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Northeast Louisiana Virtual Clinic, Inc.

Financial Statements
As of and For the Year Ended
December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/30/11

Northeast Louisiana Virtual Clinic, Inc.

As of and For the Year Ended
December 31, 2009

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER
(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
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Sandra Harrington, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Northeast Louisiana Virtual Clinic, Inc.

We have audited the accompanying statement of financial position of **Northeast Louisiana Virtual Clinic, Inc.** (a non-profit organization) (NLVC) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of NLVC's management. 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NLVC as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2010 on our consideration of NLVC'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Luffey, Huffman, Ragsdale, & Soignier

(A Professional Accounting Corporation)

December 16, 2010

1100 North 18th Street Monroe, Louisiana 71201
Tel: (318) 387-2672 • Fax: (318) 322-8866 • Website: www.afullservicecpafirm.com
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NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.
STATEMENT OF FINANCIAL POSITION

	December 31, 2009		
	Unrestricted	Temporarily Restricted	Total
ASSETS			
Current assets			
Cash	$ 63,232	$ -	$ 63,232
Accounts receivable	-	37,453	37,453
Prepaid expenses	1,935	-	1,935
Total current assets	65,167	37,453	102,620
Property, plant, & equipment			
Office equipment	2,389	-	2,389
Total property, plant, & equipment	2,389	-	2,389
Less: accumulated depreciation	(40)	-	(40)
Net property, plant, & equipment	2,349	-	2,349
TOTAL ASSETS	$ 67,516	$ 37,453	$ 104,969
LIABILITIES AND NET ASSETS			
Liabilities			
Other current liabilities	$ 635	$ -	$ 635
Total liabilities	635	-	635
Net Assets			
Unrestricted	66,881	-	66,881
Temporarily restricted	-	37,453	37,453
Total net assets	66,881	37,453	104,334
TOTAL LIABILITIES AND NET ASSETS	$ 67,516	$ 37,453	$ 104,969

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

NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.
STATEMENT OF ACTIVITIES

	Year Ended December 31, 2009		
	Unrestricted	Temporarily Restricted	Total
Revenues			
Public support	$ 1,010	$ -	$ 1,010
Foundation grants	81,407	37,453	118,860
Total revenues	82,417	37,453	119,870
Expenses			
Supporting services			
General and administrative	15,536	-	15,536
Total expenses	15,536	-	15,536
Increase in Net Assets	66,881	37,453	104,334
Net Assets at Beginning of Year	-	-	-
NET ASSETS AT END OF YEAR	$ 66,881	$ 37,453	$ 104,334

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

NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED

		December 31, 2009
Cash flow from Operating Activities:		
Increase in net assets	$	104,334
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		40
Increase in accounts receivable		(37,453)
Increase in prepaid expenses		(1,935)
Increase in other current liabilities		635
Total adjustments		(38,713)
Net cash provided by operating activities		65,621
Cash flow from Investing Activities:		
Purchase of property, plant, & equipment		(2,389)
Net cash used by investing activities		(2,389)
Net increase in cash and cash equivalents		63,232
Cash - beginning of year		-
Cash - end of year	$	63,232

The accompanying notes are an integral part of these statements.

NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	General and Administrative
Consultants	$ 12,500
Insurance	387
Miscellaneous	755
Office	297
Postage	112
Telephone and Utilities	681
Travel and Training	764
Total	15,496
Depreciation	40
TOTAL FUNCTIONAL EXPENSES	$ 15,536

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

NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 1 - Summary of Significant Accounting Policies

A. Organization

The Northeast Louisiana Virtual Clinic, Inc. (NLVC) was incorporated under the laws of the State of Louisiana in October, 2008 for the purpose of securing comprehensive healthcare services for the low income, working uninsured population of an eight parish area of northeast Louisiana.

B. Basis of Presentation and Accounting

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations.*

The financial statements of NLVC are presented as recommended by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205. Under FASB ASC 958-205, NLVC 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. At December 31, 2009, NLVC had temporarily restricted net assets of $37,453 and no permanently restricted net assets.

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, NLVC considers time deposits and certificates of deposits with an original maturity of three months or less to be cash equivalents.

