

**Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana**

Financial Statements

As of and for the Year Ended June 30, 2015

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana

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Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana

We have audited the accompanying financial statements of Northwest Louisiana Interfaith Pharmacy, Inc., (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditors' Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Louisiana Interfaith Pharmacy, Inc., as of June 30, 2015, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information schedule of compensation, benefits, and other payments to agency head shown on page 11 is presented for the purpose of additional analysis and is not a required part of 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 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.



Cook & Morehart
Certified Public Accountants
December 21, 2015

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Financial Position
June 30, 2015

Assets

Current assets:

Cash and cash equivalents	\$ 202,496
Accounts receivable	12,836
Inventory	903,736
Prepaid insurance	11,372
Total current assets	<u>1,130,440</u>

Noncurrent assets:

Cash restricted for equipment and leasehold improvements	9,556
Property and equipment, net	25,263
Total noncurrent assets	<u>34,819</u>

Total Assets	<u><u>\$ 1,165,259</u></u>
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Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 15,331
Accrued expenses	8,133
Total current liabilities	<u>23,464</u>

Net assets:

Unrestricted:	
Operating	1,054,564
Fixed assets	25,263
Temporarily restricted	61,968
Total net assets	<u>1,141,795</u>

Total Liabilities and Net Assets	<u><u>\$ 1,165,259</u></u>
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The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support:			
Government contracts - revenue			
Caddo Parish Commission	\$ 5,603	\$ 5,597	\$ 11,200
Contributions	1,006,217	35,277	1,041,494
Interest income	13		13
Miscellaneous	1,232		1,232
Net assets released from restriction:			
Satisfaction of restrictions	36,968	(36,968)	
Total revenues and other support	<u>1,050,033</u>	<u>3,906</u>	<u>1,053,939</u>
Expenses:			
Support services:			
General and administrative	26,716		26,716
Fundraising	1,208		1,208
Program services:			
Client services	39,743		39,743
Free pharmacy	<u>1,851,910</u>		<u>1,851,910</u>
Total expenses	<u>1,919,577</u>		<u>1,919,577</u>
Change in net assets	(869,544)	3,906	(865,638)
Net assets as of beginning of year	<u>1,949,371</u>	<u>58,062</u>	<u>2,007,433</u>
Net assets as of end of year	<u>\$ 1,079,827</u>	<u>\$ 61,968</u>	<u>\$ 1,141,795</u>

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

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2015

	Support Services			Program Services			Total Expenses
	Administrative and General	Fund Raising	Total	Client Services	Free Pharmacy	Total	
Personnel	\$ 1,979	\$	\$ 1,979	\$ 21,307	\$ 76,675	\$ 97,982	\$ 99,961
Fringe benefits	1,800		1,800	7,411	8,611	16,022	17,822
Professional fees - pharmacist					30,370	30,370	30,370
Accounting and auditing	2,780		2,780				2,780
Repairs and maintenance	581		581		2,325	2,325	2,906
Supplies	143		143	1,784	3,924	5,708	5,851
Pharmaceuticals					1,679,840	1,679,840	1,679,840
Telephone and utilities	729	157	886	7,229	3,100	10,329	11,215
Dues and subscriptions	300	150	450		1,650	1,650	2,100
Insurance	7,446		7,446	915	2,136	3,051	10,497
Printing and reproduction	105	901	1,006	497		497	1,503
Rent	9,557		9,557		38,227	38,227	47,784
Other	224		224	600	765	1,365	1,589
Depreciation	1,072		1,072		4,287	4,287	5,359
Total expenses	<u>\$ 26,716</u>	<u>\$ 1,208</u>	<u>\$ 27,924</u>	<u>\$ 39,743</u>	<u>\$ 1,851,910</u>	<u>\$ 1,891,653</u>	<u>\$ 1,919,577</u>

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

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Cash Flows
For the Year Ended June 30, 2015

Operating Activities:	
Change in net assets	\$ (865,638)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	5,359
(Increase) decrease in operating assets:	
Inventory	887,194
Accounts receivable	(12,836)
Prepaid insurance	(1,934)
Unconditional promises to give	27,874
Increase (decrease) in operating liabilities:	
Accounts payable	13,649
Accrued expenses	2,001
	<hr/>
Net cash provided by operating activities	55,669
	<hr/>
Investing Activities:	
Payments for property and equipment	(12,836)
Use of assets restricted to investment in equipment	2,890
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Net cash (used in) investing activities	(9,946)
	<hr/>
Net increase in cash and cash equivalents	45,723
Cash and cash equivalents as of beginning of year	156,773
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Cash and cash equivalents as of end of year	<u><u>\$ 202,496</u></u>

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

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2015

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Northwest Louisiana Interfaith Pharmacy, Inc., (Interfaith Pharmacy), is a private nonprofit organization incorporated under the laws of the State of Louisiana. Interfaith Pharmacy is governed by a Board of Directors composed of thirteen members.

