

**Open Door Clinic of Greater Elgin**

**Audited Financial Statements**

**For the Years Ended  
December 31, 2014 and 2013**

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## Independent Auditor's Report

To The Board of Directors of  
Open Door Clinic of Greater Elgin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Open Door Clinic of Greater Elgin (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

Independent Auditor's Report (continued)

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Open Door Clinic of Greater Elgin as of December 31, 2014 and 2013, 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.

***Other Matters***

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of operating expenses on page 23 and the accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015, on our consideration of Open Door Clinic of Greater Elgin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Open Door Clinic of Greater Elgin's internal control over financial reporting and compliance.

*Tight. Vnest 3, Du P.C.*

Elgin, Illinois  
November 2, 2015

**Open Door Clinic of Greater Elgin  
Statements of Financial Position  
December 31, 2014 and 2013**

	<u>Assets</u>	
	<u>2014</u>	<u>2013</u>
<b>Current Assets:</b>		
Cash	\$ 639,519	\$ 1,031,990
Accounts receivable (net of allowance for uncollectible accounts of \$15,307 for each year 2014 and 2013)	1,495,322	992,188
Prepaid expenses	34,993	10,865
Building deposit	-	53,636
Total current assets	<u>2,169,834</u>	<u>2,088,679</u>
 <b>Property and Equipment:</b>		
Equipment	1,734,594	192,876
Less: accumulated depreciation	(199,701)	(155,582)
Net property and equipment	<u>1,534,893</u>	<u>37,294</u>
 <b>Total Assets</b>	 <u>\$ 3,704,727</u>	 <u>\$ 2,125,973</u>
	 <u>Liabilities and Net Assets</u>	
<b>Current Liabilities:</b>		
Accounts payable	\$ 649,243	\$ 250,414
Accrued expenses	32,336	19,584
Mortgage payable - current portion	35,200	
Total current liabilities	<u>716,779</u>	<u>269,998</u>
 <b>Long-Term Liabilities:</b>		
Mortgage payable	648,267	-
Total long-term liabilities	<u>648,267</u>	<u>-</u>
 <b>Net Assets:</b>		
Unrestricted	2,339,681	1,855,975
Temporarily restricted	-	-
Permanently restricted	-	-
Total net assets	<u>2,339,681</u>	<u>1,855,975</u>
 <b>Total Liabilities and Net Assets</b>	 <u>\$ 3,704,727</u>	 <u>\$ 2,125,973</u>

See accompanying notes and independent auditor's report.

**Open Door Clinic of Greater Elgin**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended December 31, 2014 and 2013**

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public Support and Revenue:</b>								
AIDS Foundation of Chicago	\$ 755,035	\$ -	\$ -	\$ 755,035	\$ 579,927	\$ -	\$ -	\$ 579,927
Chicago Department of Public Health	564,961	-	-	564,961	298,185	-	-	298,185
Department of Health and Human Services	369,870	-	-	369,870	345,876	-	-	345,876
Department of Rehabilitation Services	132,573	-	-	132,573	129,550	-	-	129,550
Illinois Department of Public Health	103,470	-	-	103,470	100,771	-	-	100,771
Other grants	9,905	-	-	9,905	26,273	-	-	26,273
340B drug program (net of expenses of \$4,302,129 and \$4,142,571, respectively)	1,262,945	-	-	1,262,945	1,406,940	-	-	1,406,940
Program service fees	268,063	-	-	268,063	121,630	-	-	121,630
Private donations	98,206	-	-	98,206	66,414	-	-	66,414
United Way	3,530	-	-	3,530	7,050	-	-	7,050
Other	71,097	-	-	71,097	43,767	-	-	43,767
Fundraising	20,394	-	-	20,394	49,355	-	-	49,355
<b>Total public support and revenue</b>	<u>3,660,049</u>	<u>-</u>	<u>-</u>	<u>3,660,049</u>	<u>3,175,738</u>	<u>-</u>	<u>-</u>	<u>3,175,738</u>
<b>Expenses:</b>								
Program services								
Primary care	1,665,760	-	-	1,665,760	1,180,557	-	-	1,180,557
Case management	663,589	-	-	663,589	514,550	-	-	514,550
Outreach	143,459	-	-	143,459	131,375	-	-	131,375
Denistry	114,370	-	-	114,370	77,144	-	-	77,144
Counseling	330,761	-	-	330,761	219,362	-	-	219,362
Resource and development	179,581	-	-	179,581	179,774	-	-	179,774
Management and general	78,823	-	-	78,823	47,813	-	-	47,813
<b>Total expenses</b>	<u>3,176,343</u>	<u>-</u>	<u>-</u>	<u>3,176,343</u>	<u>2,350,575</u>	<u>-</u>	<u>-</u>	<u>2,350,575</u>
<b>Change in Net Assets</b>	483,706	-	-	483,706	825,163	-	-	825,163
<b>Net Assets, Beginning of Year</b>	<u>1,855,975</u>	<u>-</u>	<u>-</u>	<u>1,855,975</u>	<u>1,030,812</u>	<u>-</u>	<u>-</u>	<u>1,030,812</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,339,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,339,681</u>	<u>\$ 1,855,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,855,975</u>

