

**DuPage Health Coalition**

Financial Statements and  
Independent Auditor's Report

Year Ended June 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
DuPage Health Coalition

We have audited the accompanying financial statements of DuPage Health Coalition, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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. 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 DuPage Health Coalition as of June 30, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited DuPage Health Coalition's 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Trimarco Radonich LLC".

Naperville, Illinois  
October 22, 2019

**DUPAGE HEALTH COALITION**

## Statement of Financial Position

June 30, 2019

(With Summarized Financial Information for June 30, 2018)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,146,448	\$ 2,173,095
Grants receivable	80,399	-
Prepaid expenses and other	115,409	53,276
Total current assets	2,342,256	2,226,371
PROPERTY AND EQUIPMENT		
Executive office facility and improvements	394,457	280,000
Furniture and equipment	15,020	15,020
Subtotal	409,477	295,020
Less accumulated depreciation	(169,459)	(149,718)
Total property and equipment	240,018	145,302
TOTAL ASSETS	<u>\$ 2,582,274</u>	<u>\$ 2,371,673</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 74,466	\$ -
Accrued payroll and withholdings	12,572	13,558
Accrued paid time off	26,166	40,361
Total current liabilities	113,204	53,919
NET ASSETS		
Without donor restrictions	2,405,542	2,317,754
With donor restrictions	63,528	-
Total net assets	2,469,070	2,317,754
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,582,274</u>	<u>\$ 2,371,673</u>

The accompanying notes are an integral part of these financial statements.

# DUPAGE HEALTH COALITION

## Statement of Activities

For the Year Ended June 30, 2019  
(With Summarized Financial Information for the Year Ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
GRANTS, CONTRIBUTIONS AND REVENUE				
Government	\$ 187,134	\$ -	\$ 187,134	\$ 188,500
Hospitals	2,235,874	53,528	2,289,402	2,242,587
Foundations and other	165,206	10,000	175,206	232,255
Program Service Fees	89,264		89,264	116,539
Net assets released from restrictions	-	-	-	-
Total grants, contributions and revenue	2,677,478	63,528	2,741,006	2,779,881
FUNCTIONAL EXPENSES				
Program services	2,481,016	-	2,481,016	2,400,891
Administration	41,379		41,379	49,375
Fundraising	67,433	-	67,433	42,197
Total functional expenses	2,589,828	-	2,589,828	2,492,463
Change in net assets from operating activities	87,650	63,528	151,178	287,418
NONOPERATING				
Interest income	138	-	138	106
CHANGE IN NET ASSETS	87,788	63,528	151,316	287,524
NET ASSETS, BEGINNING OF THE YEAR	2,317,754	-	2,317,754	2,030,230
NET ASSETS, END OF YEAR	\$ 2,405,542	\$ 63,528	\$ 2,469,070	\$ 2,317,754

The accompanying notes are an integral part of these financial statements.

# DUPAGE HEALTH COALITION

## Statement of Functional Expenses

For the Year Ended June 30, 2019  
(With Summarized Financial Information for the Year Ended June 30, 2018)

	Program Services			Supporting Services		Total Expenses	
	Access DuPage	Silver Access	Dispensary of Hope	Administration	Fundraising	2019	2018
<b>PERSONNEL</b>							
Salaries	\$ 538,187	\$ 37,641	\$ -	\$ 24,720	\$ 54,880	\$ 655,428	\$ 400,739
Payroll taxes	94,336	2,746	-	2,099	5,105	104,286	67,377
Employee benefits	42,700	275	-	714	1,596	45,285	73,220
Total personnel	675,223	40,662	-	27,533	61,581	804,999	541,336
<b>DIRECT PROGRAM AND SUPPORT</b>							
Direct program costs	1,097,822	479,446	16,965	-	-	1,594,233	1,770,860
Postage and delivery	8,545	-	-	372	372	9,289	9,323
Occupancy	15,518	4,916	-	1,058	1,058	22,550	21,101
Telecommunications	20,601	-	-	1,108	443	22,152	15,517
Printing and reproduction	5,153	622	-	116	521	6,412	7,951
Liability insurance	17,760	-	-	935	-	18,695	19,741
Equipment rental	10,074	-	-	687	687	11,448	9,791
Supplies	7,977	1,617	-	544	544	10,682	7,669
Marketing, education, and training	5,684	1,430	-	832	416	8,362	2,067
Repairs and maintenance	11,876	-	-	625	-	12,501	13,303
Utilities	5,970	-	-	189	126	6,285	5,765
Travel and meals	2,516	3,495	-	161	-	6,172	9,171
Software and computer supplies	2,510	-	-	171	171	2,852	3,357
Record storage	3,434	-	-	-	-	3,434	2,783
Dues, subscriptions, and permits	199	-	-	22	-	221	146
Accounting	10,015	-	-	1,466	733	12,214	14,479
Consulting	8,979	-	-	390	390	9,759	16,525
Other professional fees	7,201	-	-	235	391	7,827	4,574
Total direct program and support	1,241,834	491,526	16,965	8,911	5,852	1,765,088	1,934,123
Depreciation	14,806	-	-	4,935	-	19,741	17,004
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,931,863</b>	<b>\$ 532,188</b>	<b>\$ 16,965</b>	<b>\$ 41,379</b>	<b>\$ 67,433</b>	<b>\$ 2,589,828</b>	<b>\$ 2,492,463</b>

The accompanying notes are an integral part of these financial statements.

