



Improving Health Care and Outcomes for Residents of Lincoln Parish

October 15, 2022

Mr. Jeff Landry
Attorney General
State of Louisiana
P.O. Box 94005
Baton Rouge, LA 70802

Re: Lincoln Health Foundation Annual Report (Fiscal Year 2021-2022)

Dear Mr. Landry:

Pursuant to the obligations set forth in the Certificate of Incorporation of Lincoln Health System, Inc., filed with and approved by the State of Louisiana at the time of sale of Lincoln General Hospital in 2007, please find attached the information and documents that have been posted on the Foundation's website (www.lincolnhealth.com) in lieu of conducting its annual public meeting in May, 2022. To fulfill the Foundation's obligation to present information to the public we have provided all annual meeting information on the website for public access.

The audited financials of the Foundation for the period ending September 30, 2021 are also included with the attached information.

If you have questions, or need additional information concerning the presentation or attached documents, please don't hesitate to contact me at 318-251-3226, extension 100.

Sincerely,

Norman L. Hanes
Chief Executive Officer
Lincoln Health Foundation

cc: Mr. Ronnie Walker, Mayor, City of Ruston, LA
Mr. Ricky Durrett, Superintendent, Lincoln Parish Schools
Mr. Doug Postel, Parish Administrator, Lincoln Parish Police Jury



LINCOLN HEALTH FOUNDATION

Improving Health Care and Outcomes for Residents of Lincoln Parish

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Section 1

2021-2022 Presentation of Lincoln Health Foundation
Organizational and Grant Funding Initiatives

Lincoln Health Foundation

Annual Report Information

September 30, 2022

Mission & Vision

Mission Statement

The mission of Lincoln Health Foundation is to improve health care and outcomes for the residents of Lincoln Parish.

Vision Statement

To be the facilitator of health-related initiatives, programs, and services that enable Lincoln Parish residents to improve their quality of life.

Board of Directors

Mark Taylor, Chair (Lincoln Parish Mayors Representative)

Jo Tatum, Vice Chair (Police Jury Representative)

Eldred Hardison, Secretary / Treasurer

Sonja Cardwell (Lincoln Parish School Board Rep.)

Wilbert Ellis, Advisory Board Member

James Davison, Advisory Board Member

Gerald Long (Retired)

Wayne Smith (Former Judge)

Dr. Nancy Smith (Pathologist, No. Louisiana Medical Center)

Willie Washington (Former Educator Lincoln Parish Schools)

** Dr. Jackie White (Medical Director)*

Foundation Management

- Norman Hanes, Chief Executive Officer
- Bill Jones, Attorney
- Office: 305 South Vienna Street, Ruston, LA
- Auditing Firm: Woodard and Associates, APAC
- Grant Auditing Firm: Impact Healthcare Solutions
- Chief Investment Officer Services: Argent Financial

Group

- Annual Reporting: LA Attorney General
- lincolnhealth.com

Foundation Organizational Structure

- ✓ Classified by IRS as 501(c)3 Private Non-Operating Foundation
- ✓ 5% Annual Net Assets Distribution Requirement = \$1.5M
- ✓ Grants & Funding Restricted to Identified Health Needs in Lincoln Parish Only

Funding Sources

- **Proceeds from Sale of Lincoln General Hospital (2007)**
 - *Current Corpus Approximately \$30 million*
- **William Harold Sturgis Estate**
 - *Annual Bequests Approximately \$170,000*
 - *\$2.6 million in Receipts to Date*
 - *Used to Fund School Based Healthcare and Indigent Residents Health Care*
- **Mary Jarrell Nursing Scholarship Fund**
 - *Current Fund Balance Approximately \$374,000*
 - *Used for Nursing Scholarships*
 - *Distribution Amount 4% Annually*

Lincoln Parish

Health Needs Assessment Categories

(2008 & 2016)

- Death, Disease & Disability
- Infant and Child Health
- Modifiable Health Risks
- Access to Healthcare

Established Funding Initiatives

2010 - 2021

- Healthier Beginnings (*Infant Mortality & Low Birth Weights*)
- Healthier Living (*Childhood Obesity, Nutrition, Exercise & Education*)
- Healthier Outcomes & Improved Access to Health Care Services (*Access to Health Care and Opportunities for Health Improvement*)

Established Funding Initiatives

2010 - 2020

- Healthier Beginnings (*Infant Mortality & Low Birth Weights*)
- Healthier Living (*Childhood Obesity, Nutrition, Exercise & Education*)
- Healthier Outcomes & Improved Access to Health Care Services (*Access to Health Care and Opportunities for Health Improvement*)

Total Grant Funding to Date: \$19,585,503.

