

MILAN PUSKAR HEALTH RIGHT, INC.

Financial Report

June 30, 2015

DHHR - Finance

APR 29 2016

Date Received



Arnett
Carbis
Toothman llp
CPAs & Advisors



April 27, 2015

Division of Compliance and Monitoring
One Davis Square, Suite 401
Charleston, West Virginia 25301

Dear Compliance Officer:

Enclosed you will find a copy of Milan Puskar Health Right's most recent audit information for FY 15.

If there is anything else you need, please contact me.

Thank you.

Sincerely,

Laura L. Jones
Executive Director

Enclosure



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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Milan Puskar Health Right, Inc.
Morgantown, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Milan Puskar Health Right, Inc., which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended 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 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.

Auditor's Responsibility

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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 purposes 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 Milan Puskar Health Right, Inc. as of June 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Arnold Coble Toothman LLP

Bridgeport, West Virginia
February 1, 2016

DHHR - Finance

APR 29 2016

Date Received

MILAN PUSKAR HEALTH RIGHT, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 596,033	\$ 479,620
Certificates of deposit	182,889	182,621
Grants and other receivables, including grant receivable from United Way of Monongalia and Preston Counties (2015 - \$58,700; 2014 - \$68,350)	246,471	106,140
Other assets	<u>10,511</u>	<u>11,657</u>
Total current assets	<u>1,035,904</u>	<u>780,038</u>
RESTRICTED ASSETS (Note 5)		
Cash	<u>140,954</u>	<u>129,819</u>
PROPERTY AND EQUIPMENT, at cost		
Land	60,000	60,000
Building	934,566	934,566
Office equipment	<u>180,479</u>	<u>219,254</u>
	1,175,045	1,213,820
Less accumulated depreciation	<u>445,361</u>	<u>447,635</u>
	<u>729,684</u>	<u>766,185</u>
 TOTAL ASSETS	 <u>\$ 1,906,542</u>	 <u>\$ 1,676,042</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 31,702	\$ 10,361
Accrued liabilities	<u>44,439</u>	<u>37,485</u>
Total current liabilities	<u>76,141</u>	<u>47,846</u>
NET ASSETS		
Unrestricted	1,369,033	1,176,063
Unrestricted - designated by board of directors	261,714	253,964
Temporarily restricted	58,700	68,350
Permanently restricted	<u>140,954</u>	<u>129,819</u>
Total net assets	<u>1,830,401</u>	<u>1,628,196</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,906,542</u>	 <u>\$ 1,676,042</u>

The Notes to Financial Statements are an integral part of these statements.

MILAN PUSKAR HEALTH RIGHT, INC.

STATEMENT OF ACTIVITIES
Year Ended JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
INCOME AND OTHER SUPPORT				
Donated services and supplies	\$ 3,596,607	\$ -	\$ -	\$ 3,596,607
West Virginia Department of Health and Human Resources	651,154	-	-	651,154
United Way	66,149	58,700	-	124,849
Program services	8,649	-	-	8,649
H.R. McQuain trust	30,000	-	-	30,000
Hott/Brown	20,000	-	-	20,000
Monongalia County	38,000	-	-	38,000
Contributions and other revenue	106,720	-	10,000	116,720
Special events, net	88,889	-	-	88,889
Other	167,647	-	1,109	168,756
Interest and dividends	767	-	284	1,051
Net assets released from restrictions	68,350	(68,350)	-	-
Total income and other support	<u>4,842,932</u>	<u>(9,650)</u>	<u>11,393</u>	<u>4,844,675</u>
EXPENSES				
Donated services and supplies	3,596,607	-	-	3,596,607
Patient care	862,300	-	-	862,300
Administration	137,696	-	258	137,954
Depreciation	36,501	-	-	36,501
Fundraising	9,108	-	-	9,108
Total expenses	<u>4,642,212</u>	<u>-</u>	<u>258</u>	<u>4,642,470</u>
Change in net assets	200,720	(9,650)	11,135	202,205
Net assets beginning of the year	<u>1,430,027</u>	<u>68,350</u>	<u>129,819</u>	<u>1,628,196</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,630,747</u>	<u>\$ 58,700</u>	<u>\$ 140,954</u>	<u>\$ 1,830,401</u>

The Notes to Financial Statements are an integral part of this statement.

