this information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Foundation maintains one governmental fund—the General Fund. The Foundation adopts an annual appropriated budget for the General Fund, and a budgetary comparison statement is provided for this fund to demonstrate compliance with its budget.

**Notes to the Financial Statements.**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information.**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Foundation's progress in funding its obligation to promote the general health of the community. Required supplementary information can be found on pages 4 through 9 and pages 31 through 33.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the year ended December 31, 2022, the Foundation's assets exceeded liabilities by \$46,488,461. The majority of the Foundation's assets are in investments and associated cash equivalents with a market value of \$46,228,343 and total par value of \$47,782,026, at December 31, 2022.

The principal amount (\$46,199,652) is restricted by the cooperative endeavor agreement with the Hospital Service District No. 1 of Ouachita Parish (the District) who transferred the money to the Foundation.



**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Management's Discussion and Analysis**  
For the Year Ended December 31, 2022

A summary of the Foundation's net position is as follows:

**Living Well Foundation**  
**Summary of Net Position**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Current and other assets	\$ 46,527,328	\$ 48,158,942
Capital assets	21,340	17,679
Total assets	<u>46,548,668</u>	<u>48,176,621</u>
Current liabilities	57,839	144,612
Long-term liabilities	2,368	-
Total liabilities	<u>60,207</u>	<u>144,612</u>
Net investment in capital assets	9,957	17,679
Restricted	46,199,652	46,199,652
Unrestricted	278,852	1,814,678
Total net position	<u><u>\$ 46,488,461</u></u>	<u><u>\$ 48,032,009</u></u>

**Changes in Net Position**

The Foundation's net position decreased by \$1,541,596 during the current year of operation as compared to the \$469,267 decrease in net position during the prior year. While actual earnings on investments increased by \$128,588, total investment income decreased by \$1,031,375 in 2022, due to the increase in unrealized losses for notes held, all of which are held to maturity per policy and practice.

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Management's Discussion and Analysis**  
For the Year Ended December 31, 2022

A summary of the Foundation's changes in net position is as follows:

**Living Well Foundation**  
**Summary of Changes in Net Position**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Revenues (losses)		
General revenues		
Investment income (loss)	\$ (983,101)	\$ 48,274
Event revenue	25,760	19,400
Grants	25,000	25,000
Gifts and endowments	1,653	269
Miscellaneous income	460	376
Total revenues (losses)	<u>(930,228)</u>	<u>93,319</u>
Expenses		
Health and welfare	<u>611,368</u>	<u>562,586</u>
Total expenses	<u>611,368</u>	<u>562,586</u>
Increase (decrease) in net position	<u>(1,541,596)</u>	<u>(469,267)</u>
Net position, beginning of year, as originally stated	48,032,009	48,501,276
Prior period adjustment	<u>(1,952)</u>	<u>-</u>
Net position, beginning of year, as restated	<u>48,030,057</u>	<u>-</u>
Net position, end of year	<u><u>\$ 46,488,461</u></u>	<u><u>\$ 48,032,009</u></u>

**FINANCIAL ANALYSIS OF THE FOUNDATION'S FUND**

As previously noted, the Foundation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the Foundation present its General Fund as a major governmental fund. Further, the changes discussed in the section below provide explanations of the fund's activities during the year.

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Management's Discussion and Analysis**  
For the Year Ended December 31, 2022

**Governmental Fund**

The Foundation's only fund is the General Fund, which is a governmental fund. The focus of the governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the Foundation's net resources available for spending at the end of the fiscal year.

As of December 31, 2022, the Foundation had \$46,527,328 in assets and \$48,824 in liabilities. The Foundation's fund balance (total assets less total liabilities) decreased by \$1,535,826 from \$48,014,330 to \$46,478,504.

The inclusion of capital assets (\$21,340) and lease liability (\$11,383) on the Statement of Net Assets are the only differences when comparing to the Balance Sheet to the Statement of Net Assets. The differences between the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance, is comprised of office rent expense (\$8,324) and depreciation (\$6,203) and amortization (\$7,891) expense.

**GENERAL BUDGETARY ANALYSIS**

**General Fund**

The Foundation uses formal budgetary integration as a management control device during the year. Budgeted amounts included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual include the original adopted budget amounts and the final amended budget amounts. The original budget, which was adopted on November 4, 2021, was based on estimated revenues, estimated expenses, and other financial information known to the Foundation at the time of the budget's adoption. Amendments to the original budget are made throughout the year as changes in operations, expected funding levels, and estimated expenditures occur. The final amended budget is prepared at the time the Foundation anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations. The budget for the 2022 fiscal year was amended on November 3, 2022.

**CAPITAL ASSETS**

During 2022, net capital assets decreased by \$14,094 due to depreciation and amortization expense.

**ECONOMIC FACTORS AND FUTURE OUTLOOK**

The Foundation's budgeted revenues and expenditures for 2023 reflect a continued effort to use its investment income to award grants or support initiatives to nonprofit qualifying organizations that have demonstrated the ability to improve the area communities by promoting and improving the health and well-being of the citizens in the Service Area of the Foundation.

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Management's Discussion and Analysis**  
For the Year Ended December 31, 2022

The current environment of post-pandemic ongoing recovery, with community re-entry focus, as considered by all funders and grant-makers at this time, indicates that gaps continue to exist in services and programs within the Foundation's service area. Furthermore, existing service area conditions related to health and well-being of the populations, especially those regarding mental health status, workforce issues, education models, food disparity, and suicide, across all socioeconomic groups, expand the needs for improvement. Within the Foundation's mission and goals, and with close scrutiny to market conditions related to earnings, activities in grant-making will continue to be evaluated for large impact, sustainable projects. While the upward move in interest rates has created the opportunity for positioning the portfolio for a successful earning future as holdings mature, there continue to be volatile conditions based on the economic trends. It is the intent of the Foundation to seek earnings, while respecting the principles of safety, liquidity, and yield, in order to grant, while also positioning the portfolio within these current and developing opportunities. The Foundation is currently well positioned for this future, with investments that provide both low risk and low volatility to the portfolio.