HEALTHIER BEGINNINGS

Initiative

- \$224K (2020-2021) | \$2.9M (2008-2021)
 - ❖ Home Based Early Childhood Development and Parent Education Program
 - ❖ Mentoring of Moms and Dads Program
 - ❖ Pre-School Literacy Outreach Program (Health & Social Development)
 - ❖ Early Childhood Nutrition and Parental Education Program

HEALTHIER BEGINNINGS

Initiative

Grantees:

- Life Choices of North Central Louisiana (*Kathleen Richard*)
- Louisiana Tech Department of Human Ecology (*Dr. Julie Rutledge*)

HEALTHIER LIVING Initiative

- \$113K (2020-2021) | \$2.1M (2008-2021)
 - ❖ Nationally Recognized Sports, Fitness Recreation Program
 - ❖ Summer Feeding Program by Lincoln Parish Boys & Girls Club
 - ❖ Food Back Packs for Lincoln Parish Schools Students
 - ❖ Healthy Food Purchases Incentive Program for Lincoln Parish SNAP Recipients
 - ❖ “At Risk” Adolescent Counseling Program in Lincoln Parish Schools

HEALTHIER LIVING Initiative

Grantees:

- Boys & Girls Club of North Louisiana (*Eldonta' Osborne*)
- Life Choices of North Central Louisiana (*Kathleen Richard*)
- Lincoln Parish Schools (*Ami Brister*) & United Way of
Northeast Louisiana (*Stephanie Thompson*)
- Seeker Springs Ministry (*Terry Slawson*)
- Teach One to Lead One (*Walter Allen*)

HEALTHIER OUTCOMES & IMPROVED ACCESS TO HEALTH CARE SERVICES

Initiative

- \$1.4M (2020-2021) | \$14.1M (2008-2021)
 - ❖ Medical Mobile & Fixed Location Clinic
 - ❖ School Based Health Care Services
 - ❖ School Based Mentoring Programs
 - ❖ Access to Health Care Services (*Active Transportation Matching Grant*)
 - ❖ Access to Mental Health Services
 - ❖ Medical, Dental and Mental Health Services to the Homeless
 - ❖ Support Staff for Lincoln Parish Health Unit (*STI Clinic Services*)

HEALTHIER OUTCOMES & IMPROVED ACCESS TO HEALTH CARE SERVICES

Initiative

Grantees:

- The Health Hut (*Dr. Jackie White*)
- Lincoln Parish Schools (*Amy Brister*)
- City of Ruston / Lincoln Economic Development Council
- Elisha Ministries (*Gloria Mays*)
- Lincoln Parish Health Unit (*Suzanne Blackwelder / Melissa Brady*)
- The Well of North Louisiana (*Tara Stone / Elizabeth Turpin*)

2016 Health Needs Assessment for Lincoln Parish:

The Platform From Which Grant Funding Decisions Are Made

Source:

St. Francis Medical Center, Monroe, LA

<https://stfran.com/Pages/Community-Health-Needs-Assessment>

- **Sources:** Healthy Communities Institute (www.healthycommunitiesinsitute.com)
Healthy People 2020 Benchmarks ([www.healthypeople.gov/HP 2020](http://www.healthypeople.gov/HP2020))
Louisiana Dept. of Health & Hospitals (www.dhh.Louisiana.gov)

Lincoln Parish

2016 *Health Needs Assessment*

Category

2008 vs 2016

Death, Disease & Disability

- | | | |
|---|---|---|
| ➤ Cancer, Diabetes, Stroke, Heart Disease | √ | √ |
| <input type="checkbox"/> Breast & Prostate Death Rates (Primary) | | |
| <input type="checkbox"/> Death/Hospitalization Rates for Diabetes | | |
| <input type="checkbox"/> Hypertension Hospitalization /Strokes (MC) | | |

