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**LAFAYETTE COMMUNITY
HEALTH CARE CLINIC, INC.**

Financial Report

December 31, 2000 and 1999

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 7-25-01

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7-11
SUPPLEMENTARY INFORMATION	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	14-15
Summary schedule of current and prior year audit findings and corrective action plan	16

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lafayette Community Health Care Clinic, Inc.
Lafayette, Louisiana

We have audited the accompanying statement of financial position of Lafayette Community Health Care Clinic, Inc. (a nonprofit organization) as of December 31, 2000 and 1999, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits 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 Lafayette Community Health Care Clinic, Inc. as of December 31, 2000 and 1999, and the changes in its net assets and its cash flows for the years 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 June 13, 2001, on our consideration of Lafayette Community Health Care Clinic, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
June 13, 2001

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FINANCIAL STATEMENTS

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statement of Financial Position
December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 43,950	\$ 30,684
Grant receivable	9,626	7,731
Prepaid expenses	648	-
Lease deposit	-	750
Total current assets	<u>54,224</u>	<u>39,165</u>
Non-current Assets:		
Equipment	11,812	3,212
Land	46,216	46,216
Buildings	356,848	167,464
Other improvements	2,800	-
Accumulated depreciation	(10,992)	(5,968)
Total noncurrent assets	<u>406,684</u>	<u>210,924</u>
Total assets	<u><u>\$460,908</u></u>	<u><u>\$250,089</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 10,263	\$ 12,006
Accrued expenses	4,179	3,839
Line of credit	-	4,500
Current portion of note payable	2,617	2,660
Total current liabilities	<u>17,059</u>	<u>23,005</u>
Long-term Liabilities:		
Line of credit	152,374	-
Note payable	57,541	17,340
Total non-current liabilities	<u>209,915</u>	<u>17,340</u>
Total liabilities	226,974	40,345
Net Assets:		
Unrestricted	<u>233,934</u>	<u>211,700</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$460,908</u></u>	<u><u>\$252,045</u></u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statement of Activities
Years Ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Changes in unrestricted net assets:		
Support - unrestricted		
Federal grants	\$ 19,886	\$ 21,336
Other grants	107,208	77,925
Fundraising	8,854	20,499
Contributions	621,800	528,966
Interest earned	731	1,084
Miscellaneous	444	222
Total unrestricted support	<u>758,923</u>	<u>650,032</u>
Support - restricted		
Contributions-restricted	<u>29,000</u>	<u>200,000</u>
Total support	<u>787,923</u>	<u>850,032</u>
Expenses:		
Program services	589,575	552,390
Supporting services	<u>176,114</u>	<u>123,925</u>
Total expenses	<u>765,689</u>	<u>676,315</u>
Net increase in net assets	22,234	173,717
Net Assets, beginning of year	<u>211,700</u>	<u>37,983</u>
Net Assets, end of year	<u><u>\$ 233,934</u></u>	<u><u>\$211,700</u></u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statement of Functional Expenses
Years Ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Program Services:		
Medical services - contributed	\$294,669	\$307,082
Prescriptions - contributed	181,695	127,056
Dental supplies	8,822	8,933
Pharmaceutical supplies	10,427	12,172
Medical supplies	297	678
Salaries	44,576	45,465
Employee benefits	-	168
Insurance	3,445	4,373
Postage	268	658
Cleaning services	-	2,850
Rent and leases	16,406	24,844
Utilities	9,121	7,343
Repairs and maintenance	5,471	1,974
Payroll taxes	3,273	3,477
Security	4,655	2,610
Waste disposal	1,113	901
Depreciation	<u>5,337</u>	<u>1,806</u>
Total program services	<u>\$589,575</u>	<u>\$552,390</u>
Supporting Services:		
Salaries	\$ 97,246	\$ 78,118
Employee benefits	5,201	3,731
Outside services	23,407	3,880
Rent and leases	5,469	8,281
Office expense	7,503	6,324
Equipment maintenance	2,139	1,053
Utilities	3,040	2,448
Payroll taxes	7,206	5,976
Telephone	4,746	3,193
Repairs and maintenance	1,824	658
Cleaning services	-	950
Insurance	178	761
Postage	2,669	1,848
Waste disposal	371	300
Depreciation	1,686	570
Fundraising expenses	1,385	4,080
Interest expense	10,398	183
Miscellaneous expense	<u>1,646</u>	<u>1,571</u>
Total supporting services	<u>\$176,114</u>	<u>\$123,925</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statement of Cash Flows
Years Ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Increase in net assets	\$ 22,234	\$ 173,717
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,023	2,376
Increase in grants receivable	(1,895)	(3,809)
Increase in prepaid expenses	(648)	-
Decrease in lease deposit	750	-
Decrease in accounts payable	(1,743)	3,352
Increase in accrued expenses	<u>340</u>	<u>1,103</u>
Net cash provided by operating activities	<u>26,061</u>	<u>176,739</u>
Cash flows used by investing activities:		
Proceeds from line of credit	152,374	4,500
Proceeds from loan	40,788	20,000
Payments on loan & line of credit	(5,130)	-
Payments for land and building	<u>(200,827)</u>	<u>(213,680)</u>
Net cash used by investing activities	<u>(12,795)</u>	<u>(189,180)</u>
Net increase (decrease) in cash	13,266	(12,441)
Cash and cash equivalents, beginning of year	<u>30,684</u>	<u>43,125</u>
Cash and cash equivalents, end of year	<u>\$ 43,950</u>	<u>\$ 30,684</u>
Supplemental information:		
Interest expense	<u>\$ 10,398</u>	<u>\$ 183</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Organization

