

**COACHELLA VALLEY VOLUNTEERS IN MEDICINE**

**INDIO, CALIFORNIA**

**INDEPENDENT AUDITORS' REPORT**  
**AND FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND 2013**



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Coachella Valley Volunteers in Medicine  
Indio, California

We have audited the accompanying financial statements of Coachella Valley Volunteers in Medicine, which comprise of the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the year ended December 31, 2014, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

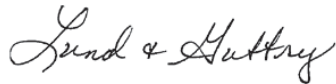
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coachella Valley Volunteers in Medicine as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the year ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Coachella Valley Volunteers in Medicine 2013 financial statements, and our report February 28, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein for the year ended December 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.



March 25, 2015

**COACHELLA VALLEY VOLUNTEERS IN MEDICINE**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2014 AND 2013**

	<b><u>ASSETS</u></b>	
	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 213,799	\$ 166,669
Grants receivable	83,313	100,187
Prepaid expenses	4,873	3,756
Total current assets	<u>301,985</u>	<u>270,612</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Medical equipment	16,828	16,828
Dental equipment	100,060	100,060
Computer equipment	19,274	18,529
Furniture and fixtures	21,319	21,319
	<u>157,481</u>	<u>156,736</u>
Less accumulated depreciation	<u>(76,354)</u>	<u>(52,823)</u>
Total Property & Equipment	<u>81,127</u>	<u>103,913</u>
 <b>OTHER ASSETS</b>		
Deposits	<u>-</u>	<u>8,315</u>
 <b>TOTAL ASSETS</b>	<u>\$ 383,112</u>	<u>\$ 382,840</u>
	<b><u>LIABILITIES AND NET ASSETS</u></b>	
 <b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,678	\$ 16,567
Accrued vacation	2,429	20,550
Total current liabilities	<u>8,107</u>	<u>37,117</u>
 <b>NET ASSETS</b>		
Unrestricted	219,606	184,226
Temporarily restricted	<u>155,399</u>	<u>161,497</u>
 <b>TOTAL NET ASSETS</b>	<u>375,005</u>	<u>345,723</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 383,112</u>	<u>\$ 382,840</u>

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

**COACHELLA VALLEY VOLUNTEERS IN MEDICINE**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013**

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Memorandum Only
<b>SUPPORT AND REVENUES</b>				
Contributions and grants	\$ 232,950	\$ 270,535	\$ 503,485	\$ 326,477
Donated services and rents	543,074	-	543,074	555,989
Net assets released from restrictions	<u>276,633</u>	<u>(276,633)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>1,052,657</u>	<u>(6,098)</u>	<u>1,046,559</u>	<u>882,466</u>
<b>EXPENSES</b>				
Program services	766,117	-	766,117	788,555
General and administrative	<u>251,160</u>	<u>-</u>	<u>251,160</u>	<u>217,602</u>
Total expenses	<u>1,017,277</u>	<u>-</u>	<u>1,017,277</u>	<u>1,006,157</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>35,380</u>	<u>(6,098)</u>	<u>29,282</u>	<u>(123,691)</u>
<b>NET ASSETS AT BEGINNING OF YEAR,</b>	<u>184,226</u>	<u>161,497</u>	<u>345,723</u>	<u>469,414</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 219,606</u>	<u>\$ 155,399</u>	<u>\$ 375,005</u>	<u>\$ 345,723</u>

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

**COACHELLA VALLEY VOLUNTEERS IN MEDICINE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>	<u>Memorandum Only</u>
Salaries	\$ 64,332	\$ 161,969	\$ 226,301	\$ 184,020
Donated services	448,874	-	448,874	461,789
Payroll taxes	5,711	14,379	20,090	15,694
Employee benefits	2,872	7,231	10,103	9,625
Workers compensation insurance	1,066	2,684	3,750	1,793
Care delivery costs	75,328	-	75,328	98,916
Medical supplies	11,062	-	11,062	18,692
Rent	2	-	2	17,661
Rent-donated	84,780	9,420	94,200	94,200
Depreciation	21,177	2,353	23,530	23,285
Occupancy costs	26,053	2,895	28,948	21,062
Insurance	1,296	2,406	3,702	2,894
Utilities	17,475	1,942	19,417	20,101
Office expense	6,089	14,207	20,296	14,800
Accounting and audit	-	9,780	9,780	9,325
Legal	-	1,500	1,500	-
Outside services	-	5,330	5,330	3,540
Advertising and promotion	-	12,854	12,854	5,361
Miscellaneous	-	2,210	2,210	3,399
	<u>\$ 766,117</u>	<u>\$ 251,160</u>	<u>\$ 1,017,277</u>	<u>\$ 1,006,157</u>