MILAN PUSKAR HEALTH RIGHT, INC.

STATEMENT OF ACTIVITIES
Year Ended JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
INCOME AND OTHER SUPPORT				
Donated services and supplies	\$ 6,860,748	\$ -	\$ -	\$ 6,860,748
West Virginia Department of Health and Human Resources	703,365	-	-	703,365
United Way	69,393	68,350	-	137,743
Program services	17,858	-	-	17,858
H.R. McQuain trust	30,000	-	-	30,000
Hott/Brown	20,000	-	-	20,000
Monongalia County	41,000	-	-	41,000
Contributions and other revenue	154,863	-	19,593	174,456
Special events, net	86,944	-	-	86,944
Other	90,099	-	1,234	91,333
Interest and dividends	603	-	518	1,121
Net assets released from restrictions	68,475	(68,475)	-	-
Total income and other support	<u>8,143,348</u>	<u>(125)</u>	<u>21,345</u>	<u>8,164,568</u>
EXPENSES				
Donated services and supplies	6,860,748	-	-	6,860,748
Patient care	1,013,442	-	-	1,013,442
Administration	160,549	-	359	160,908
Depreciation	31,793	-	-	31,793
Fundraising	10,266	-	-	10,266
Total expenses	<u>8,076,798</u>	<u>-</u>	<u>359</u>	<u>8,077,157</u>
CHANGE IN NET ASSETS	66,550	(125)	20,986	87,411
NET ASSETS AT BEGINNING OF YEAR	<u>1,363,477</u>	<u>68,475</u>	<u>108,833</u>	<u>1,540,785</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,430,027</u>	<u>\$ 68,350</u>	<u>\$ 129,819</u>	<u>\$ 1,628,196</u>

The Notes to Financial Statements are an integral part of this statement.

MILAN PUSKAR HEALTH RIGHT, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended JUNE 30, 2015

	Patient Care	Administration	Fundraising	Total Expenses
EXPENSES BEFORE DONATED SERVICES AND SUPPLIES				
Salaries and benefits	\$ 578,974	\$ 102,172	\$ -	\$ 681,146
Office expense	13,946	3,487	-	17,433
Telephone	3,962	3,963	-	7,926
Utilities	7,909	7,910	-	15,820
Legal and accounting	-	3,500	-	3,500
Contract services	127,663	-	-	127,663
Volunteer costs	30,762	-	6,626	37,388
Supplies	64,017	-	-	64,017
Occupancy	23,929	15,953	-	39,882
Travel	3,265	-	-	3,265
Insurance	7,872	968	-	8,840
Miscellaneous	-	-	2,482	2,482
	<u>862,300</u>	<u>137,954</u>	<u>9,108</u>	<u>1,009,362</u>
Depreciation	<u>18,250</u>	<u>18,251</u>	<u>-</u>	<u>36,501</u>
Expenses before donated services and supplies	<u>880,550</u>	<u>156,205</u>	<u>9,108</u>	<u>1,045,863</u>
DONATED SERVICES AND SUPPLIES				
Medical supplies and materials	2,411,602	-	-	2,411,602
Medical services	<u>1,185,005</u>	<u>-</u>	<u>-</u>	<u>1,185,005</u>
Total donated services and supplies	<u>3,596,607</u>	<u>-</u>	<u>-</u>	<u>3,596,607</u>
TOTAL EXPENSES	<u>\$ 4,477,157</u>	<u>\$ 156,205</u>	<u>\$ 9,108</u>	<u>\$ 4,642,470</u>

The Notes to Financial Statements are an integral part of this statement.

MILAN PUSKAR HEALTH RIGHT, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended JUNE 30, 2014