Lincoln Parish

2016 Health Needs Assessment

Category

2008 vs 2016

Infant And Child Health

➤ Early and Adequate Prenatal Care

✓

✓

➤ Infant Mortality Rate (Primary)

✓

☐ Reduced to Secondary Status

Lincoln Parish

2016 *Health Needs Assessment*

<u>Category</u>	<u>2008</u>	<u>vs</u>	<u>2016</u>
Modifiable Health Risks			
➤ Adult Obesity	√		√
➤ Low-Income Preschool Obesity (Secondary)	√		√
➤ Food Insecurity - Adults			√
➤ Food Insecurity – Children (Secondary)			√

Lincoln Parish

2016 *Health Needs Assessment*

<u>Category</u>	<u>2008</u>	<u>vs</u>	<u>2016</u>
-----------------	-------------	-----------	-------------

Access to Health Care

- | | | | |
|--|---|--|---|
| ➤ Dental Services / Dentist Rate (Primary) | √ | | |
| ➤ Dental Services / Dentist Rate (Secondary) | | | √ |
| ➤ Access to Health Care Providers | √ | | |
| ✓ 4,400 New Medicaid Enrollees as of 5/1/2019 * | | | |
| ✓ 14,500 Total Medicaid Enrollees as of 10/31/2018 * | | | |

* Louisiana Department of Health (<http://ldh.la.gov>)

Lincoln Parish

2016 *Health Needs Assessment*

AREAS “Within Expected Values / Performing Well”

- Teen Birth Rate *
- Depression: Medicare Population *
- Mental Health Provider Rate *
- Adult Excessive Drinking
- Hospitalization Rate Due To Alcohol Abuse
- Adult Smoking *

** Foundation Funded Initiatives*

2021-2022 Focus Areas

➤ **Commitment to Funding Existing Initiatives**

- ❖ *School Based Health Care*
- ❖ *Health Hut Medical Services (Mobile & Clinic)*
- ❖ *Mental Health Services Access*
- ❖ *Promotion of Nutrition and Exercise (Programs & Venues)*

2021-2022 Focus Areas

➤ **Commitment to Recalibrating Grant Funding**

❖ *Encouraging Identification of Additional Funding Sources*

❖ *Managing Existing Grant Funding Levels*

❖ *Redistribution of Funds to Other Needed Areas*

☐ *Student Mental Health Issues*

☐ *Food Insecurity & Causal Factors*



Public Information

General Information:

[LHF Bylaws PDF](#)[Articles of Incorporation PDF](#)[2009 PRC Community Health Assessment PDF](#)[Community Plan PDF](#)[Strategic Plan PDF](#)[Grant Making Guidelines and Procedures PDF](#)[Communication Guidelines PDF](#)

Summary of Funded Projects:

[Funding FACT Sheet PDF](#)

Annual Reports:

[2010 PDF](#)[2011 PDF](#)[2012 PDF](#)[2013 PDF](#)[2014 PDF](#)

Audit Reports:

[2009-2010 PDF](#)[2010-2011 PDF](#)[2011-2012 PDF](#)[2012-2013 PDF](#)[2013-2014 PDF](#)