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

**COACHELLA VALLEY VOLUNTEERS IN MEDICINE**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 29,282	\$ (123,691)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	23,530	23,285
Decrease in grants receivable	16,874	56,356
(Increase) in prepaid expenses	(1,117)	(3,756)
(Increase) decrease in deposits	8,315	(4,404)
Increase(decrease) in accounts payable	(10,889)	7,099
Increase (decrease) in accrued vacation	<u>(18,121)</u>	<u>7,146</u>
Net cash provided (used) by operating activities	<u>47,874</u>	<u>(37,965)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(744)</u>	<u>(4,729)</u>
Net cash used by investing activities	<u>(744)</u>	<u>(4,729)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	47,130	(42,694)
<b>CASH AT BEGINNING OF YEAR</b>	<u>166,669</u>	<u>209,363</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 213,799</u>	<u>\$ 166,669</u>

(The accompanying notes are an integral part of these financial statements)

# COACHELLA VALLEY VOLUNTEERS IN MEDICINE

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Purpose of Organization

Coachella Valley Volunteers in Medicine (Organization) was incorporated in June 2008 and commenced operations in November 2010. The Organization was formed as a nonprofit corporation to serve the health and wellness needs of the immediate household families of medically uninsured who live and/or work in the Coachella Valley.

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

#### Unrestricted net assets

Net assets that are not subject to donor-imposed stipulations.

#### Temporarily restricted net assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a 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. (See Note 3)

#### Permanently restricted net assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization does not have any permanently restricted net assets at December 31, 2014 and 2013.

#### Donated Services and Rents

Donated services and rents of \$543,074 and \$555,989 for the years ended December 31, 2014 and 2013, respectively, are recognized as contributions in accordance with accounting standards. The donated services of physicians, dentists and support staff amounted to approximately \$448,874 and \$461,789 for the years ended December 31, 2014 and 2013, respectively. The Organization received estimated donated rent of \$94,200 for each of the years 2014 and 2013 (See Note 5).

#### Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions regarding certain types of assets, liabilities, revenues, 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.



**COACHELLA VALLEY VOLUNTEERS IN MEDICINE**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Property and Equipment

Purchased property and equipment are recorded at cost. Purchases over \$500 are capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor and reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 5 to 7 years.

Concentration of Credit Risk

The Organization maintains its cash in deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any significant losses in such accounts. Management of the Organization believes it is not exposed to any significant credit risk related to cash.

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), and from California franchise taxes under related state tax regulations and classified by the Internal Revenue Service as other than a private foundation. The Organization may be subject to tax on income from any unrelated business operations. The Organization does not currently have any unrelated business operations.

The Organization's Form 990, Return of Organization's Exempt from Income Tax are subject to examination by the IRS, generally for three years after they were filed.

**2. CONCENTRATION OF REVENUE**

The Organization received approximately \$175,000 from the three major local hospitals and a medical clinic in the Coachella Valley for each of the years 2014 and 2013. This represented 35% and 31% of the total support and revenues (excluding donated services and rent) for the years 2014 and 2013, respectively. The Organization has also received one grant of approximately \$151,000 for 2014 and another for \$125,000 for 2013 from one grantor representing 30% and 38% of total support and revenues for the years 2014 and 2013, respectively.

**COACHELLA VALLEY VOLUNTEERS IN MEDICINE**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND 2013**

**3. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31 consists of the following:

	<u>2014</u>	<u>2013</u>
Contributions for future operations	\$ 136,649	\$ 145,497
Contributions for clinic operations coordinator	<u>18,750</u>	<u>16,000</u>
	<u>\$ 155,399</u>	<u>\$ 161,497</u>

**4. GRANTS RECEIVABLE**

Grants receivable at December 31 consists of the following:

	<u>2014</u>	<u>2013</u>
Desert Healthcare District	\$ 83,313	\$ 87,687
Regional Access Project Foundation	<u>-</u>	<u>12,500</u>
	<u>\$ 83,313</u>	<u>\$ 100,187</u>

**5. LEASE COMMITMENTS**

The Organization has a three year operating lease for software through September 2016. Future minimum lease payments will be \$3,600 in 2015 and \$2,700 in 2016.

The County of Riverside completed construction of a 6,133 square foot clinic in Indio in December 2012. The Organization moved into the newly constructed facility in December 2012. The agreement with the County of Riverside is a twenty year operating lease at \$1 per year. The lease term expires on November 30, 2032. Estimates of the fair market value of similar rents in the area amounted to \$7,850 per month. The Organization has included donated rent of \$94,200 for each of the years 2014 and 2013 in donated rent revenue and rent expense.

**6. SUBSEQUENT EVENTS**

The Organization evaluated all potential subsequent events as of March 25, 2015 when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after December 31, 2014 or as of March 25, 2015 that require additional disclosure to the financial statement.