**CONTACTING THE FOUNDATION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Foundation's finances and to show its accountability for the money it expends. If you have questions about this report or need additional financial information, contact Jim Allbritton (Board Chair 2023), or Ken Phillips (Vice Chair, Finance/Investment Committee 2023) of the Foundation, at P.O. Box 2773, West Monroe, LA 71294 or by phone at 318-396-5066.

## **BASIC FINANCIAL STATEMENTS**

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Governmental Fund–Balance Sheet (FFS) /**  
**Governmental Activities–Statement of Net Position (GWFS)**  
December 31, 2022

	<u><b>Balance Sheet</b></u>			<u><b>Statement of</b></u>
	<u><b>General Fund</b></u>		<u><b>Adjustments</b></u>	<u><b>Net Position</b></u>
	<u><b>(Major Fund)</b></u>			
<b>Assets</b>				
Cash	\$ 83,439	\$ -		\$ 83,439
Cash equivalent	2,013,592	-		2,013,592
Investments	44,214,751	-		44,214,751
Investment income receivable	201,327	-		201,327
Accounts receivable	98	-		98
Prepaid expenses	13,086	-		13,086
Other assets	1,035	-		1,035
Capital assets, net	-	21,340		21,340
<b>Total assets</b>	<u>\$ 46,527,328</u>	<u>\$ 21,340</u>		<u>\$ 46,548,668</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,148	\$ -		\$ 2,148
Grants payable	42,120	-		42,120
Accrued liabilities	4,556	-		4,556
Lease liability				
Due within one year	-	9,015		9,015
Due in more than one year	-	2,368		2,368
<b>Total liabilities</b>	<u>48,824</u>	<u>11,383</u>		<u>\$ 60,207</u>
<b>Fund balance / net position</b>				
Fund balance				
Nonspendable–prepaid expenses	13,086			
Restricted	46,199,652			
Unassigned	265,766			
<b>Total fund balance</b>	<u>46,478,504</u>	(46,478,504)		
<b>Total liabilities and fund balance</b>	<u>\$ 46,527,328</u>			
<b>Net position</b>				
Net investment in capital assets		9,957	\$	9,957
Restricted		46,199,652		46,199,652
Unrestricted		278,852		278,852
<b>Total net position</b>		<u>\$ 9,957</u>	<u>\$</u>	<u>\$ 46,488,461</u>

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

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Reconciliation of the Governmental Fund–Balance Sheet (FFS)**  
**to the Governmental Activities–Statement of Net Position (GWFS)**  
December 31, 2022

Fund Balance	\$	46,478,504
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of capital assets purchased is reported as an expenditure in the Governmental Funds. The cost of capital assets financed through leasing arrangements is reported as an other financing source. The Statement of Net Position includes those capital assets among the assets of the Foundation as a whole. The cost of those capital assets will be allocated over their estimated useful lives (as depreciation/amortization expense) to Health and Welfare as reported as Governmental Activities in the Statement of Activities.

Capital assets	\$	89,922	
Accumulated depreciation and amortization		<u>(68,582)</u>	21,340

Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Lease liability			(11,383)
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Net Position	\$	<u><u>46,488,461</u></u>
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The accompanying notes are an integral part of the financial statements.

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Governmental Fund—Statement of Revenues, Expenditures, and Changes in Fund Balance (FFS)**  
**Governmental Activities—Statement of Activities (GWFS)**  
For the Year Ended December 31, 2022

	<b>Statement of Revenues, Expenditures, and Changes in Fund Balance</b>			<b>Statement of Activities</b>
	<b>General Fund (Major Fund)</b>	<b>Adjustments</b>		
<b>Revenues (losses)</b>				
General revenues				
Investment income (loss), net	\$ (983,101)	\$ -		\$ (983,101)
Event revenue	25,760	-		25,760
Grants	25,000	-		25,000
Contributions, gifts and endowments	1,653	-		1,653
Other income	460	-		460
Total revenues (losses)	<u>(930,228)</u>	<u>-</u>		<u>(930,228)</u>
<b>Expenditures / expenses</b>				
Current				
Health & welfare				
Grants, initiatives and programs				
Grant awards - current year	279,081	-		279,081
Restricted grants awarded	23,700	-		23,700
Dental hygiene initiative	33,578	-		33,578
Return of unspent grant awards	(7,924)	-		(7,924)
Grants, initiatives and programs, net	<u>328,435</u>	<u>-</u>		<u>328,435</u>
All other charges				
Accounting	12,261	-		12,261
Amortization	-	7,891		7,891
Annual update event	15,020	-		15,020
Auditing	21,000	-		21,000
Bank fees	655	-		655
Community meetings	894	-		894
Conference/training/travel	2,118	-		2,118
Contractual services	8,496	-		8,496
Depreciation expense	-	6,203		6,203
Dues and subscriptions	150	-		150
Equipment rental	3,232	-		3,232
Insurance	13,059	-		13,059
Interest	1,276	-		1,276

(continued)



**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Governmental Fund—Statement of Revenues, Expenditures, and Changes in Fund Balance (FFS)**  
**Governmental Activities—Statement of Activities (GWFS)**  
For the Year Ended December 31, 2022