305 S Vienna St.
Ruston, LA 71270
318-251-3226

www.lincolnhealth.com

Section 2

Lincoln Health Foundation
Grants In Progress
Fiscal Year 2021-2022

CURRENT GRANTS IN PROGRESS

Status Date: 10/19/22 11:07 AM

Grant Year	Initiative	Grant Start Date	Grantee	Funding Amount	Initiative Totals	Percent of Funding	Years Funded
Current	Healthier Access	Sep-22	Elisha Ministries (Mental/Dental/Medical) - Year 12	\$ 28,000.00			12
		Aug-22	Lincoln Parish Schools (HEALS XIV)	\$ 213,045.18			14
		Oct-22	Lincoln Parish Health Unit (STD Clerical Staff) - Year 10	\$ 4,208.00			10
		Oct-21	Linking the Parish, Inc. (The Health Hut) - Year 11	\$ 800,000.00			11
		Jan-22	Boys & Girls Club Of No. LA (Triple Play) - Year 10	\$ 85,262.00			10
		Jun-22	The Well of No. Louisiana (Mental Health Counseling) Year 2	\$ 9,495.00			2
		Healthier Access Initiative			\$ 1,140,010	75.6%	
Current	Healthier Beginnings	Dec-21	Life Choices (Growing Great Kids) - Year 12	\$ 124,000.00			12
		Jan-22	Seeker Springs Adolescent Counseling - Year 10	\$ 35,195.00			10
		Nov-21	Louisiana Tech - Bulldog Book Club - Year 9	\$ 57,936.62			9
		Nov-21	Louisiana Tech - WISE (Nutrition Ed. Grant) - Year 8	\$ 35,253.00			8
		Feb-22	Life Choices (Mentoring of MOMs & DADs) - Year 12	\$ 61,000.00			12
		Healthier Beginnings Initiative			\$ 313,385	20.8%	
Current	Healthier Living	Jun-22	LPS Back Pack Hunger Initiative - Year 7	\$ 20,521.36			7
		Sep-22	Teach 1 Lead 1 Student Mentoring Program - Year 3	\$ 15,000.00			3
		Jul-22	Boys & Girls Club (Summer Feeding) - Year 11	\$ 15,000.00			11
		Apr-22	Ruston Farmers Market - SNAP Initiative - Years 7 & 8	\$ 4,600.00			7
		Healthier Living Initiative			\$ 55,121	3.7%	
Total Current Grant Funding In Progress:					\$ 1,508,516	100.0%	
Total Grants in Progress:					15		
Average Grantee Funding Duration:					9.2	(Years)	
TOTAL GRANT FUNDING ACTIVITY (2008 to Present):					\$ 20,365,123		

Section 3

- A. Financial Statements (*Audited*)
Fiscal Year 2021 - 2022
(October 1, 2021 – September 30, 2022)

LINCOLN HEALTH FOUNDATION, INC
Ruston, Louisiana

Financial Statements
For the Years Ended September 30, 2021 and 2020

LINCOLN HEALTH FOUNDATION, INC

Ruston, Louisiana

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For the Years Ended September 30, 2021 and 2020

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1100 North 18th Street, Suite 200
Monroe, LA 71201
T 318.387.2672 F 318.322.8866

Keeping you on course!

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Lincoln Health Foundation, Inc.
305 South Vienna Street
Ruston, Louisiana 71270**

We have audited the accompanying financial statements of the **Lincoln Health Foundation** (a non-profit organization, the Foundation), which comprise the statements of assets, liabilities, and net assets-modified cash basis as of September 30, 2021, and the related statements of revenues, expenses and other changes in net assets-modified cash basis and cash flows-modified cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1.A.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.A.

Prior Period Financial Statements

The September 30, 2020 financial statements presented on the modified cash basis of accounting were reviewed by us, and our report thereon, dated July 15, 2021, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with the modified cash basis of accounting. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Basis of Accounting

We draw attention to Note 1.A. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

February 7, 2022

BASIC FINANCIAL STATEMENTS

LINCOLN HEALTH FOUNDATION, INC.

Ruston, Louisiana

Statements of Assets, Liabilities, and Net Assets -**Modified Cash Basis**

September 30, 2021 and 2020

	2021 (Audited)	2020 (Reviewed)
Assets		
Cash and cash equivalents	\$ 508,885	\$ 478,419
Restricted assets-cash	4,234	4,222
Investments, at fair value	29,525,461	26,310,990
Restricted assets-investments, at fair value	458,966	418,558
Total assets	\$ 30,497,546	\$ 27,212,190
	.	
Liabilities	-	-
Total liabilities	-	-
Net assets		
Without donor restriction	\$ 30,034,344	\$ 26,789,408
With donor restriction	463,202	422,782
Total net assets	30,497,546	27,212,190
Total liabilities and net assets	\$ 30,497,546	\$ 27,212,190

The accompanying notes are an integral part of these statements.

LINCOLN HEALTH FOUNDATION, INC.

