

Old Irving Park Community Clinic

Financial Statements

September 30, 2022 and 2021

Old Irving Park Community Clinic
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Independent Auditor's Report

To the Board of Trustees of
Old Irving Park Community Clinic

Opinion

We have audited the accompanying financial statements of Old Irving Park Community Clinic (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Old Irving Park Community Clinic as of September 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Old Irving Park Community Clinic and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Old Irving Park Community Clinic's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Old Irving Park Community Clinic's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Old Irving Park Community Clinic's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Kleiman + Company, P.C.

Palos Heights, Illinois
March 27, 2023

Old Irving Park Community Clinic
 Statements of Financial Position
 September 30, 2022 and 2021

	<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:			
Cash and cash equivalents		\$ 371,877	\$ 255,705
Cash, restricted – see note 5		41,237	1,000
Prepaid expenses		9,664	6,499
Other receivable		169	1,521
Pledges receivable		<u>6,542</u>	<u>3,350</u>
Total current assets		429,489	268,075
Property and equipment, net		280,882	26,867
Security deposit		<u>-</u>	<u>1,971</u>
Total assets		<u>\$ 710,371</u>	<u>\$ 296,913</u>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Current liabilities:			
Accounts payable		\$ 2,890	\$ 2,927
Conditional grant revenue		41,237	-
Real estate taxes payable		<u>11,449</u>	<u>-</u>
Total current liabilities/total liabilities		<u>55,576</u>	<u>2,927</u>
Net assets:			
Without donor restrictions		654,795	292,986
With donor restrictions		<u>-</u>	<u>1,000</u>
Total net assets		<u>654,795</u>	<u>293,986</u>
Total liabilities and net assets		<u>\$ 710,371</u>	<u>\$ 296,913</u>

The accompanying notes to financial statements are
 an integral part of this statement.

Old Irving Park Community Clinic
Statement of Activities
For the Year Ended September 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
In-kind contributions	\$ 1,424,901	\$ -	\$ 1,424,901
Grant and donations	496,666	7,500	504,166
Government grant	-	258,763	258,763
Interest income	636	-	636
Miscellaneous income	40	-	40
Special events income, net	7,268	-	7,268
Net assets released from restrictions	<u>267,263</u>	<u>(267,263)</u>	<u>-</u>
Total support and revenues	<u>2,196,774</u>	<u>(1,000)</u>	<u>2,195,774</u>
Expenses:			
Program services	1,712,808	-	1,712,808
Supporting activities:			
Management and general activities	53,092	-	53,092
Fundraising	<u>69,065</u>	<u>-</u>	<u>69,065</u>
Total expenses	<u>1,834,965</u>	<u>-</u>	<u>1,834,965</u>
Change in net assets	361,809	(1,000)	360,809
Net assets, beginning of year	<u>292,986</u>	<u>1,000</u>	<u>293,986</u>
Net assets, end of year	<u>\$ 654,795</u>	<u>\$ -</u>	<u>\$ 654,795</u>

The accompanying notes to financial statements are
an integral part of this statement.

Old Irving Park Community Clinic
Statement of Activities
For the Year Ended September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
In-kind contributions	\$ 1,722,662	\$ -	\$ 1,722,662
Grant and donations	399,980	1,000	400,980
Grant – Paycheck Protection Program	56,340	-	56,340
Interest income	40	-	40
Miscellaneous income	120	-	120
Special events income, net	16,170	-	16,170
Net assets released from restrictions	<u>16,860</u>	<u>(16,860)</u>	<u>-</u>
 Total support and revenues	 <u>2,212,172</u>	 <u>(15,860)</u>	 <u>2,196,312</u>
Expenses:			
Program services	2,077,771	-	2,077,771
Supporting activities:			
Management and general activities	51,546	-	51,546
Fundraising	<u>58,105</u>	<u>-</u>	<u>58,105</u>
 Total expenses	 <u>2,187,422</u>	 <u>-</u>	 <u>2,187,422</u>
 Change in net assets	 24,750	 (15,860)	 8,890
Net assets, beginning of year	<u>268,236</u>	<u>16,860</u>	<u>285,096</u>
Net assets, end of year	<u>\$ 292,986</u>	<u>\$ 1,000</u>	<u>\$ 293,986</u>

The accompanying notes to financial statements are
an integral part of this statement.