See accompanying notes and independent auditor's report.

**Open Door Clinic of Greater Elgin**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2014 and 2013**

	-----Program Expenses-----							Total Program Expenses	Management and General	Total December 31, 2014
	Primary Care	Case Management	Outreach	Dentistry	Counseling	Resource and Development				
Salaries and wages	\$ 717,496	\$ 441,322	\$ 55,481	\$ 10,037	\$ 102,111	\$ 54,855	\$ 1,381,302	\$ 44,053	\$ 1,425,355	
Payroll taxes	106,607	36,679	4,462	787	8,158	4,917	161,610	3,356	164,966	
Employee benefits	104,940	57,318	9,538	2	10,880	18,727	201,405	5,436	206,841	
Supplies and professional fees	446,567	32,655	20,861	77,198	139,919	14,099	731,299	407	731,706	
Occupancy	111,808	23,749	29,452	7,234	11,306	591	184,140	13,561	197,701	
Telephone	7,120	7,512	2,035	1,543	3,045	726	21,981	724	22,705	
Technology	29,747	27,035	3,210	3,210	28,917	12,895	105,014	1,900	106,914	
Conferences, conventions and travel	24,662	13,505	4,160	2,636	6,326	4,925	56,214	957	57,171	
Postage	1,185	244	1,805	-	548	669	4,451	-	4,451	
Office supplies	18,311	12,194	2,579	2,612	6,327	5,905	47,928	1,227	49,155	
Advertising and promotion	2,861	821	-	-	98	25,999	29,779	-	29,779	
Depreciation	6,303	6,303	6,303	6,303	6,303	6,303	37,818	6,301	44,119	
Uncollected fees	32,432	-	-	-	-	-	32,432	-	32,432	
Program expenses	44,555	4,233	3,062	2,808	6,811	2,762	64,231	863	65,094	
Fundraising expenses	576	-	405	-	12	26,208	27,201	-	27,201	
Other	10,590	19	106	-	-	-	10,715	38	10,753	
<b>Total Expenses</b>	<b>\$ 1,665,760</b>	<b>\$ 663,589</b>	<b>\$ 143,459</b>	<b>\$ 114,370</b>	<b>\$ 330,761</b>	<b>\$ 179,581</b>	<b>\$ 3,097,520</b>	<b>\$ 78,823</b>	<b>\$ 3,176,343</b>	

See accompanying notes and independent auditor's report.

**Open Door Clinic of Greater Elgin  
Statements of Functional Expenses  
For the Years Ended December 31, 2014 and 2013**

