

La Comunidad Hispana, Inc.

Financial Statements
Years Ended June 30, 2018 and 2017



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LA COMUNIDAD HISPANA, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
La Comunidad Hispana, Inc.

We have audited the accompanying financial statements of La Comunidad Hispana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, 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 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 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 audit 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 La Comunidad Hispana, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BBD, LLP

Philadelphia, Pennsylvania
October 25, 2018

LA COMUNIDAD HISPANA, INC.**STATEMENTS OF FINANCIAL POSITION**

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash	\$2,797,697	\$2,504,049
Accounts receivable		
Patient services, net of an allowance for uncollectible accounts of \$59,274 and \$147,498 as of June 30, 2018 and June 30, 2017	375,034	388,057
Government and other contracts	99,961	111,215
Contributions receivable, current portion	303,388	405,589
Prepaid expenses and other	<u>148,902</u>	<u>91,516</u>
Total current assets	<u>3,724,982</u>	<u>3,500,426</u>
OTHER ASSETS		
Property and equipment	3,321,199	3,332,721
Contributions receivable, net of current portion	153,927	179,412
Beneficial interest in assets held by community foundation	<u>116,418</u>	<u>111,095</u>
Total other assets	<u>3,591,544</u>	<u>3,623,228</u>
Total assets	<u>\$7,316,526</u>	<u>\$7,123,654</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 460,142	\$ 365,739
Deferred revenue	<u>3,750</u>	<u>4,207</u>
Total current liabilities	<u>463,892</u>	<u>369,946</u>
NET ASSETS		
Unrestricted		
Operations	3,193,305	3,044,289
Real estate	<u>2,907,536</u>	<u>2,930,982</u>
	6,100,841	5,975,271
Temporarily restricted	635,375	667,342
Permanently restricted	<u>116,418</u>	<u>111,095</u>
Total net assets	<u>6,852,634</u>	<u>6,753,708</u>
Total liabilities and net assets	<u>\$7,316,526</u>	<u>\$7,123,654</u>

See accompanying notes

LA COMUNIDAD HISPANA, INC.

STATEMENTS OF ACTIVITIES

Years ended June 30, 2018 and 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT								
Government and other contract revenue	\$ 3,263,916	\$ -	\$ -	\$ 3,263,916	\$ 3,341,242	\$ -	\$ -	\$ 3,341,242
Contributions	706,597	437,132	-	1,143,729	726,069	806,075	-	1,532,144
Net patient service revenue (net of contractual and other allowances of \$2,249,374 in 2018 and \$1,465,961 in 2017)	1,617,527	-	-	1,617,527	1,582,757	-	-	1,582,757
Interest income	4,012	-	-	4,012	1,281	-	-	1,281
Loss on disposal of property and equipment	(10,375)	-	-	(10,375)	-	-	-	-
Change in value of beneficial interest in assets held by community foundation	-	-	5,323	5,323	-	-	10,832	10,832
Other income	44,639	-	-	44,639	9,170	-	-	9,170
Net assets released from restrictions	469,099	(469,099)	-	-	958,637	(958,637)	-	-
Total revenue and support	6,095,415	(31,967)	5,323	6,068,771	6,619,156	(152,562)	10,832	6,477,426
EXPENSES								
Program services								
Health center	4,451,781	-	-	4,451,781	3,816,072	-	-	3,816,072
Enabling services	458,829	-	-	458,829	413,314	-	-	413,314
Community services	254,221	-	-	254,221	262,154	-	-	262,154
Total program services	5,164,831	-	-	5,164,831	4,491,540	-	-	4,491,540
Supporting services								
Management and general	638,998	-	-	638,998	742,663	-	-	742,663
Fundraising	166,016	-	-	166,016	169,960	-	-	169,960
Total supporting services	805,014	-	-	805,014	912,623	-	-	912,623
Total expenses	5,969,845	-	-	5,969,845	5,404,163	-	-	5,404,163
CHANGE IN NET ASSETS	125,570	(31,967)	5,323	98,926	1,214,993	(152,562)	10,832	1,073,263
NET ASSETS								
Beginning of year	5,975,271	667,342	111,095	6,753,708	4,760,278	819,904	100,263	5,680,445
End of year	\$ 6,100,841	\$ 635,375	\$ 116,418	\$ 6,852,634	\$ 5,975,271	\$ 667,342	\$ 111,095	\$ 6,753,708

See accompanying notes

LA COMUNIDAD HISPANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2018 with comparative totals for 2017