	<b>Statement of Revenues, Expenditures, and Changes in Fund Balance</b>		
	<b>General Fund (Major Fund)</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
All other charges (continued)			
Investment fees	50,259	-	50,259
Legal fees	5,825	-	5,825
Maintenance/repair	1,188	-	1,188
Marketing/media/PR	1,267	-	1,267
Office rent	8,324	(8,324)	-
Postage and freight	592	-	592
Salaries and benefits	120,536	-	120,536
Storage	576	-	576
Supplies	1,408	-	1,408
Telephone and communications	7,234	-	7,234
Utilities	1,793	-	1,793
Total of all other charges	<u>277,163</u>	<u>5,770</u>	<u>282,933</u>
Total expenditures / expenses	<u>605,598</u>	<u>5,770</u>	<u>611,368</u>
Excess (deficiency) of revenues over expenditures/expenses	<u>(1,535,826)</u>	<u>(5,770)</u>	<u>(1,541,596)</u>
Fund balance/net position at beginning of year, as originally stated	48,014,330	17,679	48,032,009
Prior period adjustment	<u>-</u>	<u>(1,952)</u>	<u>(1,952)</u>
Fund balance/net position at beginning of year, as restated	<u>48,014,330</u>	<u>15,727</u>	<u>48,030,057</u>
<b>Fund balance/net position at end of year</b>	<b>\$ <u>46,478,504</u></b>	<b>\$ <u>9,957</u></b>	<b>\$ <u>46,488,461</u></b>
			(concluded)

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

**Living Well Foundation**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Reconciliation of the Governmental Fund–Statement of Revenues,  
Expenditures, and Changes in Fund Balance (FFS) to Governmental  
Activities–Statement of Activities (GWFS)**  
For the Year Ended December 31, 2022

Change in fund balance	\$ (1,535,826)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in the Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The Foundation did not have any capital outlays in the current year.

Depreciation	(6,203)
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Leased assets are reported in the Governmental Funds as an other financing source when acquired. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as amortization expense.

Amortization	(7,891)
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The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction in principal outstanding in the statement of activities.

Office rent	8,324
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Change in net position	\$ <u>(1,541,596)</u>
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The accompanying notes are an integral part of the financial statements.

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Notes to the Financial Statements**  
For the Year Ended December 31, 2022

**Introduction**

The Living Well Foundation (the Foundation) was created on August 17, 2006. On December 7, 2010, the Board of Directors (the Board) voted to amend the Foundation's Articles of Incorporation to change the Foundation's name from Ward Five Healthcare Foundation to the Living Well Foundation. The Foundation is the sole component unit member of Hospital Service District No. 1 of Ouachita Parish (the District).

A cooperative endeavor agreement which outlines the scope of services to be performed by the Foundation was signed by representatives of the Foundation and the District on January 31, 2007. The Foundation agrees to administer activities related to rendering care to the sick and injured or in the promotion of health, to cooperate with other public and private institutions and agencies engaged in providing hospital and other health care services to residents of the district, and to participate in activities designed and conducted to promote the general health of the community, including but not limited to the following services:

- Identifying, selecting, funding and conducting clinical or other programs to improve the health of the residents of the District and the community;
- Identifying, selecting and providing grants to nonprofit charitable organizations and public agencies that provide health and wellness related services in the District and the community;
- Promoting, supporting and conducting educational programs that enable residents of the community to improve their health and wellness; and
- Engaging in fund raising activities for the support of the Foundation and that assist in achieving its goals of community health and wellness.

The Foundation's area of service includes the following eight northeastern Louisiana parishes: Caldwell, Franklin, Jackson, Lincoln, Morehouse, Ouachita, Richland, and Union.

**Note 1 – Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying financial statements of the Foundation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Although the Foundation is a quasi-governmental entity, it uses governmental accounting principles, and therefore, is considered a governmental entity for financial statement presentation. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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**B. Financial Reporting Entity**

The Foundation was officially incorporated on August 17, 2006, in accordance with the Louisiana Nonprofit Corporation Law and operates a program of social welfare for the aid and support of the needy within the meaning of Article 7, Section 14(B)(1) of the Louisiana Constitution. The Board consists of twelve members, eight of which are recommended by the nominee recommendation committee, nominated by the Board, and elected by the District. The remaining four members are nominated and elected by the Ouachita Parish Police Jury (the Police Jury).

GASB Statement No. 61 provides for the issuance of primary government financial statements that are separate from those of the reporting entity (the Police Jury); therefore, the Foundation's financial statements are not a substitute for the reporting entity's financial statements of the District or the reporting entity's financial statements of the Police Jury. The accompanying financial statements have been prepared in conformity with GAAP as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity of the District or the Police Jury, and therefore, are intended to reflect only the financial statements of the Foundation.

Under provisions of GASB Statement No. 61, the Foundation is considered a component unit of the District because the District elects the majority of the Board and can impose its will on the Foundation. The District is considered a component unit of the Police Jury which is the reporting entity of the Parish. As a component unit, the accompanying financial statements of the Foundation should be included within the reporting of the primary government (the District), either blended into those financial statements or separately reported as a discrete component unit.

The accompanying basic financial statements present information only on the fund maintained by the Foundation and do not present information on the District or the Police Jury.

**C. Fund Accounting**

The financial transactions of the Foundation are recorded in individual funds, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that includes its assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates a fund according to its intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Foundation uses the governmental fund type.

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***Governmental Funds***

Governmental funds account for the Foundation's general governmental activities including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental Funds that do not meet the dollar tests for major funds. The General Fund is the only governmental fund, it is always a major fund, and is defined as follows:

*General Fund* – The General Fund is the general operating fund of the Foundation. It accounts for all of its financial resources except those required to be accounted for in another fund.

**D. Basis of Accounting / Measurement Focus**

***Government-Wide Financial Statements (GWFS)***

The Statement of Net Position and the Statement of Activities display information about the Foundation as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized when committed in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

***Fund Financial Statements (FFS)***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenue and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to pay current period liabilities.

Expenditures are recorded when the related fund liability is incurred.

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**E. Budgetary Practices**

A preliminary operating budget based on the modified accrual basis of accounting for the General Fund is prepared annually by the Finance/Investment Committee. The proposed budget is reviewed by the Board and thereafter by the Board of Commissioners of the District and revised as deemed necessary.

The budgetary data included in the accompanying financial statements includes the originally adopted budget and any amendments thereto.

**F. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. For financial statement purposes, the Foundation considers cash in its checking account to be the only cash item and all amounts included in its investment accounts to be investments, regardless of classification or maturity.

