



**REVIEWED  
FINANCIAL STATEMENTS**

**JUNE 30, 2020**

# LAKE COUNTY FREE CLINIC

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## **Independent Accountant's Review Report**

To the Board of Directors of  
Lake County Free Clinic

We have reviewed the accompanying financial statements of Lake County Free Clinic (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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; 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Concord, Ohio  
March 15, 2021

*H&J*  
*Certified Public Accountants*



**LAKE COUNTY FREE CLINIC, INC.**

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

ASSETS	WITH DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	TOTAL
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 75,167	\$ 156,022	\$ 231,189
Short-Term Investments	-	3,928	3,928
Receivables	114,600	7,042	121,642
Prepaid Expenses	-	1,548	1,548
	<u>189,767</u>	<u>168,540</u>	<u>358,307</u>
<b>PROPERTY AND EQUIPMENT</b>			
Less Accumulated Depreciation	-	40,632	40,632
	<u>-</u>	<u>40,632</u>	<u>40,632</u>
	-	-	-
<b>OTHER ASSETS</b>			
CSV of Life Insurance	-	14,664	14,664
	<u>-</u>	<u>14,664</u>	<u>14,664</u>
	<u>\$ 189,767</u>	<u>\$ 183,204</u>	<u>\$ 372,971</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Line of Credit	\$ -	\$ 7,000	\$ 7,000
Accounts Payable	-	438	438
Accrued Payroll and Payroll Liabilities	-	13,720	13,720
Refundable Advance - PPP	-	65,400	65,400
	<u>-</u>	<u>86,558</u>	<u>86,558</u>
LONG-TERM DEBT - EIDL	-	150,000	150,000
<b>NET ASSETS</b>			
Without Donor Restrictions	-	(53,418)	(53,418)
With Donor Restrictions	189,767	-	189,767
Total Net Assets	<u>189,767</u>	<u>(53,418)</u>	<u>136,349</u>
	<u>\$ 189,767</u>	<u>\$ 183,140</u>	<u>\$ 372,907</u>

**LAKE COUNTY FREE CLINIC, INC.**

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	WITH DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	TOTAL
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support			
Contributions - In-Kind	\$ -	\$ 355,575	\$ 355,575
Foundations & Corporate	99,000	75,290	174,290
United Way	114,600	11,175	125,775
Individuals	-	58,415	58,415
Government	-	53,527	53,527
Special Events, Net	-	24,570	24,570
Patient Donations	-	21,055	21,055
Ohio Association of Free Clinics	-	5,445	5,445
Net Assets Released from Restrictions	(138,433)	138,433	-
<b>Total Public Support</b>	<b>75,167</b>	<b>743,485</b>	<b>818,652</b>
Revenues			
Investment Income	-	3,336	3,336
Miscellaneous	-	323	323
<b>Total Revenue</b>	<b>-</b>	<b>3,659</b>	<b>3,659</b>
<b>Total Public Support &amp; Revenue</b>	<b>75,167</b>	<b>747,144</b>	<b>822,311</b>
<b>EXPENSES</b>			
Program Services	-	771,163	771,163
Management & General	-	102,737	102,737
Fundraising	-	12,530	12,530
<b>Total Expenses</b>	<b>-</b>	<b>886,430</b>	<b>886,430</b>
<b>CHANGE IN NET ASSETS</b>	<b>75,167</b>	<b>(139,286)</b>	<b>(64,119)</b>
<b>NET ASSETS – Beginning of Year</b>	<b>114,600</b>	<b>85,868</b>	<b>200,468</b>
<b>NET ASSETS – End of Year</b>	<b>\$ 189,767</b>	<b>\$ (53,418)</b>	<b>\$ 136,349</b>

