

Calcasieu Community Clinic

FINANCIAL STATEMENTS AND
ACCOUNTANTS' REVIEW REPORT

December 31, 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Calcasieu Community Clinic
Lake Charles, Louisiana

We have reviewed the accompanying financial statements of Calcasieu Community Clinic (a nonprofit organization) (Louisiana Corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information, and, based on our review, we are not aware of any material modifications that should be made to the information for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Summarized Comparative Information

We previously reviewed Calcasieu Community Clinic's 2017 financial statements and in our conclusion dated April 25, 2018, stated that based on our procedures, we were not aware of any material modifications that should be made to the 2017 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2017, for it to be consistent with the reviewed financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Stull & Associates". The signature is written in black ink and is positioned above the typed name and date.

Lake Charles, Louisiana
May 23, 2019

Calcasieu Community Clinic
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 686,300	\$ 727,291
Certificates of deposit	228,400	226,973
Inventory	43,256	77,064
Unconditional promises to give		
United Way Services funding for the next fiscal year	-	12,500
Total Current Assets	<u>957,956</u>	<u>1,043,828</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	36,097	34,372
Accumulated depreciation	<u>(29,953)</u>	<u>(25,731)</u>
Net Property and Equipment	<u>6,144</u>	<u>8,641</u>
TOTAL ASSETS	<u><u>\$ 964,100</u></u>	<u><u>\$ 1,052,469</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued liabilities	\$ 820	\$ 591
Total Current Liabilities	<u>820</u>	<u>591</u>
NET ASSETS		
Without donor restrictions	921,097	1,004,999
With donor restrictions	<u>42,183</u>	<u>46,879</u>
Total Net Assets	<u>963,280</u>	<u>1,051,878</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 964,100</u></u>	<u><u>\$ 1,052,469</u></u>

See accompanying notes and accountants' report

Calcasieu Community Clinic
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Changes in Net Assets Without Donor Restrictions:		
Revenues and gains		
Contributions	\$ 14,872	\$ 14,389
Contributed supplies	66,618	102,751
Contributed use of facility	30,000	30,000
Special events, net of costs of \$21,095 and \$21,054	51,280	51,171
Other	270	424
Interest	<u>3,136</u>	<u>2,447</u>
Total Revenue and Gains Without Donor Restrictions	166,176	201,182
Net assets released from restrictions:		
Satisfaction of program restrictions	11,970	212
Expiration of time restrictions	<u>12,500</u>	<u>30,500</u>
Total Net Assets Released from Restrictions	<u>24,470</u>	<u>30,712</u>
Total Revenue, Gains and Other Support Without Donor Restrictions	190,646	231,894
Expenses		
Program service	249,611	327,677
Management and general	<u>24,937</u>	<u>25,312</u>
Total Expenses	<u>274,548</u>	<u>352,989</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	(83,902)	(121,095)
Changes in Net Assets With Donor Restrictions:		
Contributions	-	5,500
United Way Services	19,774	25,000
Net assets released from restrictions	<u>(24,470)</u>	<u>(30,712)</u>
Increase (Decrease) in Net Assets With Donor Restrictions	<u>(4,696)</u>	<u>(212)</u>
Increase (Decrease) in Net Assets	(88,598)	(121,307)
Net Assets at Beginning of Year	<u>1,051,878</u>	<u>1,173,185</u>
Net Assets at End of Year	<u>\$ 963,280</u>	<u>\$ 1,051,878</u>

See accompanying notes and accountants' report

Calcasieu Community Clinic
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2018 and 2017

