

**WEST CENTRAL ALABAMA**  
**AHEC**  
**BUILDING BLOCKS TO HEALTHIER COMMUNITIES**

FINANCIAL REPORT

For the Fiscal Year Ended August 31, 2023

**WEST CENTRAL ALABAMA AHEC**

**FINANCIAL REPORT**

For the Fiscal Year Ended August 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
West Central Alabama AHEC  
Demopolis, Alabama

Report on the Financial Statements

### **Opinion**

We have audited the accompanying financial statements of West Central Alabama AHEC (a nonprofit organization), which comprise the statement of financial position as of August 31, 2023, and related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of West Central Alabama AHEC as of August 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Central Alabama AHEC and 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 Management's for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

## **Auditor's 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 opinion. 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 will always detect 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 judgement 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 risks of material misstatement of the financial statements, 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 amounts and disclosures 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 West Central Alabama AHEC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of 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 West Central Alabama AHEC'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 matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

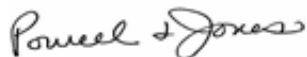
### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024, on our consideration of West Central Alabama AHEC'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 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 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 West Central Alabama AHEC's internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

We have previously audited West Central Alabama AHEC's 2022 financial statements, and our report dated April 20, 2023, expressed an unmodified opinion on those audited financial statements.

In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Powell and Jones CPA  
Lake City, Florida  
April 15, 2024

## **BASIC FINANCIAL STATEMENTS**

**WEST CENTRAL ALABAMA AHEC**  
**STATEMENT OF FINANCIAL POSITION**  
August 31, 2023

(With Summarized Information for August 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 810,322	\$ 456,221
Grant funds receivable	100,292	83,340
Prepays and other assets	3,858	-
Total current assets	914,472	539,561
Total assets	\$ 914,472	\$ 539,561
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable	\$ 110,158	\$ 13,418
Accrued salaries	12,152	9,771
Accrued compensated absences	8,074	31,340
Total liabilities	130,384	54,529
Net assets		
Without donor restrictions	784,088	485,032
Total net assets	784,088	485,032
Total liabilities and net assets	\$ 914,472	\$ 539,561

See notes to financial statements.

**WEST CENTRAL ALABAMA AHEC**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended  
August 31, 2023

(With Summarized Information for the Fiscal Year Ended August 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Support		
Federal grants		
Area Health Education Center	\$ 130,722	\$ 114,760
Other federal grants	1,350,763	581,775
State grant	101,507	99,421
Other grants and contracts	302,420	360,012
Total support	1,885,412	1,155,968
Revenue		
Center income	124,750	23,917
In-kind contributions	24,420	24,420
Interest income	64	-
	149,234	48,337
Total support and revenue	2,034,646	1,204,305
<b>FUNCTIONAL EXPENSES</b>		
Program services		
Healthcare education		
Personnel services	471,178	387,173
Operating expenses	1,239,992	504,774
Total program services	1,711,170	891,947
Supporting services, management and general:		
Operating expenses	24,420	26,068
Total supporting services	24,420	26,068
Total expenses	1,735,590	918,015
Increase in net assets without donor restrictions	299,056	286,290
Net assets without donor restrictions, beginning of year	485,032	198,742
Net assets without donor restrictions, end of year	\$ 784,088	\$ 485,032

See notes to financial statements.



**WEST CENTRAL ALABAMA AHEC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Fiscal Year Ended  
August 31, 2023

(With Summarized Information for Fiscal Year Ended August 31, 2022)