**LAKE COUNTY FREE CLINIC, INC.**

## STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
EXPENSES				
Salaries	\$ 269,998	\$ 59,000	\$ 4,334	\$ 333,332
Employee Benefits	26,060	5,688	385	32,133
Payroll Taxes	20,750	4,529	307	25,586
Total Personnel Costs	<u>316,808</u>	<u>69,217</u>	<u>5,026</u>	<u>391,051</u>
In-Kind Medical Supplies	211,304	-	-	211,304
In-Kind Medical and Dental Services	144,271	-	-	144,271
Occupancy	29,563	6,452	437	36,452
Medical & Dental Supplies	32,505	-	-	32,505
Information Technology	10,002	10,563	588	21,153
Accounting	-	12,942	-	12,942
Office	8,096	1,143	286	9,525
Fundraising	6,825	-	-	6,825
Outside Contractors	-	-	6,161	6,161
Insurance	3,762	2,224	-	5,986
Miscellaneous	2,897	-	-	2,897
Interest	2,842	-	-	2,842
Marketing and Advertising	2,288	196	32	2,516
	<u>\$ 771,163</u>	<u>\$ 102,737</u>	<u>\$ 12,530</u>	<u>\$ 886,430</u>

**LAKE COUNTY FREE CLINIC, INC.**

## STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (64,119)
Adjustments to Reconcile Change in Net Assets to	
Cash Used by Operating Activities:	
Unrealized Gain on Short-Term Investments	(336)
Change in Operating Assets and Liabilities:	
Receivables	65,443
Prepaid Expenses	7,134
Payables and Payroll Liabilities	14,158
Total Adjustments	<u>86,399</u>
Cash Provided by Operating Activities	22,280
CASH FLOWS FROM FINANCING ACTIVITIES:	
Refundable Advance	65,400
Proceeds from EIDL Loan	150,000
Proceeds from Line of Credit	7,000
Repayment on Line of Credit	<u>(46,500)</u>
Cash Provided by Financing Activities	<u>175,900</u>
NET INCREASE IN CASH	198,180
CASH AND CASH EQUIVALENTS - BEGINNING	<u>32,945</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 231,125</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Interest Paid and Expensed	<u>\$ 2,842</u>

**LAKE COUNTY FREE CLINIC, INC.**

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

**1. ORGANIZATION AND OPERATIONS**

Lake County Free Clinic, Inc. ("LCFC") exists to address the unmet health care needs of the residents of our community by providing quality medical and dental care. LCFC was incorporated as an Ohio not-for-profit in 1970.

Program services provided by LCFC include the following general medical and dental care services:

**Chronic Care**

Ongoing treatment for chronic diseases like:

- Diabetes, including assistance with testing supplies and nutritional counseling
- High blood pressure
- Breathing problems (asthma, emphysema, COPD)
- Thyroid disorders
- Autoimmune disorders

**Acute Care**

Diagnosis and treatment for non-life threatening symptoms:

- Fever
- Sore throats
- Colds and coughs
- Sprains and muscle strains
- Bladder infections
- Pink eye
- Rashes

**Preventive Care**

Services to keep patients healthy and reduce stress:

- Work physicals (not ODOT)
- Pediatric physicals (ages 4 and older)
- Head Start physicals
- School physicals
- Sports and camp physicals
- Personal nutrition and physical exercise counseling
- Farmers market vouchers (when available)
- Education on deep breathing and meditation

Adult dental appointments are currently available for extractions; we have limited appointments for exams and simple restorations.

**Vision Screenings**

We offer qualifying pediatric and adult patients vision screenings and referrals to Prevent Blindness for a free eye exam and free pair of glasses.

**On-site Lab & Pharmacy**

Basic lab work is done on-site for LCFC patients. We have a limited pharmacy to provide LCFC patients with chronic care and acute medications. We do not provide behavioral health or prescription pain medication.



**LAKE COUNTY FREE CLINIC, INC.**

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**BASIS OF PRESENTATION

The financial statements of LCFC have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

LCFC classifies its net assets and revenues, expenses, gains and losses on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of LCFC and changes therein are classified as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of LCFC. LCFC board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of LCFC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS/CONCENTRATION OF RISK

Cash accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for all combined deposits at the same bank. At June 30, 2020, LCFC's cash balance was fully insured. LCFC has not experienced losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. Cash equivalents are highly liquid investments with an original maturity of three months or less at the date of purchase. Because of the short maturity of these financial instruments, the carrying value approximates the fair value.

RECEIVABLES AND CREDIT POLICIES

Receivables are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management evaluated receivables as of June 30, 2020 and has determined that an allowance for doubtful accounts is immaterial to these financial statements.