	<u>2018</u>			<u>2017</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 77,401	\$ 9,484	\$ 86,885	\$ 74,928	\$ 10,241	\$ 85,169
Payroll taxes	5,924	742	6,666	5,753	786	6,539
Advertising	8,248	-	8,248	1,346	-	1,346
Insurance	3,945	987	4,932	3,879	970	4,849
Meals	4,739	-	4,739	5,007	-	5,007
Medical supplies	4,088	-	4,088	468	-	468
Occupancy	24,008	6,002	30,010	24,128	6,032	30,160
Office expense	5,254	1,314	6,568	6,446	1,612	8,058
Pharmaceuticals	108,568	-	108,568	196,034	-	196,034
Professional fees	541	4,685	5,226	3,361	4,340	7,701
Telephone	3,054	763	3,817	2,394	598	2,992
Travel	-	-	-	20	5	25
Other expenses	463	115	578	1,520	130	1,650
Total expenses before depreciation	246,233	24,092	270,325	325,284	24,714	349,998
Depreciation	3,378	845	4,223	2,393	598	2,991
Total Expenses	<u>\$ 249,611</u>	<u>\$ 24,937</u>	<u>\$ 274,548</u>	<u>\$ 327,677</u>	<u>\$ 25,312</u>	<u>\$ 352,989</u>

See accompanying notes and accountants' report

Calcasieu Community Clinic
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (88,598)	\$ (121,307)
Adjustments to reconcile change in Net Assets		
Depreciation	4,223	2,991
Interest Earned on Certificates of Deposit	(1,464)	(1,426)
Decrease (Increase) in operating assets:		
Accounts Receivable	12,500	-
Inventory	33,808	92,210
Increase (Decrease) in operating liabilities:		
Accrued Liabilities	229	(10)
Total Adjustments	<u>49,296</u>	<u>93,765</u>
Net Cash Provided (Used) by Operating Activities	(39,302)	(27,542)
Cash Flows from Investing Activities		
Purchase of Certificates of Deposit	(228,662)	-
Redemptions of Certificates of Deposit	<u>226,973</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,689)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(40,991)	(27,542)
Cash and Cash Equivalents - Beginning of Year	<u>727,291</u>	<u>754,833</u>
Cash and Cash Equivalents - End of Year	<u>\$ 686,300</u>	<u>\$ 727,291</u>
Non-Cash Investing and Financing Activities		
Donated Equipment	<u>\$ 1,725</u>	<u>\$ -</u>

See accompanying notes and accountants' report

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2018

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Calcasieu Community Clinic (the Clinic) is presented to assist in understanding Calcasieu Community Clinic's financial statements.

Nature of Activities

The Clinic is a nonprofit, community-based program governed by a volunteer board of directors. The Organization is dedicated to providing free ambulatory medical care and pharmaceuticals to underserved and uninsured residents of the Imperial Calcasieu area. The Clinic's support comes primarily from pharmaceutical programs, donations, the United Way, and an annual fundraising event.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

The Clinic considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Income Tax Status

The Corporation is operated exclusively for the charitable services and has qualified for the exemption from federal and state income taxes under Section 501 (c) (3) of the Internal Revenue Code. In addition, the Clinic has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Internal Revenue Code. There is no unrelated business income for the years ended December 31, 2018 and 2017.

Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Use of 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 these estimates.

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2018

Property and Equipment

The Clinic capitalizes all expenditures in excess of \$500 for property and equipment at cost, or if donated, at their estimated fair value on the date of donation. Equipment with an estimated fair value of \$1,725 was donated during the year ended December 31, 2018. Depreciation is provided for in an amount sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line basis. Depreciation expense during the years ended December 31, 2018 and 2017 was \$4,223 and \$2,991, respectively.

Inventory

Inventory consists of pharmaceuticals on hand. Purchased pharmaceuticals are valued at cost, while donated pharmaceuticals are valued at estimated fair value.

Advertising Expense

The Clinic expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2018 and 2017 was \$8,248 and \$1,346, respectively.

Compensated Absences

The Calcasieu Community Clinic will award five to fifteen days of annual leave and up to six days of sick leave per calendar year depending on the length of service with the clinic. Annual leave may not be carried over, but staff may be reimbursed for up to one half of the eligible leave at the end of the year. Sick days may not be carried over from one year to the next.