Ruston, Louisiana

Statements of Revenues, Expenses and Other Changes In Net Assets -

Modified Cash Basis

For the Years Ended September 30, 2021 and 2020

	2021 (Audited)			2020 (Reviewed)		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Revenues, gains, and other support						
Investment income	\$ 555,283	\$ 59,275	\$ 614,558	\$ 638,847	\$ 36,904	\$ 675,751
Net realized gains/ loss	944,010	-	944,010	284,803	-	284,803
Net unrealized gains/loss	3,168,013	-	3,168,013	949,398	-	949,398
Contributions	-	172,938	172,938	2,837	171,824	174,661
Distribution received from LHS	489,452	-	489,452	-	-	-
Total revenues, gains and other support	<u>5,156,758</u>	<u>232,213</u>	<u>5,388,971</u>	<u>1,875,885</u>	<u>208,728</u>	<u>2,084,613</u>
Net assets released from restrictions	<u>191,793</u>	<u>(191,793)</u>	<u>-</u>	<u>186,489</u>	<u>(186,489)</u>	<u>-</u>
Total revenues, gains and other support	5,348,551	40,420	5,388,971	2,062,374	22,239	2,084,613
Program expenses						
Grants	<u>1,758,268</u>	<u>-</u>	<u>1,758,268</u>	<u>2,076,213</u>	<u>-</u>	<u>2,076,213</u>
Total program expenses	<u>1,758,268</u>	<u>-</u>	<u>1,758,268</u>	<u>2,076,213</u>	<u>-</u>	<u>2,076,213</u>
Administrative expenses						
Investment fees	132,204	-	132,204	122,215	-	122,215
Administration	<u>213,143</u>	<u>-</u>	<u>213,143</u>	<u>207,052</u>	<u>-</u>	<u>207,052</u>
Total administrative expenses	<u>345,347</u>	<u>-</u>	<u>345,347</u>	<u>329,267</u>	<u>-</u>	<u>329,267</u>
Change in net assets	3,244,936	40,420	3,285,356	(343,106)	22,239	(320,867)
Net assets, beginning of year	<u>26,789,408</u>	<u>422,782</u>	<u>27,212,190</u>	<u>27,132,514</u>	<u>400,543</u>	<u>27,533,057</u>
Net assets, end of year	<u>\$ 30,034,344</u>	<u>\$ 463,202</u>	<u>\$ 30,497,546</u>	<u>\$ 26,789,408</u>	<u>\$ 422,782</u>	<u>\$ 27,212,190</u>

The accompanying notes are an integral part of these statements.

LINCOLN HEALTH FOUNDATION, INC.

Ruston, Louisiana

Statements of Cash Flows -**Modified Cash Basis**

For the Years Ended September 30, 2021 and 2020

	2021	2020
	(Audited)	(Reviewed)
Cash flows from operating activities		
Cash used to pay for program grants	\$ (1,566,378)	\$ (1,886,889)
Cash used to pay administrative expenses	(213,144)	(207,052)
Net cash provided (used) by operating activities	(1,779,522)	(2,093,941)
Cash flows from investing activities		
Withdrawal from unrestricted investments	1,810,000	1,975,000
Net cash provided (used) by investing activities	1,810,000	1,975,000
Net increase in cash and cash equivalents	30,478	(118,941)
Cash and cash equivalents at beginning of the year	482,641	601,582
Cash and cash equivalents at end of the year	<u>\$ 513,119</u>	<u>\$ 482,641</u>
Shown on the accompanying statements of assets, liabilities and net assets-modified cash basis		
Cash and cash equivalents	\$ 508,885	\$ 478,419
Restricted assets-cash	4,234	4,222
Total	<u>\$ 513,119</u>	<u>\$ 482,641</u>

The accompanying notes are an integral part of these statements.

LINCOLN HEALTH FOUNDATION, INC

Ruston, Louisiana

Notes to the Financial Statements

For the Years Ended September 30, 2021 and 2020

Introduction

On July 30, 1996, the Lincoln Health Foundation, Inc. (the “Foundation”), a Louisiana nonprofit corporation, was organized exclusively to support and benefit Lincoln Health System, Inc. d.b.a. Lincoln General Hospital (the “System”) in Ruston, Louisiana. The System is 69% owned by the Foundation and 31% owned by St. Francis Medical Center and Willis-Knighton Medical Center, which are tax-exempt organizations.

