

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

***Compiled Financial Statements***

***As of and for the Year Ended June 30, 2012***

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana

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# COOK & MOREHART

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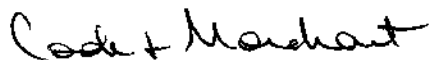
## Independent Accountants' Compilation Report

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana

We have compiled the accompanying statement of financial position of Northwest Louisiana Interfaith Pharmacy, Inc. (a non-profit organization), as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Cook & Morehart  
Certified Public Accountants  
January 9, 2013

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana  
Statement of Financial Position  
June 30, 2012

**Assets**

**Current assets:**

Cash and cash equivalents	\$ 173,780
Inventory	1,028,760
Prepaid insurance	3,176
Unconditional promises to give	<u>47,784</u>
Total current assets	<u>1,253,500</u>

**Noncurrent assets:**

Cash restricted for equipment and leasehold improvements	16,711
Unconditional promises to give	27,874
Property and equipment, net	<u>27,867</u>
Total noncurrent assets	<u>72,452</u>

Total Assets	<u><u>\$ 1,325,952</u></u>
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**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable	\$ 3,612
Accrued expenses	<u>5,275</u>
Total current liabilities	<u>8,887</u>

**Net assets:**

Unrestricted:	
Operating	1,185,922
Fixed assets	27,867
Temporarily restricted	<u>103,276</u>
Total net assets	<u>1,317,065</u>

Total Liabilities and Net Assets	<u><u>\$ 1,325,952</u></u>
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See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and Other Support:</b>			
Government contracts - revenue			
State of Louisiana	\$ 36,602	\$	\$ 36,602
Caddo Parish Commission		10,000	10,000
Contributions	1,915,529	8,440	1,923,969
Interest income	47		47
Miscellaneous income	259		259
Net assets released from restriction:			
Satisfaction of restrictions	90,895	(90,895)	
Total revenues and other support	<u>2,043,332</u>	<u>(72,455)</u>	<u>1,970,877</u>
<b>Expenses:</b>			
Support services:			
General and administrative	62,960		62,960
Fundraising	1,115		1,115
Program services:			
Client screening	46,195		46,195
Free pharmacy	<u>1,844,927</u>		<u>1,844,927</u>
Total expenses	<u>1,955,197</u>		<u>1,955,197</u>
Change in net assets	88,135	(72,455)	15,680
Net assets as of beginning of year	<u>1,125,654</u>	<u>175,731</u>	<u>1,301,385</u>
Net assets as of end of year	<u>\$ 1,213,789</u>	<u>\$ 103,276</u>	<u>\$ 1,317,065</u>

See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana  
Statement of Functional Expenses  
For the Year Ended June 30, 2012

	Support Services			Program Services			Total Expenses
	Administrative and General	Fund Raising	Total	Client Screening	Pharmacy	Total	
Personnel	\$ 7,479		\$ 7,479	\$ 28,557	\$ 33,132	\$ 61,689	\$ 69,168
Fringe benefits	1,190		1,190	5,036	6,152	11,188	12,378
Professional fees - pharmacist					26,532	26,532	26,532
Accounting and auditing					7,960	7,960	7,960
Repairs and maintenance	63		63	116		116	179
Supplies	137	110	247	228	5,004	5,232	5,479
Pharmaceuticals					1,750,164	1,750,164	1,750,164
Telephone and utilities	575		575	5,564	3,427	8,991	9,566
Dues and subscriptions	175		175		1,800	1,800	1,975
Insurance	192		192	4,989	10,704	15,693	15,885
Printing and reproduction	74	509	583	705		705	1,288
Rent	47,784		47,784				47,784
Other	45	496	541	1,000	52	1,052	1,593
Depreciation	5,246		5,246				5,246
Total expenses	\$ 62,960	\$ 1,115	\$ 64,075	\$ 46,195	\$ 1,844,927	\$ 1,891,122	\$ 1,955,197

See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana  
Statement of Cash Flows  
For the Year Ended June 30, 2012

Operating Activities:	
Change in net assets	\$ 15,680
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	5,246
(Increase) decrease in operating assets:	
Inventory	(71,173)
Unconditional promises to give	47,751
Increase (decrease) in operating liabilities:	
Accounts payable	(230)
Accrued expenses	572
	<hr/>
Net cash provided by operating activities	(2,154) <hr/>
Investing Activities:	
Payments for property and equipment	<hr/> (1,154)
	<hr/>
Net cash provided by investing activities	(1,154) <hr/>
Net increase in cash and cash equivalents	(3,308)
Cash and cash equivalents as of beginning of year	<hr/> 193,799
Cash and cash equivalents as of end of year	<hr/> <u>\$ 190,491</u>

See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2012

(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, 2009, 2010, 2011, and 2012 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 unrestricted 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, 2012  
(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 SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, 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 \$26,532 of donated services from pharmacists.

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 \$1,807,692 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, 2012  
(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.

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, 2012, total cash balances held at financial institutions was \$67,046. 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, 2012, the total balances held at the financial institution were \$123,590. Accounts at this institution are insured by the SIPC.

(3) Promises to Give

During the year ended June 30, 2011, Interfaith Pharmacy entered into a lease agreement for office and pharmacy space. The lessor stipulated in the lease agreement that they would forgo the payment of rent and consider such as a donation to Interfaith Pharmacy. The lease agreement is for a term of three years. Rent to be provided in subsequent years is recorded in the accompanying financial statements as an unconditional promise to give. The promise to give is deemed to be collectible, so no provision has been made for uncollectible promises to give as of June 30, 2012. The discount on long-term promises to give was calculated and deemed to be immaterial.

Unconditional promises to give at June 30, 2012, were as follows:

	<u>2012</u>
Receivable in less than one year	\$ 47,784
Receivable in one to five years	<u>27,874</u>
Total unconditional promises to give	<u>\$ 75,658</u>

(Continued)

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2012  
(Continued)

(4) Property and Equipment

*Property and equipment consisted of the following at June 30, 2012:*

	Estimated Depreciable Life	2012
Leasehold improvements	5 years	\$ 14,401
Furniture and equipment	5 years	21,621
		<u>36,022</u>
Accumulated depreciation		( 8,155)
Net fixed assets		<u>\$ 27,867</u>

Depreciation expense for the year ended June 30, 2012 was \$5,246.

(5) Accrued Expenses

*Accrued expenses consisted of the following at June 30, 2012:*

	2012
Accrued payroll	\$ 3,033
Payroll taxes payable	2,242
	<u>\$ 5,275</u>

(6) 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, 2012 was \$1,556.

(7) Temporarily Restricted Net Assets

The temporarily restricted net assets at June 30, 2012, 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, 2012, a total of \$103,276 was restricted for the following:

	2012
Purchase of pharmaceuticals	\$ 4,187
Program expenses	6,720
Subsequent years' activities – use of facilities	75,658
Leasehold improvements and equipment	16,711
	<u>\$ 103,276</u>

(8) Subsequent Events

Subsequent events have been evaluated through January 9, 2013, the date the financial statements were available to be issued.

Northwest Louisiana Interfaith Pharmacy, Inc.  
Shreveport, Louisiana  
Summary Schedule of Findings for the Louisiana Legislative Auditor  
June 30, 2012

**Summary Schedule of Prior Year Findings**

There were no significant deficiencies, findings, or management letter comments for the prior year ended June 30, 2011.

**Corrective Action Plan for Current Year Findings**

There are no significant deficiencies, findings, or management letter comments for the current year ended June 30, 2012.