	Program Services	Total	Supporting	Totals	
	AHEC	Program Services	Services Management & General	2023	2022
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 364,469	\$ 364,469	\$ -	\$ 364,469	\$ 293,499
Payroll taxes and benefits	106,709	106,709	-	106,709	93,674
	<u>471,178</u>	<u>471,178</u>	<u>-</u>	<u>471,178</u>	<u>387,173</u>
<b>OPERATING EXPENSES</b>					
Consultants	23,783	23,783	-	23,783	41,243
Contractual services	1,012,395	1,012,395	-	1,012,395	332,451
Insurance	-	-	-	-	694
Rent	-	-	24,420	24,420	24,420
Dues and subscriptions	-	-	-	-	687
Supplies	42,337	42,337	-	42,337	71,147
Travel, in-state	39,543	39,543	-	39,543	14,949
Participant support and travel	31,973	31,973	-	31,973	42,967
Facility rentals	-	-	-	-	200
Other program expenses	89,961	89,961	-	89,961	2,084
	<u>1,239,992</u>	<u>1,239,992</u>	<u>24,420</u>	<u>1,264,412</u>	<u>530,842</u>
Total expenses	<u>\$ 1,711,170</u>	<u>\$ 1,711,170</u>	<u>\$ 24,420</u>	<u>\$ 1,735,590</u>	<u>\$ 918,015</u>

See notes to financial statements.

**WEST CENTRAL ALABAMA AHEC**  
**STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended  
August 31, 2023

(With Summarized Information for Fiscal Year Ended August 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Cash received from government grants and contracts	\$1,892,946	\$ 1,085,393
Cash received from center activities	124,750	23,917
Cash paid for employee services	(492,066)	(372,128)
Cash paid to contractors and vendors	(1,171,529)	(493,004)
Net cash provided by operating activities	354,101	244,178
Net increase in cash	354,101	244,178
Cash, beginning of year	456,221	212,043
Cash, end of year	\$ 810,322	\$ 456,221
<b>Reconciliation of change in net assets to net cash provided by operating activities</b>		
Change in net assets	\$ 299,056	\$ 286,290
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in grants receivable	(16,950)	(70,575)
(Increase) decrease in prepaid expenses	(3,860)	-
Increase (decrease) in accounts payable	96,740	13,418
Increase (decrease) in accrued salaries and compensated absences	(20,885)	15,045
Total adjustments	55,045	(42,112)
Net cash provided by operating activities	\$ 354,101	\$ 244,178

See notes to financial statements.

**WEST CENTRAL ALABAMA AHEC**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Year Ended August 31, 2022

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Purpose**

The West Central Alabama Area Healthcare Education Center, (the Organization) is a nonprofit corporation organized on June 19, 2013, for the purpose of providing education and training programs for health professionals and others in the West Central Alabama catchment area, consisting of thirteen contiguous counties. The Organization is committed to expanding the healthcare workforce, by encouraging diversity and equal distribution of healthcare providers, especially in underserved communities. Under the guidance of the Alabama Statewide AHEC Program, and the Board of Directors, the Organization's mission is to reduce health disparities in underserved Alabama communities within the thirteen-county service area that includes: Bib, Choctaw, Dallas, Fayette, Greene, Hale, Lamar, Marengo, Perry, Pickens, Sumter, Tuscaloosa and Wilcox counties. The Organization is primarily funded by a subaward agreement with the University of Alabama at Birmingham, which is the prime recipient of U.S. Public Health Service program funds as well as other federal and state grants and contracts. The Organization is governed by a voluntary board of directors selected from the thirteen-county area.

**B. Basis of Accounting**

The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting for financial reporting, which recognizes revenues when earned and expenses as incurred. Federal, state and local government, and other public grants are recorded as support when performance occurs under the terms of the grant agreement.

The financial statements are presented in accordance with Financial Accounting Standards Boards (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for Profit Organizations" (the Guide). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

**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 primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

C. Fixed Assets and Depreciation

The Organization follows the practice of capitalizing all expenditures in excess of \$1,000 at cost, or if donated, at fair market value at date of acquisition. Proceeds from the sale of properties, if unrestricted, are transferred to operating net asset balances, or if restricted, to amounts restricted for property acquisitions. As applicable year to year, the Organization utilizes straight line depreciation with useful lives ranging from 3 to 7 years. The Organization had no qualifying fixed assets at year end.

D. Revenue Recognition

The Organization's primary revenue is derived from subgrant contracts with the University of Alabama at Birmingham. These and other revenues are recorded on the accrual basis of accounting. There is no valuation allowance required since all amounts are considered collectible.