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Totals</u>	
	<u>Health Center</u>	<u>Enabling Services</u>	<u>Community Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2018</u>	<u>2017</u>
Personnel	\$3,134,683	\$328,984	\$164,495	\$511,511	\$103,653	\$4,243,326	\$3,619,847
Bad debt expense	160,000	-	-	-	-	160,000	155,000
Client assistance costs	1,313	70	4,807	1,500	-	7,690	1,310
Communication costs	207,417	19,981	12,659	26,490	6,021	272,568	273,253
Depreciation	88,739	25,961	11,234	11,208	1,475	138,617	120,331
Dispensary expenses	156,979	-	-	-	-	156,979	4,916
Equipment costs	43,579	2,324	4,827	3,540	6,696	60,966	58,205
Occupancy	127,664	27,349	12,564	10,024	980	178,581	136,172
Office expense	59,042	4,316	22,153	56,363	20,414	162,288	129,329
Professional services	170,613	49,122	4,715	11,425	2,609	238,484	603,269
Supplies	294,763	26	14,037	1,397	22,818	333,041	283,668
Transportation expense	6,989	696	2,730	5,540	1,350	17,305	18,863
Total expenses	<u>\$4,451,781</u>	<u>\$458,829</u>	<u>\$254,221</u>	<u>\$638,998</u>	<u>\$166,016</u>	<u>\$5,969,845</u>	<u>\$5,404,163</u>

See accompanying notes

LA COMUNIDAD HISPANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2017

	Program Services			Supporting Services		Total
	Health Center	Enabling Services	Community Services	Management and General	Fundraising	
Personnel	\$2,546,919	\$294,664	\$196,774	\$477,080	\$104,410	\$3,619,847
Bad debt expense	155,000	-	-	-	-	155,000
Client assistance costs	1,310	-	-	-	-	1,310
Communication costs	215,908	24,207	17,034	2,768	13,336	273,253
Depreciation	72,945	24,321	10,834	10,964	1,267	120,331
Dispensary expenses	4,916	-	-	-	-	4,916
Equipment costs	46,741	2,116	1,536	-	7,812	58,205
Occupancy	98,365	19,807	9,347	7,943	710	136,172
Office expense	61,023	2,867	8,182	44,654	12,603	129,329
Professional services	337,219	44,506	7,112	192,929	21,503	603,269
Supplies	267,441	699	8,280	-	7,248	283,668
Transportation expense	8,285	127	3,055	6,325	1,071	18,863
Total expenses	<u>\$3,816,072</u>	<u>\$413,314</u>	<u>\$262,154</u>	<u>\$742,663</u>	<u>\$169,960</u>	<u>\$5,404,163</u>

See accompanying notes

LA COMUNIDAD HISPANA, INC.**STATEMENTS OF CASH FLOWS**

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 98,926	\$1,073,263
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Contributions restricted for long-term purposes	-	(23,800)
Bad debt expense	160,000	155,000
Depreciation	138,617	120,331
Loss on disposal of property and equipment	10,375	-
Change in value of beneficial interest in assets held by community foundation	(5,323)	(10,832)
(Increase) decrease in assets		
Accounts receivable	(135,723)	(375,959)
Contributions receivable	127,686	(26,297)
Prepaid expenses and other	(57,386)	(52,919)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	94,403	80,522
Deferred revenue	(457)	(40,567)
Net cash provided by operating activities	<u>431,118</u>	<u>898,742</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(137,470)</u>	<u>(272,997)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Contributions restricted for capital projects	<u>-</u>	<u>23,800</u>
Net change in cash	293,648	649,545
CASH		
Beginning of year	<u>2,504,049</u>	<u>1,854,504</u>
End of year	<u>\$2,797,697</u>	<u>\$2,504,049</u>

See accompanying notes

LA COMUNIDAD HISPANA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

(1) NATURE OF OPERATIONS

La Comunidad Hispana, Inc. ("**LCH**") is a nonprofit organization based in Kennett Square, Pennsylvania, the mission of which is to help low-income residents of southern Chester County, Pennsylvania to stay healthy, build strong families and lead productive lives by providing high-quality, culturally welcoming services.

LCH served approximately 6,500 clients in 2018 and 5,900 clients in 2017. LCH's health centers offer primary care, dental care, acute care, prenatal services, preventive screenings, behavioral health counseling and chronic disease management. LCH's social services programs provide information, referral, translation services, health insurance and other benefits, enrollment assistance, legal advice and case management to low-income individuals struggling with financial and cultural adjustment. LCH's education and workforce development programs include English as a Second Language (ESL) classes, Pre-GED (General Education Development) classes, preparation for the U.S. citizenship exam and assistance with job searching and preparation. Using a single, client-centered database, LCH is able to provide each client with seamlessly coordinated services to help them become healthy and stable members of our community.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

LCH reports information regarding its financial position and activities according to the following classes of net assets:

Unrestricted net assets

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

Temporarily restricted net assets

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of LCH and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "**net assets released from restrictions.**"

Permanently restricted net assets

Net assets that are subject to donor-imposed restrictions that such assets be maintained indefinitely.