Cost Allocation

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. This requires the allocation of certain cost between programs and supporting services based on estimates made by management. The expenses that are allocated on the basis of estimates of time and effort include compensation and benefits, insurance, occupancy, professional fees, and other office expenses.

Donated Materials and Services

Volunteers have made contributions of their time to Calcasieu Community Clinic. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

The Clinic receives donations of meals and supplies. Management estimates the value of these donations for the years ended December 31, 2018 and 2017 to be approximately \$3,200 and \$4,200, respectively. These donations are recorded as contributions with a corresponding charge to meals and supplies, as appropriate.

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2018

Donated Materials and Services (continued)

The Clinic receives donations of pharmaceuticals. Management estimates the value of these donations for the years ended December 31, 2018 and 2017 to be approximately \$61,693 and \$98,551, respectively. These donations are recorded as contributions with a corresponding charge to inventory. The donated pharmaceuticals are expensed when dispensed at the medical clinics or disposed due to expiration.

In accordance with a cooperative endeavor agreement between Calcasieu Community Clinic and McNeese State University, the University provides the use of approximately 3,382 square feet of its nursing clinic to Calcasieu Community Clinic. Calcasieu Community Clinic has use of the nursing facility during after class hours. In addition to the nursing facility, the University provides 684 square feet of furnished office space to Calcasieu Community Clinic. The agreement renews annually, but may be cancelled by either party with 90 days' notice. This donation has an estimated value of \$30,000 and recorded as a contribution with the corresponding charge to rent.

NOTE B CERTIFICATES OF DEPOSIT

As of December 31, 2018 the Organization had two certificates of deposit yielding 0.35% to 2.30%. These certificates mature in March 2019 and August 2019. These certificates are held in brokerage accounts and are federally insured. These certificates are reported at the original investment plus accrued interest. The fair value of the certificates of deposit approximates carrying value because of the short-term maturity of the certificates.

NOTE C LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash and cash equivalents	\$686,300
Certificates of deposit maturing within one year	228,400
Amounts due within one year	<u>(820)</u>
Financial assets at year-end	\$913,880
Less those unavailable for general expenditures within one year due to:	
Donor-restricted to program medical costs	(33,184)
Donor-restricted to purchase generic pharmaceuticals	<u>(8,999)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$871,697</u>

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2018

NOTE D PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31, 2018:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/18</u>
Machinery and Equipment	\$29,654	\$1,725	\$ -	\$31,379
Furniture and Fixtures	<u>4,718</u>	<u>-</u>	<u>-</u>	<u>4,718</u>
Total	34,372	1,725	-	36,097
Accumulated Depreciation	<u>(25,731)</u>	<u>(4,222)</u>	<u>-</u>	<u>(29,953)</u>
Net Book Value	<u>\$ 8,641</u>	<u>\$(2,497)</u>	<u>\$ -</u>	<u>\$ 6,144</u>

NOTE E CONCENTRATIONS

The Organization maintains its cash accounts in commercial banks. Accounts at the commercial banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2018, all cash balances were insured.

The Clinic receives a substantial amount of service from volunteer physicians, pharmacists, and nurses in the local area. A significant reduction in this support, if it were to occur, would affect the Organization's programs and activities. The Clinic also receives donated use of the facility in which it operates. If this arrangement were to cease, it would affect the Organization's program and activities.

The Clinic participates in a pharmaceutical assistance program whereby pharmaceutical manufacturers provide free pharmaceuticals to low income working individuals. A significant reduction in this program would affect the Organization's program and activities.

NOTE F PRIOR PERIOD INFORMATION

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 December 31, 2017, from which the summarized information was derived.

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2018

NOTE G SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 23, 2019, the date of which the financial statements were available to be issued.

Calcasieu Community Clinic

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the Year ended December 31, 2018

AGENCY HEAD NAME: Kayla Rigney, EXECUTIVE DIRECTOR

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$57,950
Office reimbursements	<u>185</u>
TOTAL	<u>\$58,135</u>