

Calcasieu Community Clinic

**FINANCIAL STATEMENTS AND
ACCOUNTANTS' REVIEW REPORT**

December 31, 2011

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Calcasieu Community Clinic (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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.

The accompanying 2010 financial statements of Calcasieu Community Clinic were reviewed by us. We did not audit the 2010 financial statements and, accordingly, do not express an opinion on them. However, we did become aware of a departure from generally accepted accounting principles that is described in our review report dated March 16, 2011.



February 24, 2012

Calcasieu Community Clinic
STATEMENT OF FINANCIAL POSITION
December 31, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 890,578.68	\$ 796,343.09
Inventory	282,439.44	254,667.70
Accounts Receivable	<u>14,800.00</u>	<u>-</u>
Total Current Assets	1,187,818.12	1,051,010.79
PROPERTY AND EQUIPMENT		
Furniture and Equipment	52,764.05	50,124.05
Accumulated Depreciation	<u>(44,671.00)</u>	<u>(42,062.00)</u>
Net Property and Equipment	<u>8,093.05</u>	<u>8,062.05</u>
 TOTAL ASSETS	 <u>\$ 1,195,911.17</u>	 <u>\$ 1,059,072.84</u>
 CURRENT LIABILITIES		
Accrued Liabilities	<u>404.14</u>	<u>590.77</u>
Total Current Liabilities	404.14	590.77
 NET ASSETS		
Unrestricted	1,140,980.94	647,342.82
Temporarily Restricted	<u>54,526.09</u>	<u>411,139.25</u>
Total Net Assets	<u>1,195,507.03</u>	<u>1,058,482.07</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,195,911.17</u>	 <u>\$ 1,059,072.84</u>

See accompanying notes and accountants' report

Calcasieu Community Clinic
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2011
With Comparative Totals for 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
SUPPORT AND REVENUE				
Support				
Grants and contracts	\$ -	\$ 99,400.02	\$ 99,400.02	\$ 49,800.00
Contributions	158,324.40	-	158,324.40	178,310.00
Contributed supplies	213,834.24	-	213,834.24	167,890.05
Contributed use of facility	30,000.00	-	30,000.00	30,000.00
Other	352.25	-	352.25	684.02
Net assets released from restriction	89,071.56	(89,071.56)	-	-
	<u>491,582.45</u>	<u>10,328.46</u>	<u>501,910.91</u>	<u>426,684.07</u>
Revenue				
Interest	4,366.51	-	4,366.51	6,072.51
	<u>4,366.51</u>	<u>-</u>	<u>4,366.51</u>	<u>6,072.51</u>
TOTAL SUPPORT AND REVENUE	495,948.96	10,328.46	506,277.42	432,756.58
EXPENSES				
Functional expenses				
Program service	339,753.64	-	339,753.64	331,598.52
Management and general	29,498.82	-	29,498.82	30,005.97
	<u>369,252.46</u>	<u>-</u>	<u>369,252.46</u>	<u>361,604.49</u>
TOTAL EXPENSES	369,252.46	-	369,252.46	361,604.49
Change in Net Assets	126,696.50	10,328.46	137,024.96	71,152.09
Prior period adjustment	366,941.62	(366,941.62)	-	102,491.31
Net Assets at Beginning of Year	647,342.82	411,139.25	1,058,482.07	884,838.67
Net Assets at End of Year	<u>\$ 1,140,980.94</u>	<u>\$ 54,526.09</u>	<u>\$ 1,195,507.03</u>	<u>\$ 1,058,482.07</u>

See accompanying notes and accountants' report

Calcasieu Community Clinic
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2011
With Comparative Totals for 2010

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>2011</u>	<u>2010</u>
PROGRAM EXPENSES				
Salaries	\$ 92,772.91	\$ 14,474.30	\$107,247.21	\$ 121,725.21
Payroll taxes	7,214.12	1,125.54	8,339.66	9,431.56
Advertising	997.79	-	997.79	1,427.87
Insurance	3,115.33	778.83	3,894.16	3,878.00
Meals	5,422.11	-	5,422.11	5,112.84
Medical Supplies	4,342.44	-	4,342.44	1,866.14
Occupancy	24,160.00	6,032.00	30,192.00	30,160.00
Office expense	8,008.83	2,003.48	10,012.31	10,843.50
Pharmaceuticals	185,061.43	-	185,061.43	165,920.10
Professional fees	2,520.00	3,550.00	6,070.00	4,620.00
Telephone	3,151.35	787.84	3,939.19	3,877.87
Other expenses	900.13	225.03	1,125.16	1,094.40
	<u>337,666.44</u>	<u>28,977.02</u>	<u>366,643.46</u>	<u>359,957.49</u>
Total before depreciation				
Depreciation	<u>2,087.20</u>	<u>521.80</u>	<u>2,609.00</u>	<u>1,647.00</u>
Total expenses	<u>\$339,753.64</u>	<u>\$ 29,498.82</u>	<u>\$369,252.46</u>	<u>\$ 361,604.49</u>