Lafayette Community Health Care Clinic, Inc. (The Clinic) is a nonprofit organization, incorporated on September 16, 1992, under the laws of the State of Louisiana. The Clinic was formed to supply facilities, volunteer staff, and other support for the rendering of free medical and dental treatment, and free prescription medications to working uninsured residents of Lafayette Parish.

B. Financial Statement Presentation

The Clinic has adopted the provisions of Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". Statement No. 117 requires the Clinic 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.

C. Basis of Accounting

The Clinic has adopted the provisions of Statements of Financial Accounting Standards No. 116 "Accounting for Contributions Received and Contributions Made". As such, contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Those donor-restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support.

The Clinic reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Clinic reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

D. Donated Services and Materials

Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statement (Continued)

E. Property and Equipment

The cost of property and equipment which has an expected useful life in excess of two years and an acquisition cost of \$5,000 or more is capitalized. Property and equipment are valued at historical cost and are being depreciated on a straight-line basis. Depreciation expense for 2000 and 1999 totaled \$7,023 and \$2,376, respectively.

F. Allocation of Functional Expenses

Direct expenses are charged to program or support based on specific identification. Indirect expenses such as rent and utilities are allocated based on the square footage of the building utilized for program activity and support activity. The salary for the volunteer coordinator/administrative assistant is allocated based on a ratio of weekly time dedicated between program and support services to total weekly time.

G. Compensated Absences

Full-time regular staff employees receive 4 hours of vacation per each of the 24 pay periods. Part-time regular staff employees receive 2 hours of vacation per each of the 24 pay periods. It is against Clinic policy for a staff member to receive cash payments in lieu of vacation time. Upon termination of employment, payment will be made for unused vacation not to exceed ten (10) days maximum. Paid sick leave is available to all employees subject to the restrictions set forth in the employee handbook.

II. Income Tax Status

The Clinic qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. The Organization is not classified as a private foundation.

I. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Clinic considers all highly liquid interest-bearing investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

J. Nature of Operations, Risks, and Uncertainties

The Clinic relies heavily on volunteers, donated services and materials, and grants and contributions. Without this support the Clinic could not continue operating.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statement (Continued)

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, support, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(2) Property and Equipment

Property and equipment are comprised of the following:

	2000	1999
Leasehold improvements	\$ -	\$ 1,956
Dental equipment	2,495	2,495
Office equipment	9,317	717
Land	46,216	46,216
Buildings and improvements	359,649	167,464
Total property and equipment	417,677	218,848
Less: accumulated depreciation	(10,993)	(5,968)
Property and equipment, net	<u>\$ 406,684</u>	<u>\$ 212,880</u>

(3) Federal Grants

During 2000, the Clinic was awarded a \$69,700 grant from the Community Development Block Grant (CDBG) Program of the United States Department of Housing and Urban Development through the City of Lafayette. This grant covers the period from July, 2000 through June, 2001. The funds are to be used for the purpose of providing a part-time nurse coordinator and a part-time volunteer coordinator, and for the construction and landscaping of a parking lot at the Clinic's facility. Including funds provided from the 2000-2001 grant received from this program, the Clinic was entitled to \$9,626 of these grant monies at December 31, 2000 for expenses incurred during the year.

(4) Fair Values of Financial Instruments

The Clinic's financial instruments, none of which are held for trading purposes, include cash, grants receivable, accounts payable and accrued expenses. The Clinic estimates that the fair value of all financial instruments at December 31, 2000 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Clinic using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Clinic could realize in a current market exchange.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statement (Continued)

(5) Pension Plan

The Clinic has established a discretionary simplified employee pension plan for the benefit of all of its eligible employees. Any employee who has performed service in at least three of the immediately five preceding plan years and who has reached the age of twenty-one is eligible to participate. The Clinic may make a discretionary contribution each plan year and shall be allocated to each participant in the same proportion that each participant's compensation bears to the compensation of all participants for such year. In 2000 and 1999 the Clinic contributed \$5,201 and \$3,900, respectively, to the plan.

(6) Contributed Services

The Clinic recognizes contribution revenue for certain services received at the fair value of those services. These contributed services are included in contributions on the statement of activities and include the following:

	<u>2000</u>	<u>1999</u>
Services provided:		
Medical	\$ 71,635	\$ 70,150
Dental	178,712	194,684
Lab/x-ray	32,955	21,210
Mobile mammograms	2,387	2,310
Prescriptions	181,695	127,056
Consulting	<u>8,980</u>	<u>18,728</u>
Total contributed services	<u>\$476,364</u>	<u>\$434,138</u>

(7) Line of Credit

At December 31, 2000, the Lafayette Community Health Care Clinic had authorized a line of credit with MidSouth National Bank in the amount of \$175,000. As of December 31, 2000, the Clinic had borrowed \$152,374 against this line of credit with a maturity date of December 25, 2003 and an interest rate of 10.0%.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statement (Continued)

(8) Note Payable

Loan from Lafayette Neighborhoods' Economic Development Corporation for improvements to the building at 1317 Jefferson Street, maturing September 20, 2015, bearing interest at 6.0%, secured by a second mortgage on the new building and land. \$ 57,541

Following are the scheduled payments for long-term debt, including interest of \$33,253.

2001	\$ 6,156
2002	6,156
2003	6,156
2004	6,156
2005	6,156
2006 - 2010	30,778
2011 - 2015	<u>29,236</u>
	<u>\$90,794</u>

Long-term debt consists of the following at December 31, 2000:

Total note payable to LNEDEC	\$ 60,158
Less: Current portion	<u>2,617</u>
Net long-term debt	<u>\$ 57,541</u>

SUPPLEMENTARY INFORMATION

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Lafayette Community Health Care Clinic, Inc.
Lafayette, Louisiana

We have audited the financial statements of the Lafayette Community Health Care Clinic, Inc. (a nonprofit organization) as of and for the year ended December 31, 2000, and have issued our report thereon dated June 13, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether Lafayette Community Health Care Clinic Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lafayette Community Health Care Clinic Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended solely for the information and use of the Board of Directors and management, others within the organization and grant awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
June 13, 2001

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
December 31, 2000

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
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CURRENT YEAR (12/31/00) --

There were no findings for the year ended December 31, 2000.

PRIOR YEAR (12/31/99) --

There were no findings for the year ended December 31, 1999.