**G. Investments**

The Foundation maintains an independent, third-party custodian managed investment account with diversification in a money market account, certificates of deposit, and notes/bonds with maturities of four years or less unless approved by the Executive Committee and the express written approval of any two commissioners of HSD, per the Investment Policy. During 2022, and as originally structured in 2021, there remained large CD instruments invested in local banks through self-direction in compliance with the Investment Policy. These CDs are included in the investment valuations on the financial statements. All investments acquired after August 1, 2018, require written approval by the Vice Chair of the Finance/Investment Committee and the written approval of one additional member of either the Finance/Investment Committee or the Executive Committee together with the express written approval of any two commissioners of the Hospital Service District (HSD). The policy of the Foundation is to hold until maturity unless strategic market opportunities present for swaps or calls which improve the Foundation's positions and which are presented by the investment manager and approved by the Board and HSD. Each of these accounts has the following characteristics except where differentiated:

*Credit risk* – The Foundation minimizes credit risk, which is the risk due to the failure of the security issuer or backer, by investing in the following instruments:

- a. Direct United States Treasury obligations;
- b. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America or such other instruments that are federally sponsored;

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- c. Direct security repurchase agreements of any federal book entry only securities enumerated in paragraphs in (a) or (b) above;
- d. Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks or share accounts and share certificate;
- e. Accounts of federally or state-chartered credit unions issuing time certificates of deposit;
- f. Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies;
- g. Investment of funds in such mutual or trust fund institutions shall be limited to 25% of the monies considered available for investment; and
- h. Investment grade (A-1/P-1) commercial paper of domestic United States corporations.

Investments in derivatives of the above instruments require authorization by the Foundation's Board members and prior establishment of internal controls for any derivatives to ensure that the risks inherent in derivatives are adequately managed.

*Concentration of credit risk* – The investments shall be diversified by:

- a. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- b. Limiting investment in securities that have higher credit risks;
- c. Investing in securities with varying maturities; and
- d. Continuously investing a portion of the portfolio in readily available funds such as money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

In establishing specific diversification strategies, portfolio maturities are staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected provide stability of income and reasonable liquidity.

*Interest rate risk* – The Foundation manages its exposure to declines in fair values by managing the maturities of its investment portfolio to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools, and limiting the average maturity of the portfolio.

#### **H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

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**I. Capital Assets**

Capital assets are reported in the governmental activities in the government-wide financial statements. The Foundation considers assets with an initial individual cost of \$1,000 or more and an estimated life of 1 year or more as a capital asset. Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that any salvage value would be immaterial.

Half-year straight-line depreciation is used based on the following useful lives:

Signage	7 years
Furniture & Fixtures	7 years
Designs	7 to 20 years
Equipment	5 to 7 years
Leasehold Improvements	15 years

**J. Grants Payable**

The Foundation awards grants annually to entities that promote the health and enhance the quality of life of all residents within the eight northeastern Louisiana parishes of the Foundation's service area based on an application process. When grants are approved by the Board, they are recorded as a payable at that time and are disbursed according to the terms of the grant agreement at a certain point in the future.

In 2022, due to the ongoing recovery and community re-entry perspectives from the COVID-19 pandemic, the Foundation Board of Directors, with approval from the Hospital Service District #1, voted to hold a special funding cycle earlier than its typical fall grant cycle, specifically the Special Grant Cycle 2022. This cycle was necessary for focusing to the mental health challenges within the population, access to healthcare, and healthy lifestyles for the populations within the service area.

In addition, based on unique perspectives regarding utilization of emergency rooms for primary care, a pilot project was funded at matching funds of \$10,000 for St. Francis Medical Center to provide external case management of specifically identified patient diagnoses and access history.

As an additional funded project to provide specialized clinical training for trauma nurses and others providing trauma interventional care within the two newly designated local Level III Trauma Centers, \$20,500 was awarded to the Louisiana Emergency Response Network.



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The Foundation received a second year grant in 2022 from the WellAhead Louisiana State Dental Sealant Initiative for \$25,000. These funds were awarded to third-party recipients to administer dental sealants to kids aged 6-14 in schools in Morehouse, Richland, Union, and Ouachita Parishes during the school year 2022-2023. Those recipients include Richland Parish Hospital, CommuniHealth Services, and ULM Dental Hygiene Program.

From time to time, and within the scope of its mission and vision, the Foundation's Board of Directors approves funding for specific initiatives, outside of the normal grant-making cycle, to serve identified areas of need. Those initiatives include dental hygiene clinics with the University of Louisiana at Monroe Dental Hygiene Program, and the establishment of school-based health centers within sustainable funding models. The focus of these initiatives is to assist those who are needy, who have less access, who are under- or un-insured, and who can benefit from the services through onsite models of delivery of care. These initiatives comply with the findings of the Community Needs Assessment and the Community Plan and are approved annually by the Board and the Hospital Service District #1 as presented for funding.

**K. Compensated Absences**

The Foundation has the following policy relating to vacation:

Full-time employees with less than 1 year of service earn 1 day of vacation for each full month worked prior to January 1, up to a maximum of 10 vacation days; 1-5 years of service earn 12 vacation days each year; 6-10 years of service earn 18 vacation days each year; and over 10 years of service earn 24 vacation days each year. Per the policy change by the Board of Directors in 2015, there are no benefits paid for part-time employees unless negotiated differently upon hire.

Vacation is credited at the beginning of each calendar year. Upon termination of employment, unused vacation is paid to employees as applicable per policy at the employee's current rate of pay.

Vacation is reported in the Statement of Net Position as a short-term liability and expensed in the Statement of Activities. Vacation accrued in the Statement of Net Position as of the end of the year is valued using the employee's current rate of pay. Vacation leave will be paid from future years' resources. A liability for vacation is reported in the Governmental Funds only if it is payable at year-end. As of December 31, 2022, the Foundation had \$1,504 in accrued annual leave.

