

RECEIVED
LEGISLATIVE DIVISION
JUL 26 - 2 PM 2 26

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

Financial Report

December 31, 2003 and 2001

Under provisions of state law this report is a public document. Copies of the report are loaned to cities, to the clerk 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 Aug. 13, 2004

TABLE OF CONTENTS

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

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

3100 Lakeside Drive
Metairie, Louisiana 70002
Victory Station Office
2000 North Louisiana Street
Metairie, Louisiana 70002
P.O. Box 10000
Metairie, Louisiana, LA 70001

P.O. Box 822229
Lafayette, LA 70508

Phone (504) 885-4141
Fax (504) 885-6666

MEMBER
SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF NATIONAL
SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

4000 I-10 East, Suite 200
New Orleans, LA 70114
New Orleans Corporate Office
1000 Poydras Street, Suite 2000
New Orleans, LA 70112
Metairie Office, Suite 200
Metairie, LA 70002
Bossier Office, Suite 200
Bossier, LA 70604
Bossier Office, Suite 200

INDEPENDENT AUDITORS' REPORT

*ATTORNEYS AT LAW

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, 2002 and 2001, 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, 2002 and 2001, 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 May 14, 2003, 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. That report is an integral part of our audit performed in accordance with Government Auditing Standard and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplementary Information" in the table of contents is not a required part of the financial statements of Lafayette Community Health Care Clinic, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

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

Lafayette, Louisiana
May 14, 2003

3100 Lakeside Drive
Metairie, LA 70002
Phone (504) 885-4141
Facsimile (504) 885-6666

3110 Northchase Blvd
Metairie, LA 70002
Phone (504) 885-4000
Facsimile (504) 885-6667

3110 Northchase Blvd
Metairie, LA 70002
Phone (504) 885-4000
Facsimile (504) 885-6666

1300 Northchase Blvd, Ste 200
Bossier, LA 70604
Phone (504) 885-4141
Facsimile (504) 885-6666

2000 Northchase Blvd
Metairie, LA 70002
Phone (504) 885-4141
Facsimile (504) 885-6666

11170 Northchase Blvd
Metairie, LA 70002
Phone (504) 885-4141
Facsimile (504) 885-6666

3110 Northchase Blvd
Metairie, LA 70002
Phone (504) 885-4141
Facsimile (504) 885-6666

FINANCIAL STATEMENTS

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statement of Financial Position
(December 31, 2002 and 2001)

	2002	2001
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 60,380	\$ 79,807
Accounts receivable	28	183
Grant receivable	3,962	1,609
Prepaid expenses	2,795	1,781
Total current assets	78,165	83,312
Non-current Assets:		
Equipment	31,036	35,183
Land	46,216	46,216
Buildings	258,848	258,848
Other improvements	42,378	39,023
Accumulated depreciation	(37,577)	(22,827)
Total noncurrent assets	410,899	444,547
Total assets	\$ 513,058	\$ 527,859
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 14,843	\$ 2,640
Accrued expenses	3,804	4,804
Current portion of term payable	18,947	13,283
Total current liabilities	37,594	20,727
Long-term Liabilities:		
Notes payable	268,508	186,123
Total liabilities	306,099	206,850
Net Assets:		
Unrestricted	210,157	321,009
Total liabilities and net assets	\$ 513,058	\$ 527,859

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, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Changes in unrestricted net assets:		
Support - unrestricted:		
Federal grants	\$ 12,585	\$ 82,812
Other grants	168,293	102,864
Fundraising	25,138	51,719
Contributions	718,278	658,836
Interest earned	790	1,923
Miscellaneous	4,265	681
Total unrestricted support	<u>939,477</u>	<u>919,835</u>
Expenses:		
Program services	752,372	652,979
Supporting services	186,925	194,862
Total expenses	<u>939,297</u>	<u>847,841</u>
Net increase (decrease) in net assets	(8,820)	81,994
Net assets, beginning of year	<u>318,977</u>	<u>237,014</u>
Net assets, end of year	<u>\$ 310,157</u>	<u>\$ 319,008</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, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Program Services:		
Medical services - contributed	\$ 405,654	\$ 348,320
Prescriptions - contributed	280,198	187,189
Dental supplies	4,234	3,478
Pharmaceutical supplies	16,373	31,993
Medical supplies	588	661
Outside services - Mammogram fees	27,600	-
Salaries	41,872	37,159
Insurance	11,858	7,293
Utilities	6,818	7,621
Repairs and maintenance	348	1,484
Payroll taxes	1,356	2,873
Cleaning Services	1,458	-
Security	4,888	4,753
Waste disposal	1,418	1,428
Depreciation	11,218	8,948
Total program services	<u>\$ 751,372</u>	<u>\$ 633,979</u>
Supporting Services:		
Salaries	\$ 184,137	\$ 186,158
Employee benefits	18,179	7,178
Outside services	11,441	1,236
Office expense	8,392	9,226
Equipment maintenance	1,461	2,433
Utilities	1,307	2,348
Payroll taxes	7,868	8,121
Telephone	6,211	3,812
Repairs and maintenance	1,214	493
Insurance	488	373
Postage	1,717	4,501
Waste disposal	477	478
Depreciation	1,540	2,823
Fundraising expenses	8,411	21,167
Interest expense	18,832	14,606
Miscellaneous expense	4,260	2,811
Total supporting services	<u>\$ 186,825</u>	<u>\$ 184,862</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, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (8,020)	\$ 85,040
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,750	11,771
Decrease in accounts receivable	71	-
Decrease (increase) in grants receivable	(8,223)	7,987
Increase in prepaid expenses	(1,094)	(1,112)
Increase (decrease) in accounts payable	12,100	(7,673)
Increase (decrease) in accrued expenses	(1,023)	646
Net cash provided by operating activities	9,660	86,711
Cash flows used by investing activities:		
Payments on lease & line of credit	(15,181)	(11,152)
Payments for capital expenses	(9,084)	(49,699)
Net cash used by investing activities	(24,265)	(60,851)
Net increase (decrease) in cash	(14,605)	25,860
Cash and cash equivalents, beginning of year	79,801	41,918
Cash and cash equivalents, end of year	\$ 65,196	\$ 79,801
Supplemental information:		
Interest paid	\$ 10,632	\$ 14,606