Old Irving Park Community Clinic
Statement of Functional Expenses
For the Year ended September 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Expenses</u>
Accounting	\$ -	\$ 11,778	\$ -	\$ 11,778
Bank and credit card fees	-	428	-	428
Computer expenses	21,702	1,324	-	23,026
Dues and subscriptions	-	420	-	420
Insurance	5,300	959	1,671	7,930
Janitorial	5,282	322	-	5,604
License and permits	-	52	-	52
Medical service expense	831,783	-	-	831,783
Medication and medical supplies	489,280	-	-	489,280
Miscellaneous	4,857	-	-	4,857
Occupancy charges	893	55	-	948
Office supplies and expenses	2,868	175	-	3,043
Payroll	166,609	30,145	52,527	249,281
Payroll taxes	12,746	2,306	4,018	19,070
Postage	-	139	-	139
Professional fees	-	1,584	-	1,584
Rent	32,799	2,001	-	34,800
Repairs and maintenance	212	13	-	225
Telephone and internet	2,887	176	-	3,063
Utilities	9,023	551	-	9,574
Volunteer services and expenses	115,676	-	10,849	126,525
Waste removal	<u>3,909</u>	<u>238</u>	<u>-</u>	<u>4,147</u>
 Total expenses before depreciation	 1,705,826	 52,666	 69,065	 1,827,557
Depreciation	<u>6,982</u>	<u>426</u>	<u>-</u>	<u>7,408</u>
 Total expenses	 <u>\$ 1,712,808</u>	 <u>\$ 53,092</u>	 <u>\$ 69,065</u>	 <u>\$ 1,834,965</u>

The accompanying notes to financial statements are
an integral part of this statement.

Old Irving Park Community Clinic
Statement of Functional Expenses
For the Year ended September 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Expenses</u>
Accounting	\$ -	\$ 11,356	\$ -	\$ 11,356
Bank and credit card fees	-	416	-	416
Computer expenses	18,685	1,140	-	19,825
Dues and subscriptions	-	420	-	420
Insurance	6,745	1,045	1,710	9,500
Janitorial	5,316	324	-	5,640
License and permits	-	10	-	10
Medical service expense	1,156,182	-	-	1,156,182
Medication and medical supplies	525,010	-	-	525,010
Miscellaneous	3,324	-	-	3,324
Occupancy charges	867	53	-	920
Office supplies and expenses	5,707	348	-	6,055
Payroll	198,404	30,083	52,172	280,659
Payroll taxes	14,547	2,254	3,688	20,489
Postage	-	615	-	615
Professional fees	-	-	-	-
Rent	31,365	1,914	-	33,279
Repairs and maintenance	3,030	185	-	3,215
Telephone and internet	2,618	160	-	2,778
Utilities	7,590	463	-	8,053
Volunteer services and expenses	85,915	-	535	86,450
Waste removal	<u>3,057</u>	<u>186</u>	<u>-</u>	<u>3,243</u>
 Total expenses before depreciation	 2,068,362	 50,972	 58,105	 2,177,439
 Depreciation	 <u>9,409</u>	 <u>574</u>	 <u>-</u>	 <u>9,983</u>
 Total expenses	 <u>\$ 2,077,771</u>	 <u>\$ 51,546</u>	 <u>\$ 58,105</u>	 <u>\$ 2,187,422</u>

The accompanying notes to financial statements are
an integral part of this statement.