**L. Net Position (GWFS) / Fund Balances (FFS)**

In the government-wide financial statements, net position, or the difference between a government's assets and liabilities, is reflected as follows:

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*Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

*Restricted Net Position* – Consists of net position less related liabilities reported in the government-wide statement of net position that are subject to constraints on their use by creditors, grantors, contributors or legislature. The \$46,199,652 is the amount transferred by the District to the Foundation and can only be used with specific approvals which are set out in the Bylaws of the Foundation and in the Cooperative Endeavor Agreement between the District and the Foundation.

*Unrestricted Net Position* – Represents net position not appropriate for expenditures or legally segregated for a specific future use.

It is the Foundation's policy that when both restricted and unrestricted funds are available to be spent, restricted funds will be utilized first.

In the fund financial statements, fund balances are classified as follows:

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – Amounts that can be spent only for specific purposes because of the state or federal laws, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the Foundation. These amounts cannot be used for any other purposes unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

*Assigned* – Amounts that are intended to be used for specific purposes as established by the Board designated for that purpose but do not meet the criteria to be classified as restricted or committed.

*Unassigned* – All amounts not included in other spendable classifications. Unassigned fund balances are the residual classification.

**M. Use of Estimates**

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

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**Note 2 – Cash**

*Custodial credit risk – deposits.* The custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation's policy that mitigates this risk requires each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Foundation that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Foundation had no custodial credit risk related to its deposits at December 31, 2022.

At December 31, 2022, the Foundation had a reconciled cash balance of \$83,439, with a bank balance of \$97,773. All of the total bank balance was secured by Federal Deposit Insurance (FDIC) at year end.

**Note 3 – Investments**

The portfolio of the Foundation includes U.S backed notes and bonds, Louisiana agency municipal bonds, and local bank certificates of deposits insured by pledged securities, of varying maturities of four years or less, unless otherwise approved by the Executive Committee and the express written approval of two commissioners of HSD, per the Investment Policy. These holdings, including all certificates of deposits and cash, had a modified duration of 2.0 years, and par value (without variance for market value) of \$47,782,026. In accordance with its investment policy, the Foundation anticipates holding all bonds and notes until maturity, unless there is opportunity for available calls, or swaps that are approved by the Board and HSD. As of December 31, 2022, the Foundation's investments consist of the following securities and are carried at fair value of \$46,228,343.

Investment Type	Fair Value	% of Total
LA Municipal Bonds	\$ 13,776,842	29.80%
Federal Home Loan Bank	11,047,024	23.90%
U.S. Treasury Notes	8,850,778	19.15%
Federated U.S. Treasury Cash Reserves	4,598,172	9.95%
Federal Farm Credit Bank	3,092,690	6.69%
Certificates of Deposit	2,013,592	4.36%
Federal National Mortgage Association	1,885,795	4.08%
Federal Home Loan Mortgage Corporation	963,450	2.08%
Total	<u>\$ 46,228,343</u>	<u>100.0%</u>

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Investments held with the fiscal agent who does not have discretionary use of the funds are composed of United States Treasury Strips, Treasury Bills, and Treasury Securities – State and Local Government Series (SLGS) which makes up the Foundation’s irrevocable trust and are carried at fair value. ASC Section 820 establishes the framework for measuring fair value.

That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Foundation has the ability to access;
- Level 2      Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There is no movement in Level 3 year to year.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation’s investments at December 31, 2022, are valued at quoted market prices and other relevant information generated by market transactions held by the Foundation at that date and are considered to be level 1 in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

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**Note 4 – Capital Assets**

	<b>Balance 01/01/2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 12/31/2022</b>
Capital assets being depreciated				
Office equipment	\$ 37,058	\$ -	\$ -	\$ 37,058
Furniture and fixtures	6,559	-	-	6,559
Identity / logo design	6,680	-	-	6,680
Signage	170	-	-	170
Leased building	39,455	-	-	39,455
Total capital assets being depreciated	<u>89,922</u>	<u>-</u>	<u>-</u>	<u>89,922</u>
Less: Accumulated depreciation and amortization				
Office equipment	22,959	5,372	-	28,331
Furniture and fixtures	5,150	497	-	5,647
Identity / logo design	4,509	334	-	4,843
Signage	170	-	-	170
Leased building	21,700	7,891	-	29,591
Total accumulated depreciation and amortization	<u>54,488</u>	<u>14,094</u>	<u>-</u>	<u>68,582</u>
Capital assets, net	<u>\$ 35,434</u>	<u>\$ (14,094)</u>	<u>\$ -</u>	<u>\$ 21,340</u>

The amortization of the building lease is presented as amortization expense on the Statement of Revenues, Expenses, and Changes in Net Position related to the Foundation's intangible asset of their leased office building, which is included in the above table. In accordance with the implementation of GASB Statement No. 87, *Leases*, a lease meeting the criteria of the Statement requires the lessee to recognize a lease liability and an intangible right to use asset. The lease liability is discussed further in the note regarding lease liability.

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**Note 5 – Grants, Initiatives, and Program Activities**

During 2022, the Foundation awarded new grants and initiatives and disbursed previously awarded monies as follows:

<u>Recipient / Purpose</u>	<u>Payable 01/01/2022</u>	<u>Grant Initiatives &amp; Programs</u>	<u>Disbursed</u>	<u>Unused</u>	<u>Returned</u>	<u>Payable 12/31/2022</u>
<u>Grants</u>						
American Red Cross, North Louisiana Chapter Emergency Response Vehicle to Serve Northeast Louisiana (Special Grant Cycle 2021)	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Ascent Health Biofeedback Training & Teacher Retention Support (Special Grant Cycle 2021)	1,500	-	(1,500)	-	-	-
Boys and Girls Clubs of North Louisiana Serving More Kids, More Often and in a More Meaningful Way (Special Grant Cycle 2021)	500	-	-	-	-	500
Bright Star Ranch Freedom to Flourish (Special Grant Cycle 2022)	-	5,000	(4,750)	-	-	250
Broaden Horizons Response and Recovery – COVID-19 (Special Grant Cycle 2021)	500	-	(500)	-	-	-
Center for Children and Families COVID-19 Impact: Meet the Need (Special Grant Cycle 2021)	2,000	-	(2,000)	-	-	-
Children's Coalition for Northeast Louisiana Dia de la Familia: Family Fun Day (Special Grant Cycle 2021)	500	-	-	(1,858)	1,358	-
Healthy Family Gardening & Signs of Suicide (Special Grant Cycle 2022)	-	5,000	(4,750)	-	-	250
Delhi Community Health Center Healthy Kidz Zone: Mental Health Wellness Expansion Project (Special Grant Cycle 2022)	-	19,765	(18,500)	-	-	1,265
Franklin Parish HSD #1 dba Franklin Medical Center Improving Mental/Behavioral Health Care (Special Grant Cycle 2021)	5,000	-	-	-	-	5,000
Regional Training and Simulation Center (Special Grant Cycle 2022)	-	25,000	(24,500)	-	-	500
Kiroli Foundation Highland Park Wetland Trains Wellness and Bicycle Safety Initiatives (Special Grant Cycle 2022)	-	15,000	(14,000)	-	-	1,000
LERN Region 8 Trauma Education Initiative (Special Project Funding 2022)	-	20,500	(19,500)	-	-	1,000
Mary Bird Perkins Cancer Center Increasing Health Equity for the Medically Underserved thru Mobile Cancer Screenings (Special Grant Cycle 2022)	-	19,516	(19,000)	-	-	516
Mercy Medical Health Center Mercy Dental's Bright Smiles (Special Grant Cycle 2022)	-	35,000	(33,500)	-	-	1,500
Morehouse Community Medical Centers, Inc. FQHC Medical Clinic in South WM (Special Project Funding 2020)	100,000	-	(90,000)	-	-	10,000
Autism Services (Special Project Funding 2021)	500	-	(500)	-	-	-
Remote Patient Care Monitoring (Special Grant Cycle 2021)	5,000	-	-	-	-	5,000

(continued)

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<b>Recipient / Purpose</b>	<b>Payable 01/01/2022</b>	<b>Grant Initiatives &amp; Programs</b>	<b>Disbursed</b>	<b>Unused</b>	<b>Returned</b>	<b>Payable 12/31/2022</b>
NE LA Children's Museum						
Support for Healthcare/Medical Gallery (Special Grant Cycle 2022)	-	20,000	(19,500)	-	-	500
Rays of Sonshine						
Recovery Support (Special Grant Cycle 2021)	1,000	-	(1,000)	-	-	-
St. Francis Medical Center						
Pilot Project – Non-Clinical Case Management (Special Project Funding 2022)	-	10,000	(9,750)	-	-	250
Town of Farmerville						
Boys and Girls Clubs of North LA Farmerville Expansion (Special Grant Cycle 2022)	-	20,000	(19,000)	-	-	1,000
ULM – College of Pharmacy						
Point-of-Care Test Educ., Training, & Cert. for Pharmacists (Special Grant Cycle 2021)	1,500	-	(1,231)	(269)	-	-
ULM – Kitty Degree School of Nursing						
Mobile Bridge to Health (Special Grant Cycle 2022)	-	4,400	(4,150)	-	-	250
Union General Hospital						
Relieved through Releasing (Special Grant Cycle 2021)	2,500	-	(2,500)	-	-	-
New Rural Health Clinic Construction (Special Grant Cycle 2022)	-	30,000	(27,500)	-	-	2,500
Wellspring Alliance						
Med-Psych Services (Special Grant Cycle 2022)	-	38,400	(37,650)	-	-	750
Zion Helping Hands						
Food Pantry Expansion (Special Grant Cycle 2022)	-	11,500	(11,250)	-	-	250
<u>Dental Hygiene Initiative</u>						
ULM – Riser Dental Hygiene Clinic						
2021 July-December	1,904	-	(161)	(1,743)	-	-
2022 January-June	-	9,939	(8,272)	(1,667)	-	-
2022 July-December	-	11,639	(9,000)	-	-	2,639
ULM – Mobile Dental Hygiene Unit (MDHU)						
2021 July-December	1,275	-	-	(1,612)	337	-
2022 January-June	-	5,000	(4,321)	(679)	-	-
2022 July-December	-	5,000	(3,800)	-	-	1,200
ULM – On-Campus Dental Hygiene Clinic						
2022 July-December	-	2,000	(1,500)	-	-	500
<u>State Dental Sealant Grant</u>						
Morehouse Community Medical Centers 2021-22	500	-	(500)	-	-	-
Morehouse Community Medical Centers 2021-22 additional awarded from other unused funds	-	-	(3,218)	3,218	-	-
Morehouse Community Medical Centers 2022-23	-	10,950	(10,200)	-	-	750
Richland Parish Hospital – Delhi Community Health Center 2021-2022	1,000	-	-	(2,994)	1,994	-
Richland Parish Hospital – Delhi Community Health Center 2022-2023	-	6,550	(6,000)	-	-	550
ULM MDHU 2021-2022	500	-	(185)	(315)	-	-
ULM Riser Dental Hygiene Clinic 2021-2022	200	-	(195)	(5)	-	-
ULM Dental Hygiene Clinics 2022-2023	-	6,200	(4,500)	-	-	1,700
<b>Total</b>	<b>\$ 128,379</b>	<b>\$ 336,359</b>	<b>\$ (418,383)</b>	<b>\$ (7,924)</b>	<b>\$ 3,689</b>	<b>\$ 42,120</b>

(concluded)

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Notes to the Financial Statements**  
For the Year Ended December 31, 2022

**Note 6 – Commitments and Contingencies**

**Dental Hygiene Clinics Initiative with ULM** – The Living Well Foundation has a renewable 5-year Memorandum of Understanding (MOU), currently effective 2021 through 2025, with the University of Louisiana at Monroe (ULM) Dental Hygiene Program through a Dental Hygiene Initiative. This initiative is for certain funding for the support of a mobile dental hygiene unit and a school-based dental hygiene clinic and is a separate initiative from the typical grant-making activities and cycles. The funding continued through 2022 within the terms of the MOU and the annual budget of \$35,000. Upon completion of some segments of the initiative, unused funds were realized as follows: \$2,345 in unused funds for January to June 2022, reconciled July 2022, and previous year's unused funds of \$3,355 for July to December 2021, upon reconciliation March 2022.

