

CMAP EXPRESS

ALEXANDRIA, LOUISIANA

DECEMBER 31, 2017 AND 2016

CMAP EXPRESS

ALEXANDRIA, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

May 29, 2018

The Board of Trustees
CMAP Express
Alexandria, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of CMAP Express, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years 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 accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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.

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www.hmvcpa.com WEB ADDRESS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CMAP Express as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 10 and 11 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 auditing procedures applied in 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 information 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 May 29, 2018 on our consideration of CMAP Express'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 solely 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 the effectiveness of 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 CMAP Express's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CMAP EXPRESS

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

<u>A S S E T S</u>	<u>2017</u>	<u>2016</u>
<u>Assets:</u>		
Cash and cash equivalents	402,668	117,140
Grants receivable	13,250	-
Accounts receivable	50,458	56,921
Prepaid expenses	9,699	11,263
Property and equipment, net	<u>4,910</u>	<u>7,875</u>
Total assets	<u>480,985</u>	<u>193,199</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Accounts payable	10,091	14,902
Due to The Rapides Foundation	<u>70</u>	<u>2,369</u>
Total liabilities	10,161	17,271
 <u>Net assets:</u>		
Unrestricted	49,450	(88,031)
Temporarily restricted	<u>421,374</u>	<u>263,959</u>
Total net assets	<u>470,824</u>	<u>175,928</u>
Total liabilities and net assets	<u>480,985</u>	<u>193,199</u>

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

CMAP EXPRESS

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, gains, and other support:</u>			
Contributions (net of amounts returned to grantor of \$0 and \$6,952)	<u>1,027,403</u>	<u>634,900</u>	<u>1,662,303</u>
Total revenues, gains, and other support	1,027,403	634,900	1,662,303
Net assets released from restrictions	<u>477,485</u>	<u>(477,485)</u>	<u>-</u>
Total revenues, gains, and other support	1,504,888	157,415	1,662,303
<u>Program expenses:</u>			
Direct charitable activities	<u>1,311,423</u>	<u>-</u>	<u>1,311,423</u>
Total program expenses	1,311,423	-	1,311,423
<u>Administrative expenses</u>	<u>55,984</u>	<u>-</u>	<u>55,984</u>
<u>Change in net assets</u>	137,481	157,415	294,896
<u>Net assets, beginning of year</u>	<u>(88,031)</u>	<u>263,959</u>	<u>175,928</u>
<u>Net assets, end of year</u>	<u>49,450</u>	<u>421,374</u>	<u>470,824</u>

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

2016		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>1,140,764</u>	<u>621,348</u>	<u>1,762,112</u>
		1,762,112
<u>481,661</u>	<u>(481,661)</u>	<u>-</u>
1,622,425	139,687	1,762,112
<u>1,589,782</u>	<u>-</u>	<u>1,589,782</u>
1,589,782	-	1,589,782
<u>60,211</u>	<u>-</u>	<u>60,211</u>
(27,568)	139,687	112,119
<u>(60,463)</u>	<u>124,272</u>	<u>63,809</u>
<u>(88,031)</u>	<u>263,959</u>	<u>175,928</u>

CMAP EXPRESS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	294,896	112,119
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,529	6,544
Changes in operating assets and liabilities:		
Grants receivable	(13,250)	-
Accounts receivable	6,463	41,702
Prepaid expenses	1,564	2,176
Accounts payable	(4,811)	8,573
Due to/from The Rapides Foundation	(2,299)	(183,405)
Net cash provided (used) by operating activities	<u>287,092</u>	<u>(12,291)</u>
<u>Cash flows from investing activities:</u>		
Purchases of property and equipment	<u>(1,564)</u>	<u>(4,235)</u>
Net cash (used) by investing activities	<u>(1,564)</u>	<u>(4,235)</u>
<u>Net increase (decrease) in cash and cash equivalents</u>	285,528	(16,526)
<u>Cash and cash equivalents at beginning of the year</u>	<u>117,140</u>	<u>133,666</u>
<u>Cash and cash equivalents at end of the year</u>	<u>402,668</u>	<u>117,140</u>

The accompany notes are an integral part of these financial statements.

CMAP EXPRESS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

1. Nature of Business

On October 4, 2005, CMAP Express (the "Organization"), a Louisiana nonprofit corporation, was organized to carry on charitable and educational programs or activities that support or benefit The Rapides Foundation, a Louisiana nonprofit corporation. The Cenla Medication Access Program ("CMAP") provides chronic care prescription medications for people who cannot afford them. CMAP Express' goal is to ensure appropriate medication access and education, and also promote other preventive health practices among residents with limited incomes. CMAP Express opened a bulk donation central fill pharmacy in order to more effectively manage the process of getting manufacturers' free medication to eligible clients.

2. Summary of Significant Accounting Policies

- a. The financial statements of the Organization are prepared on the accrual basis, under which revenues are recorded when earned, and expenses are recorded when the liability is incurred.

The Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization, and/or by the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes. The Organization had no permanently restricted net assets at December 31, 2017 and 2016.

- b. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions.
- c. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.
- d. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (Continued)

- e. For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.
- f. The Organization is a nonprofit organization and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements, but the Organization is required to file an annual information tax return. The Organization 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 Organization 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 Organization must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Organization 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 Organization's accounting records.

The Organization files U. S. federal Form 990 for informational purposes. The Organization's federal income tax returns for the tax years 2014 and beyond remain subject to examination by the Internal Revenue Service.