Accounting Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America ("**GAAP**"), management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

LA COMUNIDAD HISPANA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of LCH. Unobservable inputs reflect LCH's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that LCH has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect LCH's own assumptions.

Concentrations of Credit Risk

Financial instruments which potentially subject LCH to concentrations of credit risk are cash, accounts receivable and contributions receivable. LCH maintains its cash at one financial institution. At times, such deposits may exceed federally-insured limits. LCH has not experienced any losses on its deposits.

Accounts receivable for patient services are more fully described in Note 7. Accounts receivable due from government and other agencies are expected to be collected in 2019. Contributions receivable are expected to be collected as disclosed in Note 3.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings 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. LCH does not charge interest on outstanding balances.

The changes in the valuation allowance for 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 147,498	\$ -
Bad debt expense	160,000	155,000
Write off of uncollectible accounts	<u>(248,224)</u>	<u>(7,502)</u>
Balance, end of year	<u>\$ 59,274</u>	<u>\$147,498</u>

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

LA COMUNIDAD HISPANA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

Beneficial Interest in Assets Held by Community Foundation

The beneficial interest in assets held by community foundation is reported at the fair value of the assets maintained in the endowment fund (**See Note 5**).

Government and Other Contract Revenue

Revenue from government and other contracts is recognized as the related expenses are incurred.

LCH recognized revenue of \$2,778,919 in 2018 and \$2,746,849 in 2017 from a single contract with the U.S. Department of Health and Human Services.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as unrestricted.

Unconditional contributions are recognized as revenue when the related promise to give is received. Conditional contributions are recognized as revenue when the conditions are satisfied.

Donated Services

LCH recognizes revenue for donated services received when they require specialized skills which would need to be purchased if they were not donated. Donated services are recorded as both revenue and expenses in the accompanying statements of activities and functional expenses at their estimated value at the date of receipt. LCH received donated professional services and supplies of \$173,648 in 2018 and \$311,590 in 2017 for its program and supporting services as follows:

	<u>2018</u>	<u>2017</u>
Health care	\$158,553	\$113,283
Community services	870	1,638
Management and general	765	183,339
Fundraising	<u>13,460</u>	<u>13,330</u>
	<u>\$173,648</u>	<u>\$311,590</u>

The donated management and general services for 2017 include \$180,000 received from a consulting firm related to a funding strategy project that was completed in 2017.

Net Patient Service Revenues

Net patient service revenues and related receivables are reported at their estimated net realizable amounts from patients, third-party payors and others for services rendered.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Advertising Costs

LCH expenses advertising costs as incurred. Advertising expense was \$42,010 for 2018 and \$10,833 for 2017.

Income Taxes

LCH qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and no provision or liability for income taxes is included in the accompanying financial statements.

LA COMUNIDAD HISPANA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. LCH believes that it had no uncertain tax positions as defined in GAAP.

(3) CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2018 and 2017 are expected to be collected as follows:

	<u>2018</u>	<u>2017</u>
In less than one year	\$303,388	\$405,589
In one to five years	<u>160,000</u>	<u>186,250</u>
	463,388	591,839
Less discount to present value (3%)	<u>(6,073)</u>	<u>(6,838)</u>
	<u>\$457,315</u>	<u>\$585,001</u>

(4) PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 720,000	\$ 720,000
Building and improvements	2,766,561	2,719,527
Leasehold improvements	83,895	83,895
Furniture and fixtures	717,226	668,680
Vehicles	<u>38,194</u>	<u>15,548</u>
	4,325,876	4,207,650
Less accumulated depreciation	<u>(1,004,677)</u>	<u>(874,929)</u>
	<u>\$ 3,321,199</u>	<u>\$3,332,721</u>

(5) BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

In January 2014, LCH received a contribution of \$100,000 that was restricted by the donor to establish an endowment fund (the "*fund*") with the Chester County Community Foundation (the "*Foundation*") to support the operating, program and capital needs of LCH. The fund has both an endowed component and a quasi-endowed component.

As is standard with community foundation agreements, LCH has irrevocably relinquished its right to the amounts transferred to the Foundation in exchange for future distributions of the fund's earnings. On an annual basis, LCH may request distributions up to 5% of the prior year end asset value of the endowed component of the fund and up to 20% of the prior year end asset value of the quasi-endowed component of the fund. However, the Foundation retains sole discretion regarding distributions.

The value of the endowed component of the fund was \$116,418 at June 30, 2018 and \$111,095 at June 30, 2017 and there was no quasi-endowed component of the fund. LCH did not request or receive any distributions from the Foundation in 2018 or 2017.