On March 31, 2007, the System entered into a purchase agreement with Community Health Systems, Inc. (“Purchaser”) to sell the hospital operations and various other assets for approximately \$36,000,000, less adjustments per the agreement. After the sale of hospital operations, the System’s main purpose has become to manage the remaining investments until the System’s remaining assets can be liquidated to the remaining owners and to help support healthcare services in the local community. In accordance with the purchase agreement, the Purchaser deposited a portion of the purchase price (\$18,000,000) into an interest-bearing escrow account for three years to pay any unforeseen liabilities of the System. In March 2009, the Foundation received the first distribution from the sale of \$9,666,466, which consisted of \$350,900 in cash and \$9,315,566 in investments. In April 2010, the Foundation received a cash distribution of \$12,600,000 from the escrow account. The Foundation received a distribution of \$715,293 in February 2011. Of this amount, \$602,008 reduced the investment in the System to \$0 and \$113,285 was recognized as revenue. The Foundation received a payment in September 2021 of \$489,452. As the timing and amount of any possible future payments is unknown, no investment has been recorded by the Foundation.

The purpose of the Foundation is to use the sale proceeds and liquidating distributions to improve healthcare and quality of life for residents of Lincoln Parish in Louisiana.

Note 1 - Summary of Significant Accounting Policies

A. Basis of Accounting

The Foundation’s financial statements are presented on the modified cash basis of accounting which is a comprehensive basis of accounting other than US Generally Accepted Accounting Principles (GAAP). Accordingly, these statements reflect revenues when received rather than when earned and expenses are recognized when paid rather than when incurred with the exception of investments which are recorded at fair market value resulting in unrealized gains and losses.

The Foundation has adopted the provisions of FASB’s Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* which modifies the presentation of net assets on the basic financial statements. In accordance with FASB ASU 2016-14, net assets are presented in two classes – net assets without donor restrictions and net assets with donor restrictions. Presentation in a particular net asset class is based on the existence or absence of donor-imposed restrictions on the use of net assets.

LINCOLN HEALTH FOUNDATION, INC

Ruston, Louisiana

Notes to the Financial Statements

For the Years Ended September 30, 2021 and 2020

Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature. These restrictions will be satisfied by actions of the Foundation or by the passage of time.

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and Board of Directors.

B. Cash and Cash Equivalents

It is the Foundation's policy to define all highly liquid investments with an initial maturity of three months or less as "cash and cash equivalents" with the exception of cash in investment accounts which is classified as "investments".

C. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position using quoted market prices in active markets. Unrealized gains and losses are included in the change in net assets. Gains or losses on the sale of securities are recognized on a specific-identification method.

The Foundation follows GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based on the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. The Foundation has no assets valued using Level 2 or Level 3 inputs.

The Foundation maintains three investment accounts without donor restrictions and one investment account with donor restrictions. 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, and concentration of credit risk by investing in the following instruments in accordance with specific asset allocation parameters:

LINCOLN HEALTH FOUNDATION, INC

Ruston, Louisiana

Notes to the Financial Statements

For the Years Ended September 30, 2021 and 2020

1. **Stocks** - The portfolio is diversified to avoid undue exposure to any single economic sector, industry group or individual security. Common and convertible stock is of good quality and listed either on the New York Stock Exchange or American Stock Exchange or traded in the over-the-counter market. The requirement is such that stocks will have adequate market liquidity relative to the size of the investment. No more than 5% of the investment portfolio is invested in the security of one issuing corporation. No more than 10% of the market value of the investment portfolio is invested in one industry group. Investment in any corporation will not exceed 5% of the outstanding shares of the corporation.
2. **Fixed income investments** - The portfolio maintains an average credit quality of A or better. Individual corporate bonds at the time of purchase must be of investment grade quality or better. No limit is placed on investments in U.S. government guaranteed obligations. Any investment in any one issue excluding U.S. government guaranteed obligations should not exceed 5% of the total fixed income portfolio.
3. **Short-term investments** –
 - a. **Commercial paper** - quality must not be less than A-1 as rated by Standard & Poor's. Investment in any one issue does not exceed 5% of the investment portfolio of the Foundation.
 - b. **Certificates of deposit** – must be fully insured by the Federal Deposit Insurance Corporation or must be collateralized by qualifying investment securities. The underlying collateral of collateralized certificates of deposit is subject to the 5% limitation.