-----Program Expenses-----									
	Primary Care	Case Management	Outreach	Dentistry	Counseling	Resource and Development	Total Program Expenses	Management and General	Total December 31, 2013
Salaries and wages	\$ 552,646	\$ 366,741	\$ 56,372	\$ 9,524	\$ 97,442	\$ 75,870	\$ 1,158,595	\$ 20,820	\$ 1,179,415
Payroll taxes	46,079	29,855	4,583	753	7,934	6,376	95,580	1,698	97,278
Employee benefits	69,396	54,629	8,338	1	9,497	14,370	156,231	1,823	158,054
Supplies and professional fees	276,204	10,675	22,785	52,954	73,763	5,618	441,999	80	442,079
Occupancy	91,103	22,531	20,231	3,707	7,421	21	145,014	10,843	155,857
Telephone	25,953	8,726	5,369	3,091	5,815	1,137	50,091	376	50,467
Technology	14,650	3,236	2,894	3,112	6,747	11,014	41,653	-	41,653
Conferences, conventions and travel	16,429	11,591	6,345	1,361	3,038	2,813	41,577	76	41,653
Postage	572	345	1,169	267	559	604	3,516	-	3,516
Office supplies	6,567	2,984	1,514	1,297	3,283	174	15,819	-	15,819
Advertising and promotion	2,782	1,300	546	379	1,719	26,381	33,107	-	33,107
Depreciation	-	-	-	-	-	-	-	12,022	12,022
Uncollected fees	58,642	-	-	-	-	-	58,642	-	58,642
Program expenses	12,414	1,887	1,229	698	2,144	2,584	20,956	75	21,031
Fundraising expenses	475	-	-	-	-	32,737	33,212	-	33,212
Other	6,645	50	-	-	-	75	6,770	-	6,770
<b>Total Expenses</b>	<b>\$ 1,180,557</b>	<b>\$ 514,550</b>	<b>\$ 131,375</b>	<b>\$ 77,144</b>	<b>\$ 219,362</b>	<b>\$ 179,774</b>	<b>\$ 2,302,762</b>	<b>\$ 47,813</b>	<b>\$ 2,350,575</b>

See accompanying notes and independent auditor's report.

**Open Door Clinic of Greater Elgin**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 483,706	\$ 825,163
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	44,119	12,022
Cash provided (used) by assets and liabilities:		
Accounts receivable	(503,135)	(222,305)
Other assets	29,509	(64,501)
Checks in excess of cash	-	-
Accounts payable	398,829	(126,721)
Accrued expenses	12,752	7,548
Net cash provided (used) by operating activities	<u>465,780</u>	<u>431,206</u>
 Cash Flows from Investing Activities		
Net cash provided (used) by investing activities	<u>(1,541,718)</u>	<u>(38,568)</u>
 Cash Flows from Financing Activities		
Line of credit repayments	-	-
Mortgage payable	683,467	-
Net cash provided (used) by financing activities	<u>683,467</u>	<u>-</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	(392,471)	392,638
 Cash and Cash Equivalents, Beginning of Year	<u>1,031,990</u>	<u>639,352</u>
 Cash and Cash Equivalents, End of Year	<u>\$ 639,519</u>	<u>\$ 1,031,990</u>
 Supplemental disclosure		
Interest expense	<u>\$ 2,742</u>	<u>\$ 1,723</u>

See accompanying notes and independent auditor's report.

**Open Door Clinic of Greater Elgin**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

**Note 1 - Significant Accounting Policies**

**Nature of Activities**

Open Door Clinic of Greater Elgin (the Organization) is an Illinois not-for-profit corporation that provides services to improve health and wellness by providing education, prevention, screening and treatment of HIV/AIDS and other sexually transmitted infections. Approximately 80% of the Organization's funding is provided by government grants and contracts. Other support is provided by service fees and contributions from foundations, corporations and individuals. Open Door Clinic of Greater Elgin conducts the following programs:

Primary Care – This program includes HIV testing, HIV treatment, primary physician services and overall care for the client.

Case Management – This program provides the client with ongoing information about living with HIV/AIDS, help in dealing with issues of loss, death and dying, as well as emotional support for the client and their loved ones.

Outreach – This program is devoted to stopping the spread of HIV by educating the community through the Legacy Campaign whose goal is to debunk myths and destigmatize HIV. Clients of the Organization are available to speak to classrooms and other groups about what it's like to live with HIV.

Dentistry – This program provides dental care to clients.

Counseling – This program assists those who are not mentally prepared or those who are addicted to drugs or alcohol. Open Door Clinic provides the therapy necessary to curb addictions and adjust to a new lifestyle.

Resource and Development – This program writes grants, creates and produces events, raises money through donors and finds resources for client needs. Additionally, this program oversees marketing, social media, and the Organization website.

**Method of Accounting**

The financial statements of Open Door Clinic of Greater Elgin have been prepared on the accrual basis of accounting and in accordance with United States generally accepted accounting principles applicable to non-profit organizations.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Open Door Clinic of Greater Elgin**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

**Note 1 - Significant Accounting Policies (continued)**

**Basis of Presentation**

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210. Under ASC 958-210, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Temporarily restricted net assets represent net assets subject to donor imposed restrictions which will either be met by the organization's actions or the passage of time. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions are met or have expired. These reclassifications are reported in the statement of activities as net assets released from restrictions. The Organization does not have any temporarily restricted net assets at December 31, 2014 and 2013, respectively.