- g. Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method. Equipment and furniture are depreciated over an estimated useful life of three to ten years. The Organization capitalizes and depreciates fixed asset acquisitions of \$1,000 or more.
- h. The Rapides Foundation pays employees of CMAP Express then charges CMAP Express accordingly. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.
- i. Recent new accounting pronouncements are discussed in the following paragraphs:

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*," which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. On April 1, 2015, the FASB proposed to defer the effective date by one year until January 1, 2018, but would allow early adoption as of the original January 1, 2017, effective date. The standard permits the use of either the retrospective or cumulative effect transition method. The Organization does not believe that ASU 2014-09 will have a significant effect on its financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-14, "*Presentation of Financial Statements of Not-for-Profit Entities*," with the stated purpose of improving financial reporting by those entities. Among other provisions, this ASU reduces the number of classes of net assets from three to two, requires the presentation of expenses in both natural and functional classifications, and requires additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 15, 2017, and requires the use of the

2. **Summary of Significant Accounting Policies** (Continued)

retrospective transition method. However, an entity has the option to omit the presentation by both the natural and functional classification, as well as the disclosure about liquidity and availability of financial resources, for any comparative periods originally presented before the period of adoption. The Organization is in the process of implementing these changes in its financial statements and disclosures.

3. **Temporarily Restricted Net Assets**

Temporarily restricted net assets consisted of funds received for programs associated with the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Healthy lifestyles	89,584	69,790
Cancer screening	<u>331,790</u>	<u>194,169</u>
Total temporarily restricted net assets	<u>421,374</u>	<u>263,959</u>

4. **Concentration of Credit Risk**

At times throughout the year, the Foundation may maintain certain bank accounts in excess of federally insured limits. The risk is mitigated by maintaining deposits in only well capitalized financial institutions.

5. **Property and Equipment**

A summary of property and equipment follows:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	69,981	68,417
<u>Less-accumulated depreciation</u>	<u>(65,071)</u>	<u>(60,542)</u>
	<u>4,910</u>	<u>7,875</u>

Depreciation expense was \$4,529 and \$6,544 for the years ended December 31, 2017 and 2016, respectively.

6. **Related Party**

The Rapides Foundation is the sole member of CMAP Express and appoints the Board of Trustees. Related party balances with The Rapides Foundation consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Contributions	<u>1,313,400</u>	<u>1,201,348</u>

In addition, CMAP Express provides pharmacy-related services to H. P. Long Urgent Care, which is a division of Rapides Healthcare System, L.L.C. The Rapides Foundation owns 26% of Rapides Healthcare. CMAP recognized approximately \$299,000 and \$523,000 in revenue during 2017 and 2016 from the provision of these services.

Amounts listed as “Due to The Rapides Foundation” consist primarily of payroll and rent. The Rapides Foundation pays employees of CMAP Express then charges CMAP Express accordingly.

7. **Employee Benefit Plan**

The Organization's eligible employees participate in The Rapides Foundation's tax deferred annuity plan (Internal Revenue Code Section 403(b)) that covers all employees working over 1,000 hours per year. Retirement costs are allocated between administrative and program expenses, which are accrued and funded on a current basis. The plan does not provide for any prior service cost. Retirement contributions were \$75,931 and \$75,696 for the years ended December 31, 2017 and 2016.

8. **Contingencies**

CMA Express receives revenues from various third-party payors for grant programs which are subject to final review and approval as to allow ability of expenditures by the respective grantors. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the grantor and CMAP. It is management's opinion that any reviews by the grantor agencies would not produce adjustments to program costs that would materially affect the CMAP's financial position.

9. **Subsequent Events**

In accordance with FASB Accounting Standards Codification Topic 740 "*Subsequent Events*," the Organization evaluated events and transactions that occurred after the balance sheet date but before the financial statements were made available for potential recognition or disclosure in the financial statements. The Organization evaluated such events through May 29, 2018, the date which the financial statements were available to be issued, and noted no subsequent events.

SUPPLEMENTARY INFORMATION

CMAP EXPRESS

SCHEDULES OF ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Relating to unrestricted expenses:</u>		
Occupancy	3,876	3,616
Insurance	107	170
Legal and audit	9,480	9,200
Telephone	414	288
Office supplies and expense	332	17
Depreciation	4,529	6,544
Salaries	28,609	32,219
Retirement benefit	2,861	2,521
Payroll taxes	2,163	2,431
Health insurance	1,413	1,759
HRA reimbursement	1,096	1,283
LTD benefits	113	157
Staff development	925	-
Other expenses	66	6
	<u>55,984</u>	<u>60,211</u>
Total unrestricted expenses		

CMAP EXPRESS

SCHEDULE OF COMPENSATION, BENEFITS, AND

OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head: Wendy Roy

Salary	100,954
Benefits-insurance-health	1,443
Benefits-retirement	10,095
Benefits-life insurance	399
Cell phone	1,440
Travel	607
Conference travel and registration	167

OTHER REPORTS

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CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

May 29, 2018

The Board of Trustees
CMAP Express
Alexandria, Louisiana

**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**

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 CMAP Express, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise CMAP Express' basic financial statements, and have issued our report thereon dated May 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CMAP Express' 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 CMAP Express' internal control. Accordingly, we do not express an opinion of the effectiveness of CMAP Express' 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 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 weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether CMAP Express' 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 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 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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CMAP EXPRESS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

We have audited the financial statements of CMAP Express as of and for the year ended December 31, 2017, and have issued our report thereon dated May 29, 2018. 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 audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

Section I – Summary of Auditor’s Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control – No material weaknesses or significant deficiencies were noted; no management letter was issued.

Compliance – No material noncompliance was noted.

b. Federal Awards – Not applicable.

Section II – Financial Statement Findings

No matters were reported.

CMAP EXPRESS

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2017

There were no findings for the year ended December 31, 2016.