

DUPAGE HEALTH COALITION

Financial Statements and
Independent Auditor's Report

Year Ended June 30, 2021

DUPAGE HEALTH COALITION

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June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
DuPage Health Coalition
Carol Stream, Illinois

We have audited the accompanying financial statements of DuPage Health Coalition, as of and for the year ended June 30, 2021, 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, 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.

Report on Summarized Comparative Information

We have previously audited DuPage Health Coalition's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Trimmer Radonich LLC". The signature is written in a cursive, flowing style.

Naperville, Illinois
October 22, 2021

DUPAGE HEALTH COALITION

STATEMENT OF FINANCIAL POSITION

June 30, 2021

(With Summarized Financial Information for June 30, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,635,475	\$ 2,551,056
Grants receivable	232,462	317,112
Prepaid expenses and other	<u>58,435</u>	<u>57,024</u>
Total current assets	<u>1,926,372</u>	<u>2,925,192</u>
INVESTMENTS	<u>1,022,684</u>	<u>-</u>
PROPERTY AND EQUIPMENT, NET	<u>199,525</u>	<u>220,402</u>
 TOTAL ASSETS	 <u>\$ 3,148,581</u>	 <u>\$ 3,145,594</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 18,440	\$ 76,565
Accrued payroll and withholdings	21,551	21,440
Accrued paid time off	58,771	36,153
Paycheck Protection Program Loan	<u>-</u>	<u>106,332</u>
Total current liabilities	<u>98,762</u>	<u>240,490</u>
NET ASSETS		
Without donor restrictions	3,012,319	2,841,846
With donor restrictions	<u>37,500</u>	<u>63,258</u>
Total net assets	<u>3,049,819</u>	<u>2,905,104</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,148,581</u>	 <u>\$ 3,145,594</u>

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021
(with comparative totals for 2020)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>	
			<u>2021</u>	<u>2020</u>
GRANTS, CONTRIBUTIONS AND REVENUE				
Government	\$ 442,568	\$ -	\$ 442,568	\$ 208,839
Hospitals	2,025,213	-	2,025,213	2,202,542
Foundations and other	132,370	37,500	169,870	326,112
Program service fees	117,985	-	117,985	86,607
Forgiveness of Paycheck Protection Program Loan	106,332	-	106,332	-
Net assets released from restrictions	<u>63,258</u>	<u>(63,258)</u>	<u>-</u>	<u>-</u>
Total grants, contributions and revenue	<u>2,887,726</u>	<u>(25,758)</u>	<u>2,861,968</u>	<u>2,824,100</u>
FUNCTIONAL EXPENSES				
Program services	2,586,476	-	2,586,476	2,270,653
Administration	62,042	-	62,042	45,349
Fundraising	<u>91,476</u>	<u>-</u>	<u>91,476</u>	<u>72,155</u>
Total functional expenses	<u>2,739,994</u>	<u>-</u>	<u>2,739,994</u>	<u>2,388,157</u>
Change in net assets from operating activities	147,732	(25,758)	121,974	435,943
NONOPERATING INCOME				
Investment return	22,684	-	22,684	-
Interest income	<u>57</u>	<u>-</u>	<u>57</u>	<u>91</u>
Total nonoperating income	<u>22,741</u>	<u>-</u>	<u>22,741</u>	<u>91</u>
CHANGE IN NET ASSETS	170,473	(25,758)	144,715	436,034
NET ASSETS, BEGINNING OF YEAR	<u>2,841,846</u>	<u>63,258</u>	<u>2,905,104</u>	<u>2,469,070</u>
NET ASSETS, END OF YEAR	<u>\$ 3,012,319</u>	<u>\$ 37,500</u>	<u>\$ 3,049,819</u>	<u>\$ 2,905,104</u>

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021
(with comparative totals for 2020)

	Program Services			Total	Administration	Fundraising	Total 2021	Total 2020
	Access DuPage	Silver Access	Dispensary of Hope					
PERSONNEL								
Salaries	\$ 642,261	\$ 50,327	\$ -	\$ 692,588	\$ 31,481	\$ 62,962	\$ 787,031	\$ 670,705
Employee benefits	77,062	1,999	-	79,061	3,594	7,187	89,842	77,661
Payroll taxes	71,087	3,734	-	74,821	3,401	6,802	85,024	81,815
Total personnel	790,410	56,060	-	846,470	38,476	76,951	961,897	830,181
OTHER								
Health care services and subsidies	376,464	606,099	-	982,563	-	-	982,563	862,672
Pharmacy services	493,590	-	16,561	510,151	-	-	510,151	405,486
Other patient-related expenses	52,300	-	-	52,300	-	-	52,300	46,948
Postage and delivery	11,738	807	-	12,545	400	400	13,345	9,431
Occupancy	15,628	1,901	-	17,529	1,195	1,195	19,919	25,917
Telecommunications	10,210	-	-	10,210	549	220	10,979	7,160
Printing and reproduction	5,992	178	-	6,170	139	624	6,933	8,945
Liability insurance	18,238	-	-	18,238	960	-	19,198	19,369
Equipment rental	8,976	-	-	8,976	612	612	10,200	10,816
Supplies	2,828	211	-	3,039	207	207	3,453	7,251
Marketing, education, and training	16,935	276	-	17,211	1,780	791	19,782	5,180
Repairs and maintenance	5,488	-	-	5,488	289	-	5,777	14,861
Utilities	4,627	-	-	4,627	146	97	4,870	6,972
Travel and meals	796	691	-	1,487	46	-	1,533	4,208
Software and computer supplies	8,401	-	-	8,401	573	573	9,547	9,568
Dues, subscriptions, and permits	1,489	-	-	1,489	166	-	1,655	989
Consulting	42,823	-	-	42,823	8,327	8,327	59,477	71,482
Accounting and other professional fees	20,217	-	-	20,217	2,958	1,479	24,654	18,408
Miscellaneous	884	-	-	884	-	-	884	2,697
Depreciation	15,658	-	-	15,658	5,219	-	20,877	19,616
TOTAL FUNCTIONAL EXPENSES	\$ 1,903,692	\$ 666,223	\$ 16,561	\$ 2,586,476	\$ 62,042	\$ 91,476	\$ 2,739,994	\$ 2,388,157