Permanently restricted net assets represent net assets subject to the restrictions of gift instruments requiring the principal to be maintained intact. The Organization does not have any permanently restricted net assets at December 31, 2014 and 2013, respectively.

**Cash and Cash Equivalents**

The Organization defines cash and cash equivalents as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

**Concentrations of Credit Risk**

Open Door Clinic of Greater Elgin maintains its cash balances in several bank accounts at several banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year ended December 31, 2014, cash balances exceeded the insured limit. As of December 31, 2014 and 2013, the uninsured portion of this balance was \$457,352 and \$776,031, respectively. Management has evaluated the frequency and amount over the limit, and based on these considerations, does not consider this to be a risk.

**Risk Management**

Significant losses are covered by commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts, have not exceeded insurance coverage for the current year or prior three years.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Open Door Clinic of Greater Elgin**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

**Note 1 - Significant Accounting Policies (continued)**

**Contributions**

The Organization accounts for contributions in accordance with the recommendations in FASB ASC 958-225. In accordance with FASB ASC 958-225, contributions, grants and contracts received are recorded as unrestricted, temporarily restricted, or permanently restricted support and revenue, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Unrestricted contributions are recognized when received.

All donor-restricted support and revenues are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (such as when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets released from restrictions.

**Property and Equipment**

Property and equipment, consisting of office equipment are stated at cost, less accumulated depreciation. Open Door Clinic of Greater Elgin follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Furniture and Office Equipment	5 -10 years
Building	39 years

**Donated Property and Services**

Donations received in property and services other than cash are recorded at their fair market value on the date of the gift. Donations in property and services whose fair market values are not objectively determinable are omitted from the financial statement in accordance with generally accepted accounting standards.

The Organization receives donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-225 have not been satisfied.

During the years ended December 31, 2014 and 2013, the Organization received in-kind gifts of materials and pro-bono services, but no amounts have been recorded for the value of their materials, in accordance with the provisions of FASB ASC 958-225 (Accounting for Contributions Received and Contributions Made). These donations allowed the Organization to deliver its full range of programs and services in a cost effective manner without having to make payments for these goods and services.

**Open Door Clinic of Greater Elgin  
Notes to Financial Statements  
December 31, 2014 and 2013**

**Note 1 - Significant Accounting Policies (continued)**

**Accounts Receivable**

Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances and pledges. The Organization provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the current status of individual receivables. At December 31, 2014 and 2013, the allowance for doubtful accounts balance was \$15,307.

**Income Tax Status**

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and accordingly no provision for income tax expense is reflected in the accompanying statement of income.

The Organization adopted the implementation of FASB ASC 740. Under FASB ASC 740, management must evaluate the positions it has taken on tax returns. Management has determined that there are no tax positions that would result in a more likely than not (50% chance) of being sustained under a potential audit or examination.

The Organization's Federal Exempt Organization Income Tax Returns (Form 990) for 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

**Note 2 - Property and Equipment**

Property and equipment at December 31, 2014 and 2013, consists of the following:

	<u>December 31, 2013</u>	<u>Additions/</u>		<u>December 31, 2014</u>
	<u>Balance</u>	<u>Activity</u>	<u>Disposals</u>	<u>Balance</u>
Furniture and office equipment	\$ 192,876	\$ 1,541,718	-	\$ 1,734,594
Less: accumulated depreciation	<u>(155,582)</u>	<u>(44,119)</u>	<u>-</u>	<u>(199,701)</u>
	<u>\$ 37,294</u>	<u>\$ 1,497,599</u>	<u>\$ -</u>	<u>\$ 1,534,893</u>

Depreciation expense for the years ended December 31, 2014 and 2013 was \$44,119 and \$12,022, respectively.

**Note 3 - Retirement Plan**

Employees of the Organization may participate in an Internal Revenue Code section 403(b) retirement savings plan. The plan is funded by employee contributions and an employer match to the plan, pursuant to a salary reduction agreement. The 401(K) expense for the years ended December 31, 2014 and 2013 was \$2,550 and \$2,500 respectively.