	Patient Care	Administration	Fundraising	Total Expenses
EXPENSES BEFORE DONATED SERVICES AND SUPPLIES				
Salaries and benefits	\$ 688,211	\$ 121,449	\$ -	809,660
Office expense	24,178	6,044	-	30,222
Telephone	3,399	3,400	-	6,799
Utilities	10,334	10,335	-	20,669
Legal and accounting	-	3,500	-	3,500
Contract services	129,066	-	-	129,066
Volunteer costs	36,565	-	8,170	44,735
Supplies	81,744	-	-	81,744
Occupancy	22,828	15,218	-	38,046
Travel	2,991	-	-	2,991
Insurance	14,126	962	-	15,088
Miscellaneous	-	-	2,096	2,096
	<u>1,013,442</u>	<u>160,908</u>	<u>10,266</u>	<u>1,184,616</u>
Depreciation	15,896	15,897	-	31,793
Expenses before donated services and supplies	<u>1,029,338</u>	<u>176,805</u>	<u>10,266</u>	<u>1,216,409</u>
DONATED SERVICES AND SUPPLIES				
Medical supplies and materials	4,334,149	-	-	4,334,149
Medical services	2,526,599	-	-	2,526,599
Total donated services and supplies	<u>6,860,748</u>	<u>-</u>	<u>-</u>	<u>6,860,748</u>
TOTAL EXPENSES	<u>\$ 7,890,086</u>	<u>\$ 176,805</u>	<u>\$ 10,266</u>	<u>\$ 8,077,157</u>

The Notes to Financial Statements are an integral part of this statement.

MILAN PUSKAR HEALTH RIGHT, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 202,205	\$ 87,411
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	36,501	31,793
(Increase) decrease in grants and other receivables	(140,331)	31,585
Decrease in other assets	1,146	886
Increase (decrease) in accounts payable	21,341	(10,180)
Increase in accrued liabilities	6,954	517
Net cash provided by operating activities	<u>127,816</u>	<u>142,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	-	(6,355)
Increase in permanently restricted cash	(11,135)	(21,044)
Increase in certificates of deposit	<u>(268)</u>	<u>(485)</u>
Net cash (used in) investing activities	<u>(11,403)</u>	<u>(27,884)</u>
 Net increase in cash and cash equivalents	 116,413	 114,128
 Cash and cash equivalents		
Beginning	<u>479,620</u>	<u>365,492</u>
Ending	<u>\$ 596,033</u>	<u>\$ 479,620</u>

The Notes to Financial Statements are an integral part of these statements.

NOTE 1. DESCRIPTION OF ORGANIZATION

Milan Puskar Health Right, Inc. (MPHR or the Company) is a primary care clinic located in Morgantown, West Virginia. MPHR provides free medical and dental diagnosis, treatment, laboratory work, medications, X-rays, and referral services to the medically indigent of north central West Virginia.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 may differ from those estimates. The most significant estimates affecting the financial statements is the valuation of donated services and supplies.

Cash

MPHR maintains cash in demand deposit accounts with federally insured banks. The balances in these accounts occasionally exceed federally insured limits. In management's opinion, the amounts in excess of FDIC limits do not pose significant risk to MPHR. Cash and cash equivalents include all highly liquid investments and short-term deposits with an initial maturity of 90 days or less.

Basis of Financial Reporting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, whereby revenues are recognized as earned and expenses are recognized as incurred.

Net Asset Classification

Net assets of MPHR and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor/grantor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor/grantor-imposed stipulations that will be met either by actions of MPHR and/or the passage of time.

Permanently restricted net assets – net assets subject to donor/grantor-imposed stipulations that the assets are to be maintained permanently by MPHR.

NOTES TO FINANCIAL STATEMENT (CONTINUED)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily Restricted Net Assets and Donor-Restricted Contributions

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Grant revenues, which are expended under terms of the grant agreement in the year of receipt, are reported as unrestricted income and other support in the statements of activities.

Use of unexpended grant funds is limited under the terms of the grant agreements; unexpended funds on hand are reported as temporarily restricted net assets. Grant funds released from restrictions in subsequent years are reported in unrestricted revenue in the statements of activities and changes in net assets. Contributions of cash and other assets are presented as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. However, if a restriction is fulfilled in the same time period in which the contribution, grant or award is received, MPHR reports the support as unrestricted. Temporarily restricted net assets represent the amounts due from the United Way of Monongalia and Preston Counties, Inc., and are recorded as a receivable on the statement of financial position.

Permanently Restricted Net Assets

Permanently restricted net assets represent funds held and only the income from the investments will be provided to MPHR for its use in the future. The permanently restricted net assets are reported as restricted assets in the statements of financial position.

Grants and Other Receivables

Grants and other receivables are unsecured and are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the statement of activities in the year in which those differences are determined. Management estimates that all receivables are collectible as of June 30, 2015 and 2014; accordingly, no allowance for uncollectible accounts is considered necessary.