E. Estimates

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

F. Cash Equivalents

For the Statement of Cash Flows, cash equivalents, if any, consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

G. Deferred Revenues

As applicable year to year, the Organization records deferred revenue on its balance sheet. Deferred revenues arise when resources are received by the Organization before it has fully earned them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, or when the Organization has fully earned the revenues, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

H. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

- Cash, Accounts Receivable and Accounts Payable – Carrying amount approximates fair value due to the short maturity of these financial instruments.

At August 31, 2023, the Organization had no assets or liabilities subject to disclosure of fair value measurements per FASB Statement No. 157.

I. Advertising Costs

The Organization's general policy is to expense advertising costs as incurred. There were no advertising costs for the fiscal year ending August 31, 2023.

**NOTE 2. FIXED ASSETS AND DEPRECIATION**

Depreciation of furniture and fixtures, and machinery and equipment, and vehicles is provided over the estimated useful lives of the respective assets on a straight-line basis. In accordance with Board policy, assets costing less than \$1,000 are generally fully expensed in their respective year of acquisition. (The Organization's fixed assets at August 31, 2023 consisted only of items less than \$1,000.

**NOTE 3. LEASES**

The West Central Alabama AHEC has one in-kind lease for office space. The Organization reports in-kind leases as revenue and the total lease revenue for the year ending August 31, 2023, of \$24,420. This lease was not subject to the provisions of FASB ASC 842.

**Note 4. ACCRUED COMPENSATED ABSENCES**

Employees are compensated for their unused personal leave upon termination. The Organization had a liability of \$8,074 for accrued compensated absences at August 31, 2023.

**Note 5. CASH**

Cash includes amounts in two demand deposit accounts. Cash in these accounts were fully secured by federal depository insurance in accordance with provisions of this program.

**NOTE 6. PENSION PLAN**

The Organization's employees are paid under a staff leasing arrangement with a staff leasing Company. The Company provides various benefits to the staff under the leasing arrangement, including a retirement plan. The Organization reimburses the Company for employee salaries and benefits.

**NOTE 7. INCOME TAXES**

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3), as a nonprofit corporation. As required by Internal Revenue Service's regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. The returns for 2022, 2021 and 2020 are currently subject to review and adjustment by the Internal Revenue Service.

**NOTE 8. CONTINGENCIES**

There is a contingent liability due to the fact that all possible applicable regulatory audits have not been completed for the fiscal year ended August 31, 2023. Under provisions of the funding agreements, any eventual expenditures determined to be not in compliance with grant regulations would be subject to repayment by the Organization. The Organization's administration believes that all expenditures were significantly in compliance with appropriate grant regulations.

**NOTE 9. EXPENSES BY FUNCTION**

Expenses by function have been allocated among program and supporting services classifications on the basis of time records and on estimates made by the Organization's management as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Staff training, dues, subscriptions, insurance, travel, communications postage, printing, and supplies	Charged directly to the benefitting program or allocated by relative total program expense
Professional services (consultants, accounting, legal)	Charged directly to the benefitting program or allocated by relative total program expense
Facilities costs and rent	Allocation based upon relative total usable square footage

**NOTE 10. CONCENTRATION OF REVENUE SOURCES**

Approximately 6% of the Organization's revenues are derived from one Federal grant contract which must be periodically renewed.

**NOTE 11. RECEIVABLES**

Receivables at year end consisted of \$88,659 in funds due under Federal and state grants and other contracts. Management considers these funds to be fully collectible based upon historical information.

**NOTE 12. INVENTORIES**

It has consistently been the policy of the Organization to record acquisition of goods and supplies as expenditures at the time of purchase. The amount of such inventory on hand at any one time would be a nominal amount and considered to be immaterial.

**NOTE 13. DONATED SERVICES**

The Organization received a significant amount of donated services from unpaid volunteers who serve as officers and board members and assist in special programs. No amounts have been recognized in the statement of activities because the criteria for recognition under Financial Accounting Standards Board Codification ASC 958 "Not-for-Profit Entities" have not been satisfied.

**NOTE 14. SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 15, 2024, the date the financial statements were available to be issued.

**NOTE 15. RISK MANAGEMENT**

The Organization is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Organization carries insurance. Insurance against loss is provided through various commercial insurers for the following types of risk:

- Workers' Compensation and Employer's Liability
- General Liability
- Directors' and Officers' Liability

The Organization's coverage for Workers' Compensation is under a retrospectively rated policy provided by the staff leasing Company. Premiums are accrued based on the ultimate cost-to-date of the Company's experiences for this type of risk.