**Open Door Clinic of Greater Elgin**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

**Note 4 – Commercial Loan**

Open Door Clinic of Greater Elgin entered into a commercial loan payable with PNC Bank for the purchase of a building. The loan has an annual interest rate of 4% and a monthly principal payment of \$2,933 effective December 1, 2014 and expires on May 1, 2019. The loan is collateralized by the building. The balance at December 31, 2014 is \$683,467.

Principal payments on the commercial loan for the next five years are as follows:

<u>Years ended December 31:</u>	
2015	\$ 35,200
2016	35,200
2017	35,200
2018	35,200
2019	<u>542,667</u>
Total	<u>\$ 683,467</u>

**Note 5 - Lease Commitments**

The Organization is currently leasing four separate office locations from non-related parties. Rental expense for the years ended December 31, 2014 and 2013 was \$81,435 and \$78,275, respectively. Cost of living adjustments may be assessed. All leases end with the option for renewal at December 31, 2016, with the exception of the Elgin location which ended December 31, 2014 and was renewed on a month-to-month basis.

Future minimum leases payments by locations are as follows:

	<u>Aurora</u> <u>Suite H</u>	<u>Aurora</u> <u>Suite K</u>	<u>Aurora</u> <u>Suite L</u>	<u>Total</u>
2015	\$ 9,240	\$ 18,960	\$ 18,480	\$ 46,680
2016	9,420	19,320	18,840	66,900
Total	<u>\$ 18,660</u>	<u>\$ 38,280</u>	<u>\$ 37,320</u>	<u>\$ 113,580</u>

**Open Door Clinic of Greater Elgin**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

**Note 6 - Concentrations**

Open Door Clinic of Greater Elgin received a substantial portion of its support for the years ended December 31, 2014 and 2013 from the 340B drug program. Any substantial loss in the amount of revenue generated by this program could significantly affect the Organization's ability to provide services.

Revenues and directly associated expenses generated from this program for the years ended December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
340B program revenues	\$ 5,440,284	\$ 5,549,511
340B program expenses	<u>(4,302,129)</u>	<u>(4,142,571)</u>
Program net income	\$ <u>1,138,155</u>	\$ <u>1,406,940</u>

**Note 7 - Line of Credit**

The Organization maintains a \$200,000 revolving line of credit to help finance its short-term capital needs. This line is collateralized by all of the Organization's assets, and interest is payable monthly on outstanding balances at an annual percentage rate of 5.75%. At December 31, 2014 and 2013, there was no outstanding balance on the line of credit.

**Note 8 - Date of Management's Review**

Subsequent events have been evaluated through the date of this report. It was concluded there are no subsequent events required to be disclosed.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors of  
Open Door Clinic of Greater Elgin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Open Door Clinic of Greater Elgin (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Open Door Clinic of Greater Elgin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Open Door Clinic of Greater Elgin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

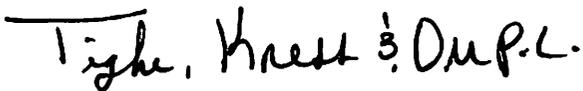
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Open Door Clinic of Greater Elgin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

T. J. Krest, CPA

Elgin, Illinois  
November 2, 2015

Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors of  
Open Door Clinic of Greater Elgin

**Report on Compliance for Each Major Federal Program**

We have audited Open Door Clinic of Greater Elgin's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Open Door Clinic of Greater Elgin's major federal programs for the year ended December 31, 2014. Open Door Clinic of Greater Elgin's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Open Door Clinic of Greater Elgin's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Open Door Clinic of Greater Elgin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Open Door Clinic of Greater Elgin's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Open Door Clinic of Greater Elgin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

## Report on Internal Control over Compliance

Management of Open Door Clinic of Greater Elgin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Open Door Clinic of Greater Elgin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Open Door Clinic of Greater Elgin's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Tisha Krest, D.M.P.C.  
Elgin, Illinois  
November 2, 2015