See accompanying notes and accountants' report

Calcasieu Community Clinic
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 137,024.96	\$ 71,152.09
Adjustments to reconcile change in Net Assets		
Depreciation	2,609.00	1,647.00
Prior period adjustment	-	102,491.31
Decrease (Increase) in operating assets:		
Accounts Receivable	(14,800.00)	-
Inventory	(27,771.74)	(102,491.31)
Increase (Decrease) in operating liabilities:		
Accrued Liabilities	<u>(186.63)</u>	<u>145.21</u>
Total Adjustments	<u>(40,149.37)</u>	<u>1,792.21</u>
Net Cash Provided By Operating Activities	96,875.59	72,944.30
Cash Flows from Investing Activities		
Purchases of Property & Equipment	<u>(2,640.00)</u>	<u>(5,730.96)</u>
Net Cash Used By Investing Activities	(2,640.00)	(5,730.96)
Net Increase in Cash and Cash Equivalents	94,235.59	67,213.34
Cash and Cash Equivalents - Beginning of Year	<u>796,343.09</u>	<u>729,129.75</u>
Cash and Cash Equivalents - End of Year	<u>\$ 890,578.68</u>	<u>\$ 796,343.09</u>

See accompanying notes and accountants' report

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2011

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.

Basis of Accounting

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

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, 2011 and 2010.

Support and Revenue

All support is considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from 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, 2011

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. 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, 2011 and 2010 was \$2,609 and \$1,647, 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, 2011 and 2010 was \$998 and \$1,428, respectively.

Financial Statement Presentation

The Clinic has adopted FASB Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, the Clinic 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. As permitted by the statement, the Clinic does not use fund accounting.

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 pharmaceuticals, meals, and supplies. Management estimates the value of these donations for the years ended December 31, 2011 and 2010 to be approximately \$213,834 and \$167,890, respectively. These donations are recorded as contributions with a corresponding charge to pharmaceuticals, meals, and supplies, as appropriate.

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 is recorded as a contribution with the corresponding charge to rent.

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2011

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.

Accounts Receivable

Accounts receivable represent amounts due from various governmental and non-profit agencies and are deemed to be fully collectible by management.

NOTE B NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donor/grantors. The total amount released from restrictions during the year ended December 31, 2011 was \$89,072.

NOTE C TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Designated Funds	\$39,726
Periods after December 31, 2011	<u>14,800</u>
	<u>\$54,526</u>

NOTE D PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31, 2010:

	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/11</u>
Machinery and Equipment	\$40,969	\$ 2,640	\$ -	\$43,609
Furniture and Fixtures	<u>9,155</u>	<u>-</u>	<u>-</u>	<u>9,155</u>
Total	50,124	2,640	-	52,764
Accumulated Depreciation	<u>(42,062)</u>	<u>(2,609)</u>	<u>-</u>	<u>(44,671)</u>
Net Book Value	<u>\$ 8,062</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 8,093</u>

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2011

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. At various times during the year, the Organization's cash balances in banks exceeded federally insured limits. As of December 31, 2011, 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 Calcasieu Parish Medical Foundation holds an annual fundraiser and selects the recipient of the funds each year. The Calcasieu Community Clinic was the recipient of these funds for the years ending December 31, 2011 and 2010. By being selected, the Clinic's executive director serves on the board for the Foundation and the Clinic's board members volunteer their time for the fundraiser. During the years ending December 31, 2011 and 2010, the contribution from the Medical Foundation was approximately 20% and 23%, respectively, of the total revenue for the clinic.

NOTE F FUNCTIONAL ALLOCATION OF EXPENSES

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.

NOTE G 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, 2010, from which the summarized information was derived.

Calcasieu Community Clinic

Notes to Financial Statements

December 31, 2011

NOTE H PRIOR PERIOD ADJUSTMENT

The clinic's board members have designated \$366,942 of funds to be used for future operations. These funds are accounted for internally as temporary restricted. In accordance with accounting principles generally accepted in the United States of America, these funds have been reclassified to unrestricted funds as a prior period adjustment. This adjustment had no effect on the total change in net assets for the year ending December 31, 2011.

NOTE I SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 24, 2012, the date of which the financial statements were available to be issued.