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statements

(U) 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 Non-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 is accounted for using the accrual basis of accounting whereby revenues are generally recognized when they are earned and expenses are recognized when incurred. 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 \$1,000 or more is capitalized. Property and equipment are valued at historical cost and are being depreciated on a straight-line basis. Depreciation expense for 2003 and 2001 totaled \$14,750 and \$11,370, 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 Absence

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.

H. 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 Statements (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.

(1) **Property and Equipment**

Property and equipment are comprised of the following:

	2002	2001
Dental equipment	\$ 8,236	\$ 2,493
Office equipment	11,228	11,228
Medical equipment	11,982	11,982
Land	46,216	46,216
Buildings and improvements	109,226	109,649
Total property and equipment	476,468	467,154
Less: accumulated depreciation	(12,877)	(22,877)
Property and equipment, net	\$ 463,591	\$ 444,277

(2) **Federal Grants**

During 2002, the Clinic was awarded a \$17,608 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 October 1, 2002 through September 30, 2003. The funds are to be used for the purpose of implementing eye care and diabetic foot care programs, including supportive counseling for patients with chronic diseases such as diabetes and hypertension, and expand existing clinic services. Including funds provided from the 2000-2003 grant received from this program, the Clinic was entitled to \$7,942 of those grant monies at December 31, 2002 for expenses incurred during the year.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statement (Continued)

(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, 2002 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.

(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 each year. In 2002 and 2001 the Clinic contributed \$14,179 and \$7,178, respectively, to the plan.

(6) **Contributed Services**

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

	<u>2002</u>	<u>2001</u>
Services provided:		
Medical	\$ 92,999	\$ 89,828
Dental	228,881	217,461
Lab's-etc	58,183	34,795
Mammograms	79,686	1,689
Prescriptions	308,199	187,189
Consulting	18,714	14,824
Total contributed services	<u>\$613,844</u>	<u>\$355,989</u>

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statement (Continued)

(7) Notes Payable

	<u>2003</u>	<u>2001</u>
Loan from MidSouth Bank, maturing on December 31, 2001, bearing interest at 5.25%, secured by a first mortgage on the building and land at 1317 Jefferson Street.	\$ 131,090	\$ 143,609
Loan from Lafayette Neighborhoods Economic Development Corporation (LNEEDC) for improvements to the building at 1317 Jefferson Street, maturing September 30, 2013, bearing interest at 6.0%, secured by a second mortgage on the building and land at 1317 Jefferson Street.	<u>53,864</u>	<u>57,779</u>
Total notes payable	184,954	201,388
Less: current portion	<u>(16,647)</u>	<u>(18,280)</u>
Net long-term portion	<u>\$ 168,307</u>	<u>\$ 183,108</u>

Following are the scheduled payments for notes payable, including interest of \$51,451.

<u>Year</u>	<u>Amount</u>
2003	\$ 25,788
2004	25,788
2005	25,788
2006	25,788
2007	25,788
2008-2012	91,865
2013-2015	<u>16,800</u>
	<u>\$ 177,798</u>

SUPPLEMENTARY INFORMATION

INTERNAL CONTROL AND COMPLIANCE

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.

Koide, Champagne, Stevens & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 14, 2013

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.

Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings

and Corrective Action Plan

December 31, 2002

<u>Item No.</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Date Of Completion</u>
-----------------	-------------------------------	--------------------------------	----------------------------------	-------------------------------	---------------------------------------

Prior Year Finding Initially Occurred

CURRENT YEAR (12/31/02) -

There were no findings for the year ended December 31, 2002.

PRIOR YEAR (12/31/01) -

There were no findings for the year ended December 31, 2001.