(6) LINE OF CREDIT

LCH has a \$150,000 line of credit with a financial institution. Advances under the line of credit bear interest at the prime rate plus .25% with a floor rate of 3.50%, and are secured by LCH's real estate. There were no advances outstanding under the line of credit at June 30, 2018 and 2017.

LA COMUNIDAD HISPANA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

(7) NET PATIENT SERVICE REVENUE

Net patient service revenue consisted of the following for 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Gross patient service revenue	\$ 3,866,901	\$ 3,048,718
Contractual and other allowances	<u>(2,249,374)</u>	<u>(1,465,961)</u>
Net patient service revenue	<u>\$ 1,617,527</u>	<u>\$ 1,582,757</u>

Net patient service revenue was attributable to the following payors for 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Self pay	\$ 562,733	\$ 375,562
Insurance companies	136,661	194,316
Medicare	113,653	74,960
Medicaid	769,471	914,711
Other	<u>35,009</u>	<u>23,208</u>
	<u>\$1,617,527</u>	<u>\$1,582,757</u>

Patient accounts receivable were due from the following payors at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Self pay	\$ 58,803	\$ 60,132
Insurance companies	126,380	378,887
Medicare	61,031	24,820
Medicaid	134,882	25,171
Other	<u>53,212</u>	<u>46,545</u>
	434,308	535,555
Less: Allowance for uncollectible accounts	<u>(59,274)</u>	<u>(147,498)</u>
	<u>\$375,034</u>	<u>\$ 388,057</u>

(8) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 and 2017 consisted of contributions restricted for the following purposes or periods:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>June 30, 2018</u>
Purpose restrictions				
Health center	\$ 81,037	\$145,416	\$117,073	\$109,380
Community services	118,394	104,243	134,090	88,547
Special projects	-	80,000	-	80,000
Time restrictions				
Operations	<u>467,911</u>	<u>107,473</u>	<u>217,936</u>	<u>357,448</u>
	<u>\$667,342</u>	<u>\$437,132</u>	<u>\$469,099</u>	<u>\$635,375</u>

LA COMUNIDAD HISPANA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>June 30, 2017</u>
Purpose restrictions				
Health center	\$ 143,233	\$ 220,410	\$ 282,606	\$ 81,037
Community services	77,732	151,065	110,403	118,394
Capital projects	98,300	23,800	122,100	-
Time restrictions				
Operations	<u>500,639</u>	<u>410,800</u>	<u>443,528</u>	<u>467,911</u>
	<u>\$819,904</u>	<u>\$806,075</u>	<u>\$958,637</u>	<u>\$667,342</u>

(9) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, 2018 and 2017 consisted of the beneficial interest in assets held by community foundation (**See Note 5**). Distributions from the Foundation are unrestricted.

(10) OPERATING LEASES

LCH has entered into lease agreements for three satellite offices located in Jennersville, Pennsylvania, Kennett Square, Pennsylvania and Oxford, Pennsylvania. The lease for the office in Jennersville, Pennsylvania expires June 2023. The leases for the offices in Oxford, Pennsylvania and Kennett Square, Pennsylvania are on a month-to-month basis. Rent expense for the satellite offices was \$62,984 for 2018 and \$61,140 for 2017.

The future minimum lease commitments are \$49,613 for 2019, \$50,620 for 2020, \$51,629 for 2021, \$52,668 for 2022 and \$53,707 for 2023.

(11) EMPLOYEE BENEFIT PLAN

LCH has established a SIMPLE plan for the benefit of eligible employees. Under the provisions of the plan, employees may make salary reduction contributions to the plan and LCH must make matching contributions equal to the employees' salary reduction contributions up to a maximum of 3% of employees' compensation. LCH's contributions to the plan were \$70,934 for 2018 and \$56,101 for 2017.

(12) ASSETS MEASURED AT FAIR VALUE

The following table presents information about LCH's assets that are measured at fair value and the valuation inputs used to value them:

<u>Description</u>	<u>Total</u>	<u>Quoted Prices in</u> <u>Active Markets</u> <u>(Level 1)</u>	<u>Significant Other</u> <u>Observable Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs (Level 3)</u>
<u>June 30, 2018</u>				
Contributions receivable	\$ 457,315	\$ -	\$ 457,315	\$ -
Beneficial interest in assets held by community foundation	<u>116,418</u>	<u>-</u>	<u>-</u>	<u>116,418</u>
	<u>\$573,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$116,418</u>

LA COMUNIDAD HISPANA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

June 30, 2017

Contributions receivable	\$585,001	\$ -	\$585,001	\$ -
Beneficial interest in assets held by community foundation	<u>111,095</u>	<u>-</u>	<u>-</u>	<u>111,095</u>
	<u>\$696,096</u>	<u>\$ -</u>	<u>\$585,001</u>	<u>\$111,095</u>

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 25, 2018, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2018 that required recognition or disclosure in the financial statements.