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). LCFC groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

**LAKE COUNTY FREE CLINIC, INC.**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

These levels are:

- Level 1      Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2      Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
  - Quoted prices for identical or similar assets in non-active markets;
  - Inputs other than quoted prices that are observable for the asset/liability; and,
  - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3      Unobservable inputs that cannot be corroborated by observable market data.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and maximize the use of observable inputs when measuring fair value, which is LCFC's policy. For the year ended June 30, 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent.

**INVESTMENTS**

Investments in marketable securities with readily determinable fair values are included in the statement of financial position at fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities. Changes in investments carried at fair value are reflected as investment income in the accompanying statement of activities.

**COMPENSATED ABSENCES**

Employees of LCFC are entitled to paid vacations, sick days and personal days off depending on job classification, length of service and other factors. LCFC's policy is to recognize the costs of compensated absences when actually paid to employees. The effect of this method instead of accruing these costs is minimal in 2020 .

**REVENUE AND REVENUE RECOGNITION**

Unconditional donor promises to give are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by LCFC. The gifts are reported as either net assets without donor restriction or net assets with donor restriction if they are received with donor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Revenue from fees for services is earned as services are provided and is reported at an estimated net realizable amount due from individuals, third-party payers, and others for services rendered.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restriction; otherwise, the contributions are recorded as net assets without donor restriction. LCFC recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

Gains and losses on investments are reported as increases or decreases to net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

**LAKE COUNTY FREE CLINIC, INC.**

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

LCFC records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

LCFC recognizes in-kind services in accordance with applicable accounting standards if the services received (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated medical, dental and other professional services have been recorded in the statement of activities in the amount of \$144,271. Donated clinic medication has been recorded in the statement of activities in the amount of \$211,304.

In addition, LCFC receives services from volunteers who give significant amounts of their time to LCFC's programs and fundraising campaigns, and management. No amounts have been reflected for these types of donated services as they do not meet the criteria for recognition.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses reflects the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation amount the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis.

INCOME TAXES

LCFC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization. Only unrelated business income is subject to federal income tax. LCFC has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

ACCOUNTING PRONOUNCEMENTS ADOPTED

During 2020, LCFC adopted the Financial Accounting Standards Board's (FASB) ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU assists organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

During 2020, LCFC adopted FASB's ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU amends the presentation of restricted cash and cash equivalents within the statement of cash flows. The new guidance requires that restricted cash and cash equivalents be added to cash and cash equivalents for purposes of the statements of cash flows. This ASU has been applied retrospectively to all periods presented. There were no material changes to the presentation of restricted cash and cash equivalents during 2020.

ACCOUNTING GUIDANCE PENDING ADOPTION

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance, and requires significantly expanded disclosures about revenue recognition. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2019. LCFC is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**LAKE COUNTY FREE CLINIC, INC.**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. LCFC is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

PROPERTY AND EQUIPMENT

Costs of property and equipment are charged against income over their estimated useful lives using straight line methods for financial reporting purposes. The policy of LCFC is to capitalize personal property purchases over \$5,000 and real property purchases over \$10,000. The estimated useful lives are from five to seven years using the straight-line method. Leasehold improvements are amortized over the life of the lease.

Repairs and maintenance, which are not considered betterments and do not extend the useful life of property, are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the asset and accumulated depreciation are removed from the accounts and the resulting profit or loss is reflected in income.

COMPENSATED ABSENCES

Employees of LCFC are entitled to paid vacation, sick days, and personal days off depending on job classification, length of service, and other factors. LCFC's policy is to recognize the costs of compensated absences when actually paid to employees. The effect of this method instead of accruing these costs is minimal in 2020 .

ADVERTISING COSTS

Advertising costs are expensed as incurred.

INCOME TAXES

LCFC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization. Only unrelated business income is subject to federal income tax. LCFC has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

**3. FAIR VALUE**

Fair values of assets measured on a recurring basis presented by level within the fair value hierarchy at June 30, 2020 are as follows:

	Fair Value Measurements Using:			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Short-term Investments	\$ 3,928	\$ -	\$ -	\$ 3,928
Cash Surrender Value		14,664		14,664
	<u>\$ 3,928</u>	<u>\$ 14,664</u>	<u>\$ -</u>	<u>\$ 18,592</u>

**4. SHORT-TERM INVESTMENTS**

Short-term investments represent shares of publicly-traded securities are presented at fair market value with a cost of \$3,927.