D. Property and Equipment

The Foundation capitalizes the cost of property and equipment in excess of \$1,500 with a useful life of more than one year. Improvements are capitalized when they extend an asset's useful life or increase its value. Otherwise, they are charged to operations. Donations of property and equipment are recorded at their fair value at the date of the donation. The Foundation uses the straight-line method of depreciation with estimated useful lives of five to ten years for furniture, fixtures and equipment. The Foundation sold all of its assets and any required assets are provided in conjunction with the lease in Note 4.

E. Grants Payable

The Foundation awards grants annually to entities that promote the health and enhance the quality of life of all residents within Lincoln Parish, Louisiana based on an application process. When payments toward the grants are approved by the Board, they are disbursed according to the terms of the grant

LINCOLN HEALTH FOUNDATION, INC

Ruston, Louisiana

Notes to the Financial Statements

For the Years Ended September 30, 2021 and 2020

agreement at a certain point in the future. These payments often are made within the same fiscal month as the approval; however, depending on the size of the grant, payments are also made to grantees in installments based upon an agreed upon schedule between the Foundation and the grantee. All grant payments are made within twelve months of being approved by the Board.

F. Net Assets

The Foundation used to report information regarding its net asset position on the modified cash basis according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions. But after the adoption of ASU 2016-14, the Foundation reports information regarding its net asset position on the modified cash basis according to two classes of net assets: net assets without donor restriction and net assets with donor restriction, based upon the existence or absence of donor-imposed restrictions.

G. Contributions

The Foundation records contributions and grants when received. All contributions are considered to be available for unrestricted use unless specifically restricted by a donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as released from restrictions. The Foundation's policy is to first apply restricted resources when an expense is incurred for which both net assets with donor restrictions and net assets without donor restrictions are available.

H. Functional Expenses

The cost of providing various services and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Expenses that can be identified with a specific program service are allocated directly according to their natural expenditure classification.

I. Advertising Costs

Advertising costs are expensed when paid. Such costs amounted to \$4,610 and \$6,367 for the fiscal years ended September 30, 2021 and 2020,

LINCOLN HEALTH FOUNDATION, INC

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Notes to the Financial Statements

For the Years Ended September 30, 2021 and 2020

respectively, and are included in administration expenses.

J. Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). However, since the Foundation is a private foundation, a form 990 is filed annually and the Foundation pays an excise tax based on net investment income. The Foundation is also required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it is a tax-exempt entity. The Foundation must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect its positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records. Excise taxes in the amounts of \$0 and \$277 were paid for the years ended September 30, 2021 and 2020, respectively. The Foundation's federal form 990 for the tax years ending September 30, 2018 and after remain subject to examination by the Internal Revenue Service.

K. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect financial statement amounts and disclosures. Actual results could differ from those estimates.

Reclassifications have been made to the prior year financial statements to make them comparable to the current year presentation.

L. Subsequent Events

Management has evaluated subsequent events through February 7, 2022, the date which the financial statements were available to be issued and determined that there were no events occurred subsequent to the reporting period that are required to be disclosed.

LINCOLN HEALTH FOUNDATION, INC

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Notes to the Financial Statements

For the Years Ended September 30, 2021 and 2020

Note 2 – Investments

Investments are reported in the financial statements at Level 1 fair market value.

For the Year Ended September 30, 2021	Market	Cost	Unrealized Market Gain (Loss)
Money Market/Cash	\$ 702,736	\$ 702,736	\$ -
Domestic Equity	18,490,114	10,034,056	8,456,058
Domestic Fixed Income	10,083,334	9,746,116	337,218
Alternative Investments	255,360	200,229	55,131
Miscellaneous Assets	452,882	485,387	(32,504)
Total	\$ 29,984,427	\$ 21,168,524	\$ 8,815,902
Restricted assets-investments	\$ 458,966		
Investments	29,525,461		
Total	\$ 29,984,427		
For the Year Ended September 30, 2020	Market	Cost	Unrealized Market Gain (Loss)
Money Market/Cash	\$ 995,866	\$ 995,866	\$ -
Domestic Equity	14,666,802	9,568,806	5,097,995
Domestic Fixed Income	10,369,480	9,819,598	549,882
Alternative Investments	197,400	201,900	(4,500)
Miscellaneous Assets	500,000	500,000	-
Total	\$ 26,729,548	\$ 21,086,171	\$ 5,643,377
Restricted assets-investments	\$ 418,558		
Investments	26,310,990		
Total	\$ 26,729,548		

Note 3- With Donor Restriction Funds

As of September 30, 2021, and 2020, net assets with donor restrictions consisted of \$4,234 and \$4,222, respectively, of funds received for the treatment of indigent patients and \$458,966 and \$418,558, respectively, for scholarships.