**Open Door Clinic of Greater Elgin  
Schedule of Expenditures of Federal Awards  
December 31, 2014**

Federal Grantor	CFDA Number	Agency Pass Through Number	Expenditures
<b>U.S. Department of Health and Human Services</b>			
<b>Ryan White Title III*</b>			
Outpatient EIS Program	93.918		\$ 369,870
<b>Pass-Through Programs:</b>			
<b>Passed-through from the City of Chicago Department         of Public Health:</b>			
<b>Ryan White Title I Funds*</b>			
Primary Care	93.914	23752	243,771
Administration	93.914	23752	43,541
Mental Health	93.914	23752	107,707
Dental Care	93.914	23752	63,247
Psychosocial	93.914	23752	59,891
Substance Abuse	93.914	23752	46,804
			<u>564,961</u>
<b>Illinois Department of Public Health pass-through     programs from Aids Foundation of Chicago:</b>			
<b>Ryan White Part A*</b>			
Case Management	93.914		577,064
<b>Ryan White Part B</b>			
Rollover Funds	93.917		127,303
			<u>704,367</u>
<b>Illinois Department of Public Health</b>			
HIV Testing and Prevention	93.944		104,767
<b>Total Federal Awards</b>			<u><u>\$ 1,743,965</u></u>
<b>Total Expenditures by CFDA Number</b>			
93.914			1,142,025
93.917			127,303
93.918			369,870
93.944			104,767
<b>Total Federal Awards</b>			<u><u>\$ 1,743,965</u></u>

\*Major Federal Award Program

**Open Door Clinic of Greater Elgin  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014**

**Section 1 - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   No

Type of auditor's report issued on compliance of major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 \_\_\_\_\_ Yes   X   No

Identification of major federal programs:

<u>CFDA No.</u>	<u>Name of Federal Program</u>
93.914	U.S. Department of Health and Human Services (Ryan White Part A and Title I Funds) - Includes Primary Care, Administration, Mental Health, Dental Care, Psychosocial, and Substance Abuse
93.918	U.S. Department of Health and Human Services (Ryan White Title III Funds) - Outpatient EIS Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**Open Door Clinic of Greater Elgin  
Schedule of Findings and Questioned Costs (continued)  
For the Year Ended December 31, 2014**

**Section II - Financial Statement Findings**

No matters of reportable conditions, material weaknesses or instances of noncompliance related to the financial statements were noted during our audit of the financial statements of Open Door Clinic of Greater Elgin for the year ended December 31, 2014.

**Section III - Financial Award Findings and Questioned Costs**

No reportable conditions, material weaknesses, or material instances of noncompliance were noted during our audit of the financial statements of Open Door clinic of Greater Elgin for the year ended December 31, 2014.

**Open Door Clinic of Greater Elgin  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2014**

**Section II - Financial Statement Findings**

No matters of reportable conditions, material weaknesses or instances of noncompliance related to the financial statements were noted during our audit of the financial statements of Open Door Clinic of Greater Elgin for the year ended December 31, 2013.

**Section III - Financial Award Findings and Questioned Costs**

No reportable conditions, material weaknesses, or material instances of noncompliance were noted during our audit of the financial statements of Open Door clinic of Greater Elgin for the year ended December 31, 2013.

**Open Door Clinic of Greater Elgin  
Notes to Schedule of Federal Awards  
December 31, 2014**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Open Door Clinic of Greater Elgin for the year ended December 31, 2014 and is presented on the GAAP basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Note 2 - Grants to Sub Recipients**

The accompanying schedule includes no federal expenditures that have been passed through to sub recipients.

**Note 3 - Non-Cash Assistance, Federal Insurance and Loans**

The Agency did not have any non-cash assistance, federal insurance or outstanding loans with respect to the federal awards

**Supplementary Information**

**Open Door Clinic of Greater Elgin**  
**Schedules of Operating Expenses**  
**For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Salaries and wages	\$ 1,425,355	\$ 1,179,415
Payroll taxes	164,966	97,278
Employee benefits	206,841	158,054
Supplies and professional fees	731,706	442,079
Occupancy/insurance	197,701	155,857
Telephone	22,705	50,467
Technology	106,914	41,653
Conference, conventions and travel	57,171	41,653
Postage	4,451	3,516
Office supplies	49,155	15,819
Advertising and promotion	29,779	33,107
Depreciation	44,119	12,022
Uncollected fees	32,432	58,642
Program expenses	65,094	21,031
Fundraising expenses	27,201	33,212
Other	10,753	6,770
	<u>\$ 3,176,343</u>	<u>\$ 2,350,575</u>