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION

STATEMENT OF CASH FLOWS

Year Ended June 30, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 144,715	\$ 436,034
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	20,877	19,616
Forgiveness of Paycheck Protection Program Loan	(106,332)	-
(Increase) decrease in		
Grants receivable	84,650	(236,713)
Prepaid expenses and other	(1,411)	58,385
Increase (decrease) in		
Accounts payable	(58,125)	2,099
Accrued expenses and withholdings	<u>22,729</u>	<u>18,855</u>
Total adjustments	<u>(37,612)</u>	<u>(137,758)</u>
Net cash from operating activities	<u>107,103</u>	<u>298,276</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	<u>(1,022,684)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Payroll Protection Program Loan	<u>-</u>	<u>106,332</u>
Net cash from financing activities	<u>-</u>	<u>106,332</u>
NET INCREASE (DECREASE) IN CASH	(915,581)	404,608
CASH, BEGINNING OF YEAR	<u>2,551,056</u>	<u>2,146,448</u>
CASH, END OF YEAR	<u>\$ 1,635,475</u>	<u>\$ 2,551,056</u>

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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.

During fiscal year 2021, in addition to the Organization's core programming, a number of special programs were offered. These programs include: The Hope X Waiver Program for Medication Assisted Treatment for Opioid Use Disorder, the Community Mask Project, the DuPage Health Coalition Flu Vaccine Initiative, and COVID-19 Pandemic Health Navigation, including COVID-19 Community Vaccination.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of DuPage Health Coalition have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (US GAAP) which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash

Cash consists of a demand deposit account 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.

Investments

Investments are recorded at cost when purchased, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less direct investment expenses.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 generally include the fiscal year ended June 30, 2021 and the three preceding fiscal years.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, costs have been allocated among the programs and supporting services using a direct functional method, when applicable, and on the basis of time and effort as estimated by management.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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, 2020, 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.

3. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2021 and 2020 consists of:

	<u>2021</u>	<u>2020</u>
Executive office facility and improvements	\$ 394,457	\$ 394,457
Accumulated depreciation	<u>15,020</u>	<u>15,020</u>
	409,477	409,477
Less accumulated depreciation	<u>(209,952)</u>	<u>(189,075)</u>
Property and equipment, net	<u>\$ 199,525</u>	<u>\$ 220,402</u>

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

4. INVESTMENTS

Investments are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within *Level 1* that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. Inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to any assessment of the quality, risk, or liquidity profile of the asset.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

4. INVESTMENTS (Continued)

A significant portion of the Organization's investments assets are classified within *Level 1* because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values and readily marketable equity securities (common stock). The Organization has no *Level 2* or *Level 3* investments.

Investments as of June 30, 2021 consist of:

Insured deposit accounts (at cost)	\$ 500,026
Common stock (Level 1)	222,436
Mutual funds (Level 1)	<u>300,222</u>
	<u>\$ 1,022,684</u>

5. 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, 2021 or 2020. If utilized, interest is payable monthly at the prime rate plus .17 percent; there is no stated expiration date.

6. PAYCHECK PROTECTION PROGRAM

During April 2020, DuPage Health Coalition applied for and was approved for a loan in the amount of \$106,332 under the Paycheck Protection Program (PPP) created as part of the relief efforts to COVID-19 and administered by the Small Business Administration. The loan accrued interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, including accrued interest, upon meeting certain requirements. The loan was uncollateralized and fully guaranteed by the Federal government.

During the fiscal year ended June 30, 2021, the PPP loan was forgiven and revenue was recognized for the full amount of the loan.

7. NET ASSETS WITH DONOR RESTRICTIONS

Certain contributions have been restricted by donors to the subsequent fiscal year and are time restricted as of June 30, 2021. Certain time restrictions were met during the year then ended and the net assets released from restrictions.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

8. RETIREMENT PLAN

The Organization maintains a 403(b) plan for eligible employees. The Organization matches dollar-for-dollar participant deferrals up to 3% of their compensation. Contributions to the plan by DuPage Health Coalition were \$11,418 and \$10,958 for the years ended June 30, 2021 and 2020.

9. COORDINATION OF MEDICAL SERVICES

DuPage Health Coalition coordinates health services provided to its' 6,286 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.

10. LIQUIDITY

DuPage Health Coalition manages its cash available to meet general expenditures by operating within a prudent range of financial soundness and maintaining adequate liquid assets. Financial assets available within one year for general expenditures at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,635,475	\$ 2,551,056
Grants receivable	232,462	317,112
Investments	<u>1,022,684</u>	<u>-</u>
Total financial assets available within one year	<u>\$ 2,890,621</u>	<u>\$ 2,868,168</u>

None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Receivables are expected to be collected within one year. Investments classified as long-term are not expected to be used within one year, however, these amounts could be made available if necessary.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

11. RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues throughout the United States. The Organization's operations may be affected by this pandemic, however, the impact cannot be reasonably estimated at this time.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 22, 2021, 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.