Northwest Louisiana Interfaith Pharmacy, Inc. provides necessary prescription and non-prescription medicines free of charge to the poor, elderly and others in need.

Interfaith Pharmacy's support comes primarily from private contributions, private foundation grants, and donations of medicines from various medical offices, health institutions, and pharmaceutical companies.

B. Basis of Accounting

The financial statements of Interfaith Pharmacy have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

Interfaith Pharmacy is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. However, income from activities not directly related to Interfaith Pharmacy's tax-exempt purpose is subject to taxation as unrelated business income. Interfaith Pharmacy had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2012, 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Interfaith Pharmacy considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2015
(Continued)

G. Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

H. Compensated Absences – Accrued Leave

Regular full time employees of Interfaith Pharmacy may accrue up to a total of four weeks of annual leave based upon their length of service. Employees are allowed to carry over accrued annual leave to the next year at the discretion of the executive director. Regular full time employees may also accrue seven days a year for sick leave and three days a year for personal days, but accumulated sick leave and personal days are forfeited upon separation of employment.

I. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

J. Donated Services

Donated services are recognized as contributions in accordance with Statements of Financial Accounting Standards if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Interfaith Pharmacy. Included in contributions revenue and program services – personnel in the accompanying financial statements is \$30,689 of donated services from pharmacists, pharmacists technicians, and accounting services.

K. Donated Assets

Donations of medicines are recorded at the estimated fair value at the date of donation. Included in contributions revenue and pharmaceuticals expense in the accompanying financial statements is \$781,010 of donated medicines from various medical offices, health institutions, and pharmaceutical companies.

L. Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long

(Continued)

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2015
(Continued)

those donated assets must be maintained, Interfaith Pharmacy reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Interfaith Pharmacy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

M. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

N. Inventories

Inventories consist of both purchased and donated medicines. Purchased medicines are stated at cost. Donated medicines are stated at the estimated fair value at the date of donation, based upon price lists from a pharmaceutical distributor.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject Interfaith Pharmacy to concentrations of credit risk consist principally of temporary cash investments and accounts receivable.

Accounts receivable at June 30, 2015, consists of an amount due from a grantor to pay for new software.

Interfaith Pharmacy maintains its cash balances at local financial institutions located in their service delivery area. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2015, total cash balances held at financial institutions was \$87,504. This entire amount was secured by FDIC.

Interfaith Pharmacy maintains a money market account at a local financial institution located in their service delivery area. At June 30, 2015, the total balances held at the financial institution were \$124,836. Accounts at this institution are insured by FDIC.

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Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2015
(Continued)

(3) Property and Equipment

Property and equipment consisted of the following at June 30, 2015:

	Estimated Depreciable Life	2015
Leasehold improvements	5 years	\$ 14,401
Software	5 years	12,836
Furniture and equipment	5 years	<u>22,267</u>
		49,504
Accumulated depreciation		(24,241)
Net fixed assets		<u>\$ 25,263</u>

Depreciation expense for the year ended June 30, 2015 was \$5,359.

(4) Accrued Expenses

Accrued expenses consisted of the following at June 30, 2015:

	2015
Accrued payroll	\$ 4,564
Payroll taxes payable	<u>3,569</u>
	<u>\$ 8,133</u>

(5) Employee Benefit Plans

Interfaith Pharmacy has a Simple Individual Retirement Account plan. The plan is intended to qualify under Section 403(b) of the internal revenue code. All employees of Interfaith Pharmacy are eligible to participate. Interfaith Pharmacy matches participant contributions up to \$1,500 per year. Total expense recognized by Interfaith Pharmacy under this plan for the year ended June 30, 2015 was \$1,944.

(6) Temporarily Restricted Net Assets

The temporarily restricted net assets at June 30, 2015, consist of donations received for specific purposes defined by the donor of which the restrictions were not met as of that date. At June 30, 2015, a total of \$61,968 was restricted for the following:

	2015
Purchase of pharmaceuticals	\$ 40,135
Program expenses	12,277
Leasehold improvements and equipment	<u>9,556</u>
	<u>\$ 61,968</u>

(7) Concentration of Revenue

Approximately 75% of the total revenue for the year ended June 30, 2015, was derived from the donations of pharmaceuticals from various medical offices, health institutions, and pharmaceutical companies.

(8) Subsequent Events

Subsequent events have been evaluated through December 21, 2015, the date the financial statements were available to be issued.

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2015

Agency Head: Janet Martin, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 49,613
Benefits - insurance	5,100
Benefits - retirement	1,488
Reimbursements	145

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 2015

Summary Schedule of Prior Findings

There were no significant deficiencies, findings, or management letter comments for the prior audit period ended June 30, 2013. No audit was performed for the year ended June 30, 2014.

Corrective Action Plan for Current Year Audit Findings

There are no significant deficiencies, findings, or management letter comments for the current year audit for the year ended June 30, 2015.