Economic Dependency

MPHR generates a substantial portion of its revenue from the West Virginia Department of Health and Human Resources, Bureau for Public Health, and various other grants. Changes in the amounts of grant funding could, therefore, significantly influence MPHR's ability to provide services. Additionally, in-kind donations of medical supplies, materials and services are provided to assist MPHR in accomplishing its mission. All in-kind donations are used to provide medical care to patients. Without these donations, MPHR could not achieve its objectives.

NOTES TO FINANCIAL STATEMENT (CONTINUED)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Sec. 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to section 501(a) of that code.

Property and Equipment

Fixed assets are stated at cost if purchased and fair value if contributed, less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets (5 – 40 years). It is the policy of the Company to capitalize assets whose expected useful life is in excess of one year and cost is in excess of a pre-established threshold.

Normal repairs and maintenance are expensed as incurred; significant improvements which materially increase values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

Compensated Absences

A liability has been recognized for unpaid, but earned, paid days off to be subsequently taken by employees.

Fair Value of Financial Instruments

The fair value of cash and cash equivalents, receivables, accounts payable, and accrued expenses approximates their carrying values due to the short-term maturities of these financial instruments.

Charity Care

The Company does not seek reimbursement from its patients for services rendered, although there are select government programs that provide some reimbursement for the services rendered to some patients. Therefore, the majority of all expenses represent charity care to the patient served. The grants and donations received unless restricted to some other purpose are utilized to cover the cost of the charity care.

NOTE 3. RETIREMENT PLAN

The Board of Directors voted to establish (on 1/1/2009) a deferral only 403(b) plan that covers substantially all employees of MPHR. Employees have the option of contributing to a tax-deferred annuity. There was no Company pension expense for the years ended June 30, 2015 and June 30, 2014.

NOTES TO FINANCIAL STATEMENT (CONTINUED)

NOTE 4. UNCERTAIN TAX POSITIONS

Accounting Standards prescribe a recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Company does not believe its financial statements include any uncertain tax positions. The Company's federal return of Organizations Exempt from Income Taxes for tax years ending June 30, 2012, 2013 and 2014 (filed) and June 30, 2015 (unfiled) remain subject to examination by the Internal Revenue Service.

NOTE 5. ASSETS LIMITED AS TO USE (RESTRICTED ASSETS)

Assets limited as to use consist of amounts permanently restricted under donor provisions. These amounts have been invested in cash and are stated at fair value. The composition of assets limited to use at June 30 is as follows:

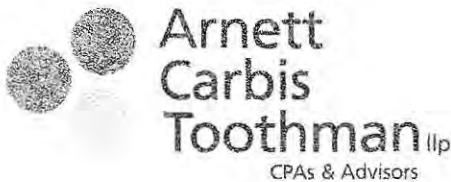
	<u>2015</u>	<u>2014</u>
Stock donation converted to cash	\$ 18,333	\$ 18,333
William E. Johnson endowment	80,000	80,000
Your Community Foundation endowment	42,621	31,486
	<u>\$ 140,954</u>	<u>\$ 129,819</u>

NOTE 6. MALPRACTICE INSURANCE

The Company maintains malpractice insurance through the West Virginia Board of Risk Management. The policy covers employees and volunteers of the Company. The Company is not aware of any claims against it at this time.

NOTE 7. SUBSEQUENT EVENTS

The Company's management has evaluated events subsequent from June 30, 2015 through February 1, 2016 which is the issuance date of this report. There has been no material event noted during this period that would either impact the results reflected in this report or the Company's results going forward.



February 1, 2016

Board of Directors
Milan Puskar Health Right, Inc.
Morgantown, West Virginia

This letter is to inform the Board of Directors of Milan Puskar Health Right, Inc. about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and we can comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

The Respective Responsibilities of the Auditor and Management

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated June 30, 2015. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated June 30, 2015 regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

Audit Adjustments

Management corrected the misstatements that were identified as a result of our audit procedures; a copy of these adjustments is attached to this letter.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in performing our audit.

Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Milan Puskar Health Right, Inc.

This report is intended solely for the information and use of the Board of Directors and is not intended to be, and should not be, used by anyone other than these specified parties.

Anneth Carlin Toothman LLP

Bridgeport, West Virginia

DHHR - Finance

APR 29 2016

Date Received