**NOTE 16. COMPARATIVE DATA**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2022.

**NOTE 17. LIQUIDITY AND AVAILABILITY**

Financial assets available within one year of the statement of financial position date of August 31, 2023, for general expenditures are as follows:

Cash	\$ 810,322
Grant funds receivable	<u>100,292</u>
Total financial assets available	<u>\$ 910,614</u>

The Organization manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Quarterly reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

**SUPPLEMENTARY INFORMATION**  
**SINGLE AUDIT**



**WEST CENTRAL ALABAMA AHEC**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Fiscal Year Ended August 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	ALN	Grantor Number/FAIN	Program Award Amount	Prior Year Expenditures	Current Year Revenues	Current Year Expenditures
<b>FEDERAL AWARDS</b>						
Nonmajor programs						
Department of Health and Human						
Services- Area Health Education Centers Point						
of Services Maintenance and Enhancement Awards						
Passed through University of						
Alabama at Birmingham						
Federal AHEC Grant	93.107	000536062-SC001	\$ 550,000	\$ -	\$ 115,675	\$ 115,675
Enrichment Program Grant	93.837	000528670-SC001	51,814	36,767	15,047	15,047
Health Resources and Services Administration						
HRSA RHND Grant	93.912	1 D06RH49197-01-00	300,000	-	73,043	73,043
Rural Communities Opioid Response-						
Implementation	93.912	GA1RH39617	1,000,000	251,073	409,995	409,685
	93.912	GA1RH42943	1,000,000	253,317	318,746	318,746
	93.912	GA1RH45992	1,000,000	-	243,146	243,146
Delta Regional Authority						
Delta Workforce Program	93.912	DRA23DWPAL-23119	450,000	-	11,633	11,633
Community Project Funding/Congressionally						
Directed Spending	93.493	GE14624	300,000	9,008	294,200	294,200
<b>Total federal awards</b>			<u>\$4,651,814</u>	<u>\$ 550,165</u>	<u>\$ 1,481,485</u>	<u>\$ 1,481,175</u>
<b>STATE FINANCIAL ASSISTANCE</b>						
State Appropriation Act 2021-302	N/A	2022-342	\$ 101,507	-	\$ 101,507	\$ 101,507
<b>Total state financial assistance</b>			<u>101,507</u>	<u>-</u>	<u>101,507</u>	<u>101,507</u>
<b>Total federal awards and state financial assistance</b>			<u>\$4,753,321</u>	<u>\$ 550,165</u>	<u>\$ 1,582,992</u>	<u>\$ 1,582,682</u>

See Notes to Schedule of Federal Awards and State Financial Assistance.

**WEST CENTRAL ALABAMA AHEC**  
**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended August 31, 2023**

**NOTE 1.**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal Awards and State Financial Assistance activity of West Central Alabama AHEC (the Organization) for the year ended August 31, 2023, in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

**A. Reporting Entity**

The reporting entity consists of West Central Alabama AHEC. The Organization includes a Schedule of Expenditures of Federal Awards and State Financial Assistance for the purpose of additional analysis.

**B. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus.

The accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the accrual basis, revenues are recognized when they become earned. Expenses generally are recorded when a liability is incurred.

**C. Subrecipients**

The Organization had no subrecipients during the fiscal year.

**D. Indirect Cost Rate**

The Organization used the 10 percent de minimis indirect cost rate on ALN numbers 93.912. For the remainder of the grants, they used a rate less than the de minimis rate as specified in the grant agreements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB *UNIFORM GUIDANCE***

To The Board of Directors of  
West Central Alabama AHEC  
Demopolis, Alabama

Report on Compliance for each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited West Central Alabama AHEC's (the Organization) compliance with the types of compliance requirements identified as subject to an audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended August 31, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Organization, and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Organization's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

*Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Organization's compliance based on our audit.

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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- a. Exercise professional judgment and maintain professional skepticism throughout the audit
- b. Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- c. Obtain an understanding of Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Organization's compliance.