D. Contributions

NLVC has adopted FASB ASC 958-205, "Not For Profit Entities-Revenue Recognition." In accordance with FASB ASC 958-205, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under ASC958-55, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restrictions or the funds are expended in accordance with the donor's intention. The organization has elected to recognize temporarily restricted contributions which are released from the restriction in the same year as unrestricted contributions.

E. Property, Plant, and Equipment

NLVC capitalizes all expenditures for property, plant, and equipment in excess of $1,000. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. Estimated useful lives are generally as follows: Furniture & Fixtures, 7 years and Equipment, 5-7 years. Depreciation expense in 2009 was $40.

F. Tax Status

NLVC has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements.

G. Net Assets

Net assets are reported as either temporarily or permanently restricted when there are limitations imposed on their use by donors. Temporarily restricted net assets at December 31, 2009 represent net assets which, due to the timing of their future receipt, cause their use to be restricted.

H. Functional Allocation of Expenses

Program service expenses are those directly related to the purposes for which NLVC exists. Supporting services expenses reflect other expenses incurred in operating the programs. Various operating expenses not directly connected with specific functions or program services are allocated to supporting services. The direct cost of providing the various programs and other activities have been summarized in the statements of activities.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the relevant period. Actual results could differ from the estimates.

Note 2 - Accounts Receivable

The entire amount of accounts receivable at December 31, 2009 consists of the remaining balance of a grant agreement with the Living Well Foundation. The entire balance is considered to be collectible within the following fiscal year, therefore, no allowance for doubtful accounts has been established.

Note 3 - Concentrations

The vast majority of NLVC's revenues are derived from a grant from the Living Well Foundation.

Note 4 – Subsequent Events

Subsequent events have been evaluated through December 16, 2010 and it has been determined that no significant events have occurred for disclosure. December 16, 2010 is the date that the financial statements were available to be issued.

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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*

Board of Directors
Northeast Louisiana Virtual Clinic, Inc.

We have audited the financial statements of **Northeast Louisiana Virtual Clinic, Inc.** (a nonprofit organization) (NLVC) as of and for the year ended December 31, 2009, and have issued our report thereon dated December 16, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered NLVC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NLVC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NLVC's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entities financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Board of Directors
Northeast Louisiana Virtual Clinic, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NLVC'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 09 – 01.

NLVC's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit NLVC's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of Northeast Louisiana Virtual Clinic, Inc., the Board of Directors, entities granting funds to NLVC, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Heffner Hoffman Reydale & Simmons

(A Professional Accounting Corporation)

December 16, 2010

NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009

09-01 Financial statements were not audited or submitted timely to the proper agencies

Finding:

Louisiana Revised Statute 24:513 requires that Northeast Louisiana Virtual Clinic, Inc.. (NLVC) prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of its most recent fiscal year.

Recommendation:

We recommend that NLVC coordinate the timing of the audit to ensure that it is completed and submitted to the Legislative Auditor within the prescribed time period.

Management's Corrective Action Plan:

The Northeast Louisiana Virtual Clinic has hired a qualified independent public accounting firm with expertise in this area and, for this reason, will file timely in the future.

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MANAGEMENT LETTER

Board of Directors
Northeast Louisiana Virtual Clinic, Inc.
West Monroe, Louisiana

In planning and performing our audit of the financial statements of Northeast Louisiana Virtual Clinic, Inc. (NLVC) for the year ended December 31, 2009, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements, but not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of a certain matter that is an opportunity for strengthening internal controls and the overall compliance with laws and regulations. This letter will summarize our comments and suggestions regarding that matter. This letter does not affect our report dated December 16, 2010 on the financial statements of the company.

Documentation of Internal Control

NLVC's Management is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, NLVC does not maintain written documentation of all components of internal control over company operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

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Board of Directors
Northeast Louisiana Virtual Clinic, Inc.
West Monroe, Louisiana

Recommendation

We recommend that management document the internal control over financial reporting using the COSO framework or such other framework as might prove useful in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time.

Management's Corrective Action Plan

The board of the Northeast Louisiana Virtual Clinic will document the organization's internal controls and review with the executive director and staff.

Lafferty Hoffmann Reynolds & Simmons
(A Professional Accounting Corporation)

December 16, 2010