Note 4 - Contracts and Leases

The Foundation contracts out all management services. The Board has currently approved the renewal of the service contract for two years through September 30, 2023. The contracted services totaled \$99,329 for both years ending September 30, 2021, and 2020. The Foundation also leases office space as part of the service contract. For each of the fiscal years ended September 30, 2021, and 2020, office space rental expense amounted to \$14,400. Beginning with the year ended September 30, 2015, the Foundation added fixed monthly costs to the management contract for copies, telephone and communications and computer and software.

LINCOLN HEALTH FOUNDATION, INC

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Notes to the Financial Statements

For the Years Ended September 30, 2021 and 2020

These totaled \$7,943 and \$7,877 for the years ended September 30, 2021 and 2020.

Note 5 – Litigation

A suit was filed by Ruston Louisiana Hospital Company, LLC against Lincoln Health Foundation on July 6, 2018, concerning Medicare cost reimbursements. On December 30, 2019, the District Court made a judgement ruling that the Foundation had no liability to the Plaintiff, but the Plaintiff filed an appeal with the District Court's ruling to the United States Court of Appeals for the Fifth Circuit. The Appellate Court issued a ruling against Ruston Louisiana Hospital Company, LLC in their lawsuit against the Foundation at the week of November 2, 2020. The lawsuit is officially complete. Lincoln Health Foundation has recorded no liability nor incurred any legal fees related to the suit.

Note 6 - Concentrations

The Foundation maintains its cash balances in financial institutions in the United States. The cash balances (excluding those held with investments) are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Foundation exceeds the federally insured limits. The risk is mitigated by maintaining deposits in only well capitalized financial institutions. The Foundation's cash balances were underinsured at September 30, 2021 by \$258,885.

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. The Foundation's grant participants were impacted by the pandemic causing the Foundation to reevaluate the grant agreement with affected awardees. Two years later, the virus continues to mutate and spread in a variety of forms. At this point of time, it is difficult to anticipate the duration and severity of this pandemic. Management has evaluated the effects of the outbreak and ensuing economic repercussions on the Foundation and has not identified a need for an adjustment as of the date of this report.

Note 7 - Related Party Transactions

The Foundation contracts services to include the duties of the Chief Executive Officer from a company that is an outsourced financial and service provider for one of the Foundation's grantees. For the years ended September 30, 2021 and 2020, the Foundation awarded \$771,169 and \$700,000, respectively, in grant monies and line of credit to this grantee.

LINCOLN HEALTH FOUNDATION, INC.
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Schedule of Functional Expense
Modified Cash Basis
For the Years Ended September 30, 2021 and 2020

	2021			2020		
	(Audited)			(Reviewed)		
	Grant	Management &	Total	Grant	Management &	Total
	Program	General		Program	General	
Bank Fees	\$ -	\$ 30	\$ 30	\$ -	\$ 60	\$ 60
Equipment	-	2,000	2,000	-	2,000	2,000
General & Administrative	-	12,883	12,883	-	14,351	14,351
Grants	1,758,268	-	1,758,268	2,076,213	-	2,076,213
Insurance	-	12,037	12,037	-	11,186	11,186
Investment Fees	-	132,204	132,204	-	122,215	122,215
Medical	-	48,000	48,000	-	36,000	36,000
Other Purchased Services	-	-	-	-	277	277
Professional Fees	-	123,793	123,793	-	128,779	128,779
Rent	-	14,400	14,400	-	14,400	14,400
Total	\$ 1,758,268	\$ 345,347	\$ 2,103,615	\$ 2,076,213	\$ 329,267	\$ 2,405,480