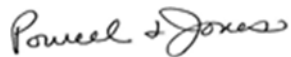
#### *Report on Internal Control Over Compliance*

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit report was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

Powell and Jones CPA  
Lake City, Florida  
April 15, 2024

**OTHER REPORTS AND LETTERS**

**INDEPENDENT AUDITOR'S 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 of  
West Central Alabama AHEC  
Demopolis, Alabama

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 West Central Alabama AHEC, (the Organization) a non-profit organization, which comprise the statement of financial position as of August 31, 2023 and the statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 15, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 by those charged with governance.

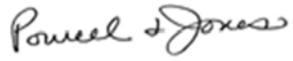
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control which is presented in the Schedule of Findings and Questioned Costs.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

Powell and Jones CPA  
Lake City, Florida  
April 15, 2024



## MANAGEMENT LETTER

To the Board of Directors of  
West Central Alabama AHEC  
Demopolis, Alabama

In planning and performing our audit of the financial statements of West Central Alabama AHEC for the fiscal year ended August 31, 2023, we considered the Organization's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

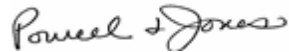
However, during our audit, we noted certain matters involving the internal control structure, and other operational matters that are presented for your consideration. This letter does not affect our report dated April 15, 2024, on the financial statements of West Central Alabama AHEC.

### CURRENT YEAR FINDINGS

There are no findings in the current year applicable to the management letter.

### CONCLUSION

We have reviewed our findings with the Executive Director and have provided her with documentation as requested. We very much enjoyed the challenges and experiences associated with our audit of the Organization. We appreciate the helpful assistance and courtesy afforded us by all employees and look forward to working with you in the future.



Powell and Jones CPA  
Lake City, Florida  
April 15, 2024

## Communication with Those Charged with Governance

To the Board of Directors  
West Central Alabama AHEC  
Demopolis, Alabama

We have audited the financial statements of West Central Alabama AHEC for the year ended August 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by West Central Alabama AHEC are described Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. **All significant transactions have been recognized in the financial statements in the proper period.**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. **There are no sensitive estimates affecting West Central Alabama AHEC's financial statements.**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. **There are no sensitive disclosures affecting the financial statements.**

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. **There were no such misstatements identified during our audit.**

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. **We are pleased to report that no such disagreements arose during the course of our audit.**

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 15, 2024.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

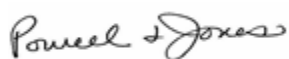
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Information in Documents Containing Audited Financial Statements**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of West Central Alabama AHEC and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Powell and Jones CPA  
Lake City, Florida  
April 15, 2024

**West Central Alabama AHEC  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended August 31, 2023**

**Section 1. Summary of Auditor's Results**

Financial statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified No

Significant deficiencies identified that are not  
considered to be material weaknesses Yes

Noncompliance material to financial  
statements noted No

Federal Awards

Internal control over major programs:

Material weakness identified No

Significant deficiencies identified that are not  
considered to be material weaknesses None reported

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with Section  
200.518(b) of the *Uniform Guidance* No

Identification of major programs:

ALN

Name of Program or Cluster

93.912

Rural Communities  
Opioid Response  
Implementation

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee Yes

## **FINANCIAL STATEMENT FINDINGS**

### **Current year findings**

There were no new findings in the current year.

### **Prior Year Findings**

#### *Significant Deficiencies:*

**2022-01 Financial Statement Preparation** - Due to the small size of the Organization and multiple duties of its personnel, management responsible for accounting and reporting lack the necessary skills to apply GAAP in preparation of financial statements. Management requires assistance in preparing financial statement disclosures required under GAAP.

Current Status - This finding is still present during the current year.

## **FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

### **Current year findings**

There were no findings in the current year.



Powell & Jones CPAs  
1359 SW Main Blvd.  
Lake City, FL 32025

### Management Response

We agree with this finding. We are a very small Organization and have used our available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. We likewise have confidence in our audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Board of Directors reviews the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. The report is formally presented by the auditor at a scheduled meeting of the Board of Directors.

At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.

Signature:           *Rosie London*            
Title:           04/15/2024