# DuPage Health Coalition

## Statement of Cash Flows

For the Year Ended June 30, 2019  
(With Summarized Financial Information for the Year Ended June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 151,178	\$ 287,418
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	19,741	17,004
(Increase) decrease in		
Grants receivable	(80,399)	41,175
Prepaid expense	(62,133)	(5,269)
Increase (decrease) in		
Accounts payable	74,466	(4,964)
Accrued expenses and withholdings	(15,181)	14,133
Total adjustments	(63,506)	62,079
Net cash from operating activities	87,672	349,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	138	106
Purchases of property and equipment	(114,457)	-
Net cash from investing activities	(114,319)	106
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
NET INCREASE IN CASH	(26,647)	349,603
CASH, BEGINNING OF YEAR	2,173,095	1,823,492
CASH, END OF YEAR	\$ 2,146,448	\$ 2,173,095

The accompanying notes are an integral part of these financial statements.



## **DuPage Health Coalition**

### **Notes to Financial Statements**

June 30, 2019

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#### **1. NATURE OF ACTIVITIES**

DuPage Health Coalition (the “Organization”) is a nonprofit organization incorporated in the State of Illinois under the Illinois Not for Profit Act of 1986. The Organization’s mission is to develop and sustain in DuPage County (Illinois) a system for effectively and efficiently managing the health of low-income populations across the continuum of care. The DuPage Health Coalition accomplishes its goals through a variety of community strategic planning efforts, also operating a number of consumer-focused direct service programs.

Three key programs operated by the DuPage Health Coalition are Access DuPage, Silver Access, and Dispensary of Hope.

The Access DuPage program coordinates near comprehensive health access for low income and medically uninsured residents of DuPage County via a network of volunteer health providers and additional supportive services.

Silver Access provides low income Affordable Care Act Marketplace eligible families with premium payment assistance to reduce financial barriers to insurability.

DuPage Dispensary of Hope provides donated medications to low income and uninsured DuPage County residents.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation**

Information regarding DuPage Health Coalition’s financial position and activities is reported according to 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 that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of DuPage Health Coalition, whose board may designate assets without restrictions for specific operational purposes from time to time.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash**

Cash consists of a demand deposit and savings accounts which exceed federally insured limits. However, management does not believe DuPage Health Coalition is exposed to any significant risk of loss on such accounts.

**Property and Equipment**

Property and equipment are stated cost if purchased, or at estimated fair value at the date of gift if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 years for furniture and equipment to 20 years for the executive office facility.

**Revenue and Revenue Recognition**

Program service fees are recognized when earned. Contributions and grants are recognized when cash, other assets, or an unconditional promise to give is received.

DuPage Health Coalition reports contributions restricted by the donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions.

**Income Taxes**

DuPage Health Coalition is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state regulations.

Management has evaluated DuPage Health Coalition's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment to or disclosure in the financial statements to comply with the provisions of the accounting guidance for income taxes. Tax years that remain open for examination include fiscal years ended June 30, 2014, 2015, 2016, 2017, and 2018.

**Functional Allocation of Expenses**

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, costs have been allocated among the programs and supporting services using a direct functional method, when applicable, and on the basis of proportional use of the service provided as estimated by management.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Prior Year Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Use of Estimates**

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

**New Accounting Pronouncement**

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. DuPage Health Coalition has adjusted the presentation of these statements accordingly.

**3. LINE OF CREDIT**

DuPage Health Coalition maintains a \$150,000 line of credit with a local bank, collateralized by the Organization's executive office facility. There were no amounts outstanding on the line of credit during the year ended June 30, 2019 or 2018. If utilized, interest is payable monthly at the prime rate plus .17 percent; there is no stated expiration date.

**4. NET ASSETS WITH DONOR RESTRICTIONS**

Temporarily restricted net assets as of June 30, 2019 and 2018 are for the Access DuPage program and are time restricted.

**5. RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA plan for eligible employees. The Organization matches dollar-for-dollar participant deferrals up to 3% of their compensation. Contributions to the plan by the Organization were \$10,483 and \$7,979 for the years ended June 30, 2019 and 2018, respectively.

**6. COORDINATION OF MEDICAL SERVICES**

DuPage Health Coalition coordinates health services provided to its' 6,174 enrollees by local health care entities and professionals who are key to the execution of the Organization's mission statement. Such services include hospital care, physicians, and drug assistance programs, and are provided to the enrollees at no cost or for a nominal fee. Annually, management estimates the value of these services based upon actual data provided by the respective providers, as well as historical data and projections which have ranged from \$34.8 to \$38.0 million at managed-care rates over the past three years.

**7. LEASE COMMITMENTS**

The Organization leased office space under a non-cancelable lease agreement with an initial two-year term expiring August 31, 2017 which was extended for an additional one-year term expiring August 31, 2018 at \$410 per month. During July 2018, the Organization purchased office space for \$75,000 (cash purchase) and the lease agreement for the previously leased space was not renewed. The Organization also leased communications equipment under a 60-month non-cancelable lease agreement through January 30, 2020 which was paid in full during 2019. Rental expense under these agreements was \$11,448 and \$14,842 and for the years ended June 30, 2019 and 2018, respectively.

**8. LIQUIDITY**

DuPage Health Coalition has \$2,226,847 of financial assets available for operations within one year of the balance sheet date to meet cash needs for operations, consisting of cash of \$2,146,448 and grant receivables of \$80,399. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The receivables are subject to implied time restrictions but are expected to be collected within one year. DuPage Health Coalition has a goal to maintain liquid financial assets, which consist of cash and cash equivalents, on hand to meet normal operating expenses for a reasonable period of time.

**9. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 22, 2019, which was the date that these financial statements were available for issuance. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.