Old Irving Park Community Clinic
 Statements of Cash Flows
 For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 360,809	\$ 8,890
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,408	9,983
(Increase) decrease in assets:		
Prepaid expenses	(3,165)	4,622
Pledges receivable	(3,192)	(2,685)
Other receivables	3,323	(1,521)
Increase (decrease) in liabilities:		
Accounts payable	(37)	(65)
Deferred conditional grant revenue	41,237	-
Accrued expenses	<u>11,449</u>	<u>-</u>
Net cash provided by operating activities	<u>417,832</u>	<u>19,224</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(261,423)</u>	<u>(4,185)</u>
Net cash used in investing activities	<u>(261,423)</u>	<u>(4,185)</u>
Net change in cash, cash equivalents and restricted cash	156,409	15,039
Cash, cash equivalents and restricted cash, beginning of year	<u>256,705</u>	<u>241,666</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 413,114</u>	<u>\$ 256,705</u>
Cash, cash equivalents and restricted cash consist of:		
Cash and cash equivalents	\$ 371,877	\$ 255,705
Restricted cash	<u>41,237</u>	<u>1,000</u>
	<u>\$ 413,114</u>	<u>\$ 256,705</u>

The accompanying notes to financial statements are
 an integral part of this statement.

Old Irving Park Community Clinic
Notes to Financial Statements
September 30, 2022 and 2021

Note 1. Summary of significant accounting policies

Description of the Organization and nature of activities

The Old Irving Park Community Clinic (the "Organization") is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was established to provide free quality health care to the medically uninsured in the Chicago metropolitan area. The Organization utilizes individual volunteers from the medical community and partners with local community institutional treatment providers in order to provide medical services.

Basis of accounting and presentation

The Organization maintains its books in accordance with the accrual basis method of accounting. Under this method, income is recognized when earned and expenses are recognized when incurred. Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. The Organization reports gifts of cash and other assets as with donor restrictions if the gifts are received with donor stipulations that limit the use of the donated assets.

Net assets

Net assets, revenues, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by the Board of Directors.

Net assets with donor restrictions – Net assets that are subject to donor- or certain grant-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are reclassified when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor-restricted contributions in which the restrictions are met in the same reporting period are reported as support without donor restrictions.

Use of estimates

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

Old Irving Park Community Clinic
Notes to Financial Statements
September 30, 2022 and 2021

Note 1. Summary of significant accounting policies (continued)

Pledges receivable

Unconditional pledges are recorded as receivables in the year pledged. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. Pledges and other promises to give are recorded as without donor restrictions or with donor restrictions depending upon the existence or nature of any donor restrictions.

Management individually reviews all past due pledge receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amount of pledges receivable are reduced by an allowance that reflects management's estimate of uncollectible amounts. There were no such allowances as of September 30, 2022 or 2021.

Grants and Revenue Recognition

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grants that qualify as contributions are recorded as invoiced to the funding sources, and revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are deferred and reflected as grant funds received in advance.

Exchange transactions reimburse the Organization based on a predetermined rate for services performed. Revenue from grant awards that are exchange transactions is recognized in the period the service is performed.

Cash and cash equivalents

The Organization considers short-term investments and certificates of deposit with original maturities of twelve months or less to be cash equivalents. These investments are exposed to various risks, such as fluctuations in interest rate or credit risk. Cash equivalents include certificates of deposit.

Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) up to certain limits. In the normal course of business, the Organization will occasionally have amounts on deposit at financial institutions that exceed the \$250,000 federally insured deposit limits. As of September 30, 2022, the amount in excess of insured deposit limits was \$3,491. The Organization has not experienced any losses in such accounts and management believes that the Organization is not exposed to any significant credit risk relating to cash and cash equivalents.

Old Irving Park Community Clinic
Notes to Financial Statements
September 30, 2022 and 2021

Note 1. Summary of significant accounting policies (continued)

Fixed assets and depreciation

Purchased fixed assets are stated at cost, less an allowance for depreciation, while maintenance and repairs are charged to expense as incurred. Donations of fixed assets are recorded as contributions at their estimated fair value at the donation date. Depreciation of fixed assets is computed using the straight-line method based upon the estimated useful lives of the assets which range from three to forty years.

Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for taxes on net unrelated business taxable income. During the years ended September 30, 2022 and 2021, the Organization did not incur any income taxes. In addition, there were no penalties or interest associated with income taxes recognized in the accompanying financial statements.

The Organization prepares and files IRS Form 990, *Return of Organization Exempt from Income Tax*, annually with the Internal Revenue Service. Generally, tax returns may be examined by the IRS for three years after they are filed; therefore, tax returns for years ending after September 30, 2019 are still subject to examination by the IRS.

Advertising and publicity costs

The Organization expenses advertising and publicity costs as they are incurred, however, there were no advertising and publicity expenses for the years ended September 30, 2022 and 2021.

Functional allocation of expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Occupancy and related costs are allocated based on square footage, while salaries and related costs are allocated based on time and effort. The Organization charges direct program expenses directly to each program.

Evaluation of subsequent events

The Organization has evaluated subsequent events through March 27, 2023, the date on which the financial statements were available to be issued.

Old Irving Park Community Clinic
Notes to Financial Statements
September 30, 2022 and 2021

Note 2. Donated services and in-kind support

The Organization receives services, equipment and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Materials and other non-cash donations are recorded at cost or estimated fair value determined at the date of donation. In-kind contributions are reflected as contributions at their estimated fair value at the date of donation. Amounts reflected in the accompanying financial statements as donated services and in-kind support are offset by like amounts included in expenses.

Donated services and in-kind contributions consist of the following for the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Board member services	\$ 66,500	\$ 25,700
Medical procedures	61,420	26,514
Medical services – Nursing, lab, and other	280,451	405,902
Medical services – Physician	532,439	756,524
Medication and medical supplies	<u>484,091</u>	<u>508,022</u>
 Total	 <u>\$ 1,424,901</u>	 <u>\$ 1,722,662</u>

Many individuals and Board members volunteer their time and perform a variety of tasks that assist the Organization. These contributions in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Note 3. Liquidity and availability

Financial assets available for general expenditure at September 30, 2022, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 371,877
Pledges receivable	<u>6,542</u>
	 <u>\$ 378,419</u>

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

Old Irving Park Community Clinic
Notes to Financial Statements
September 30, 2022 and 2021

Note 4. Property and equipment, net

Fixed assets at September 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 94,509	\$ 94,509
Land	25,876	-
Building and improvements	313,550	80,663
Software	<u>11,630</u>	<u>8,970</u>
	445,565	184,142
Less accumulated depreciation and amortization	<u>164,683</u>	<u>157,275</u>
Fixed assets, net	<u>\$ 280,882</u>	<u>\$ 26,867</u>

Depreciation expense was \$7,408 and \$9,983 for the years ended September 30, 2022 and 2021, respectively.

Note 5. Net assets with donor restrictions

Net assets with donor restrictions at September 30, 2021 were restricted for the following purpose:

Pap smears \$ 1,000

Net assets were subsequently released from donor restrictions by incurring expenses satisfying the restricted purpose or other events that are specified by the donor.

There were no assets with donor restrictions at September 30, 2022.

Note 6. Leasing activities

Prior to its purchase on September 29, 2022, the Organization leased its office facility under an operating lease. The lease was a triple-net lease with monthly base rental payments of \$1,975, plus real estate taxes and maintenance costs. Total rental expense for the years ended September 30, 2022 and 2021 were \$34,800 and \$33,279, respectively.

Note 7. Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The overall reclassification had no impact on previously reported change in net assets or cash flows.

Old Irving Park Community Clinic
Notes to Financial Statements
September 30, 2022 and 2021

Note 8. Donor concentrations

For the year ended September 30, 2022, approximately 56% of the Organization's total support and revenue was received from 4 donors.

For the year ended September 30, 2021, approximately 50% of the Organization's total support and revenue was received from 3 donors.