**School-Based Health Centers (SBHC) Initiative** – The Foundation has previously established an initiative to fund start-up or support projects for school-based health centers in collaborations with other providers. During 2022, plans were laid for future start-ups and there were no funded projects for the year.

**Special Project Funding – West Monroe Medical Clinic (FQHC)** – In 2020, the Foundation approved matching funds of \$125,000 to CommuniHealth Services for a federally qualified health center (FQHC) in south West Monroe, contingent upon the agency receiving Federal grant funds and commitment of other funds. That matching funding was reduced to \$100,000 based on revised needs after Federal grant funds were designated in 2021. The project began in February 2022.

**Note 7 – Retirement System**

The Foundation contributes up to 3% of salaries into a SIMPLE IRA Plan, a defined contribution plan, for all eligible employees. The Foundation requires 90 days of service before an employee is added to the plan. During 2022, the Foundation contributed \$2,933 into this retirement plan.

**Note 8 – Lease Liability**

The Foundation leases office space for a one-year term for \$800 per month, commencing on April 1, 2019, with a recurring right to renew the lease for a period of four consecutive one-year terms. The lease is recorded using an imputed interest rate of 8.0%. The lease includes a contingency for the Foundation to move into a larger suite when the current tenant vacates, which would be at a new rate of \$1,100 per month. The right to use the office building has a 5-year estimated useful life and a value of \$39,455, with accumulated amortization of \$29,591 at December 31, 2022.



**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Notes to the Financial Statements**  
For the Year Ended December 31, 2022

The lease liability is due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,015	\$ 585	\$ 9,600
2024	2,368	32	2,400
Present value of net minimum lease payments	<u>\$ 11,383</u>	<u>\$ 617</u>	<u>\$ 12,000</u>

**Note 9 – Related Party Transactions**

The Cooperative Endeavor Agreement provides that the Foundation will pay or reimburse all reasonable and necessary District overhead expenses. Since 2009 the District has annually waived this requirement and has indicated that they plan to continue to waive this requirement for the foreseeable future. Accordingly, until notified otherwise by the District, the Foundation no longer budgets for these expenses.

Due to the active nature of the board members that serve on the Living Well Foundation board, conflicts of interest are known to exist with people serving on this board who also serve on the boards of potential grantees and/or serve in other governance capacities. In these cases, these conflicts of interest are noted in the board minutes and the board member is excused from the meeting for all discussions with respect to the grantee. The grant award must also be reviewed and approved by the District prior to the award being awarded.

**Note 10 – Income Tax Status**

The Foundation, a nonprofit corporation, has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Foundation's federal form 990s for the tax years ending on and after December 31, 2019 remain subject to examination by the Internal Revenue Service.

**Note 11 – Concentrations and Uncertainties**

During 2022, the Foundation addressed its strategic goals through attention to the ongoing recovery processes from the pandemic, reductions in workforce and impact to agencies, challenges regarding schools, and mental health issues across all ages, all typical to the issues facing funders across the state. The full impact from the economic conditions, workforce issues, and mental health challenges are felt to be unrealized at this time and will affect future positioning and funding. The Foundation continues to participate on a panel with BCBSLA Foundation and statewide funders to address the resulting impact and recovery from the pandemic, as well as disasters, and to share funding opportunities or challenges. Management continues to address these challenges through collaboration, grant-making focus, leveraging of funds, and community activities.

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Notes to the Financial Statements**  
For the Year Ended December 31, 2022

The actions by the Federal Reserve have created opportunities due to rising interest rates for reinvested notes but challenged the valuations within the bond market and resulting financial reporting. The Foundation holds investments to maturity and will lag the interest rate gains somewhat, but earnings will increase with new investments at these higher rates, in turn providing better grant-making options and growth for the organization with prudent decisions.

**Note 12 – Restatement of Net Position**

As the result of implementing GASB Statement No. 87, the Foundation has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of January 1, 2022 by \$1,952. The decrease results from the Foundation's lease being recorded as an asset and corresponding liability in accordance with Statement No. 87.

Net position has been restated as follows:

	<b>Governmental Activities</b>
Net position as previously reported at December 31, 2021	<u>\$ 48,032,009</u>
Prior period adjustment – implementation of GASBS No. 87:	
Lease asset	39,455
Lease liability	(19,707)
Accumulated amortization	<u>(21,700)</u>
Net position as restated, January 1, 2022	<u><u>\$ 48,030,057</u></u>

**Note 13 – Subsequent Events**

Management has evaluated subsequent events through May 30, 2023, the date which the financial statements were available to be issued, and determined that there were no events that occurred subsequent to the reporting period that are required to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION  
(PART B)**

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual – Governmental Fund – General Fund**