**LAKE COUNTY FREE CLINIC, INC.**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

**5. REFUNDABLE ADVANCE - PPP**

In April 2020, LCFC received proceeds in the amount of \$65,400 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides qualifying businesses amounts up to 2.5 times of their average monthly payroll expenses. LCFC is accounting for this grant as a conditional contribution under FASB ASC 958-605 and therefore has reflected the proceeds as a refundable advance on the Statement of Financial Position. LCFC's management expects to incur qualifying expenditures that will derecognize the liability in 2021, when the liability will be recognized as contribution revenue.

**6. LINE OF CREDIT**

LCFC maintains a line of credit at its bank in the amount of \$50,000. The unsecured line bears interest at 3.030 percentage points above the prime rate (applicable rate of 6.28% at June 30, 2020). The line does not have an expiration date. LCFC had \$7,000 outstanding on the line at June 30, 2020.

**7. LONG-TERM DEBT**

At June 30, the Club is liable for the following long-term debt:

DESCRIPTION

EIDL (June 15, 2020) – Secured by substantially all assets. The loan is payable beginning June 15, 2021 in 360 monthly payments of \$628, including interest at a fixed rate of 2.75%. Interest accrues on the loan until the first payment.

\$ 150,000

The five-year debt maturities on the mortgage debt is as follows:

2021	\$	-
2022		3,402
2023		3,496
2024		3,594
2025		3,694
Thereafter		<u>135,814</u>
Total	<u>\$</u>	<u>150,000</u>

**8. RETIREMENT PLAN**

LCFC has an employer contributory retirement plan available for all eligible employees under which employees elect to defer a portion of their compensation for federal tax purposes. LCFC contributions to the employee pension plans were \$3,414.

**9. OPERATING LEASE**

LCFC has an operating lease for its main facility, expiring January 31, 2021. The minimum future rental commitment under this agreement is \$16,065.

Rent expense in 2020 was \$27,540.

**LAKE COUNTY FREE CLINIC, INC.**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

**10. NET ASSETS**

At June 30, 2020 net assets with donor restrictions were as follows:

Purpose	Funder	BEGINNING	CONTRIBUTIONS	NET ASSETS	ENDING
		NET ASSETS		RELEASED FROM RESTRICTION	NET ASSETS
Health Care Delivery	United Way of Lake County	114,600	114,600	(114,600)	114,600
Continuity in Care	National Association of Free Clinics	-	25,000	(12,500)	12,500
COVID-Related	The Cleveland Foundation	-	34,000	(11,333)	22,667
Operations	Charitable Care Network	-	40,000	-	40,000
		\$ 114,600	\$ 213,600	\$ (138,433)	\$ 189,767

**11. AVAILABILITY AND LIQUIDITY**

The following represents LCFC's financial assets at June 30, 2020:

Financial Assets at Year-End:	
Cash & Cash Equivalents	\$ 231,189
Short-Term Investments	3,928
Grants and Contributions Receivable	<u>121,642</u>
Total Financial Assets	356,759
Less Amounts not Available to be Used Within One Year:	
Net Assets with Donor Restrictions - Cash	(75,167)
Net Assets with Donor Restrictions -Receivables	<u>(114,600)</u>
	<u>(189,767)</u>
Financial Assets Available to meet General Expenditures Over the Next Twelve Months	<u>\$ 166,992</u>

LCFC is substantially supported by governmental contracts and grants. Because these contracts and grants require resources to be used in a particular manner or in a future period, LCFC must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of LCFC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, LCFC invests its cash in excess of daily requirements in interest-bearing money market funds.

**12. RISKS AND CONTINGENCIES**

The spread of coronavirus (COVID-19) around the world through the date of these financial statements has caused significant volatility in the U.S. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well its impact on local and U.S. economies and, as such, LCFC is unable to determine if it will have material impact on its operations.

**13. SUBSEQUENT EVENTS**

In preparing these financial statements, LCFC has evaluated events and transactions for potential recognition or disclosure through March 15, 2021, the date the financial statements were available to be issued.