For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Budgetary fund balance, beginning of year</b>	\$ 48,212,348	\$ 48,014,330	\$ 48,014,330	\$ -
<b>Resources</b>				
General revenues				
Investment income (loss), net	\$ 292,000	\$ (1,357,500)	\$ (983,101)	\$ 374,399
Event revenue	14,500	26,660	25,760	(900)
Grants	-	25,000	25,000	-
Contributions, gifts & endowments	270	1,653	1,653	-
Other income	-	460	460	-
Total resources	<u>306,770</u>	<u>(1,303,727)</u>	<u>(930,228)</u>	<u>373,499</u>
<b>Charges to appropriations</b>				
Current				
Health & welfare				
Grants, initiatives & programs				
Grant awards	225,000	279,081	279,081	-
Restricted grant awarded	-	23,700	23,700	-
Dental hygiene initiative	35,000	33,578	33,578	-
School-based healthcare	50,000	-	-	-
Return of unspent grant awards	-	(11,142)	(7,924)	(3,218)
Grants, initiatives and programs, net	<u>310,000</u>	<u>325,217</u>	<u>328,435</u>	<u>(3,218)</u>
All other charges				
Accounting	12,800	12,400	12,261	139
Annual update event	6,500	15,663	15,020	643
Auditing	21,000	21,000	21,000	-
Bank fees	420	645	655	(10)
Community meetings	400	400	894	(494)
Conference/training/travel	1,500	2,000	2,118	(118)
Contractual services	4,200	10,150	8,496	1,654
Dues and subscriptions	63	150	150	-
Equipment rental	3,670	3,440	3,232	208
Insurance	13,000	12,500	13,059	(559)
Interest	-	-	1,276	(1,276)

(continued)

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual – Governmental Fund – General Fund**

For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
All other charges (continued)				
Investment fees	47,200	49,650	50,259	(609)
Legal fees	11,000	7,250	5,825	1,425
Maintenance/repair	1,210	1,200	1,188	12
Marketing/media/PR	1,000	1,450	1,267	183
Office rent	9,600	9,600	8,324	1,276
Postage and freight	750	600	592	8
Salaries and benefits	133,584	134,000	120,536	13,464
Storage	576	576	576	-
Supplies	2,500	2,000	1,408	592
Telephone and communications	6,950	7,650	7,234	416
Utilities	1,500	1,875	1,793	82
Total of all other charges	<u>283,923</u>	<u>294,199</u>	<u>277,163</u>	<u>17,036</u>
Total charges to appropriations	<u>593,923</u>	<u>619,416</u>	<u>605,598</u>	<u>13,818</u>
Excess (deficiency) of revenues over expenditures	<u>(287,153)</u>	<u>(1,923,143)</u>	<u>(1,535,826)</u>	<u>359,681</u>
<b>Fund balance at end of year</b>	<u><u>\$ 47,925,195</u></u>	<u><u>\$ 46,091,187</u></u>	<u><u>\$ 46,478,504</u></u>	<u><u>\$ 359,681</u></u> (concluded)

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Notes to the Budgetary Comparison Schedule**  
For the Year Ended December 31, 2022

**Budgetary Policies**

A proposed budget for the ensuing year, prepared on the modified accrual basis of accounting, is prepared annually by the Board of the Foundation. This budget is prepared for planned activities in the upcoming year.

Notice of the location and availability of the proposed budget for public inspection and the date of the public hearing to be conducted on the budget are then advertised in the local newspapers, on the website, and at the office location. Prior to or as a part of the selected November meeting, the Foundation conducts a public hearing on the proposed budget(s) in order to receive comments from the citizenry.

Changes are made to the proposed budget based on the public hearing and the desires of the Foundation as a whole. The budget is then adopted during the Foundation's selected meeting, and a notice certifying completion of the required budgetary actions is published on the website and at the office location.

During the year, the Directors receive monthly financials statements that are used as a tool to control Foundation operations.

State law requires the Foundation to amend its budgets when revenues plus projected revenues within a fund are expected to fall short of budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

## **SUPPLEMENTARY INFORMATION**

**LIVING WELL FOUNDATION**  
**(A Component Unit of Hospital Service District No. 1 of Ouachita Parish)**  
West Monroe, Louisiana

**Schedule of Compensation, Benefits, and Other Payments to**  
**Agency Head or Chief Executive Officer**  
For the Year Ended December 31, 2022

**Alice Proffit, CEO**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 97,768
Benefits - Health & Retirement	9,433
Telephone	900
Travel	681
Special meals	353
	<u>\$ 109,135</u>



**REPORT REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS***



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Keeping you on course!

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

**To the Board of Directors**  
**Living Well Foundation**  
West Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Living Well Foundation** (the Foundation), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated May 30, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

**Board of Directors**  
**Living Well Foundation**  
West Monroe, Louisiana

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

This report is intended solely for the information and use of management of the Foundation, Hospital Service District No. 1 of Ouachita Parish, entities granting funds to the Foundation, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Woodard & Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

**May 30, 2023**



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Living Well Foundation Board of Directors and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022, through December 31, 2022. The Foundation's management is responsible for those C/C areas identified in the SAUPs.

The Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022, through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Written Policies and Procedures

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy .
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: No exceptions were identified as a result of these procedures.

#### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Result: No exceptions were identified as a result of these procedures.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Result: No exceptions were identified as a result of these procedures.

### ***Collections (excluding electronic funds transfers )***

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

Result: No exceptions were identified as a result of these procedures.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
  - e) Are the employees/officials that approve the electronic disbursement of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means, authorized to sign checks?
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's

representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe:
- a) Was each electronic disbursement approved only by those persons authorized to disburse funds (e.g. sign checks) per the entity's policy?
  - b) Was each electronic disbursement approved by the required number of authorized signers per the entity's policy?

Result: No exceptions were identified as a result of these procedures.

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.



Result: No exceptions were identified as a result of these procedures.

### ***Travel and Travel-Related Expense Reimbursement (excluding card transactions)***

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15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Result: No exceptions were identified as a result of these procedures.

### ***Contracts***

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16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Result: No exceptions were identified as a result of these procedures.

### ***Payroll and Personnel***

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17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Result: No exceptions were identified as a result of these procedures.

### ***Fraud Notice***

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21. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
22. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: No exceptions were identified as a result of these procedures.

**Information Technology Disaster Recovery/Business Continuity**

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23. Perform the following procedures, verbally discuss the results with management, and report

“We performed the procedure and discussed the results with management.”

- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Result: We performed the procedures and discussed the results with management.**

We were engaged by the Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Woodard & Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

**May 30, 2023**