Open Door Clinic of Greater Elgin

Audited Financial Statements

For the Years Ended
December 31, 2012 and 2011

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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, 2012 and 2011, 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.

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, 2012 and 2011, 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.

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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 functional expenses on page 22 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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*, is presented for purposes of additional analysis and is 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 August 26, 2013, 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.

Tighe, Kress & Orr, P.C.

Elgin, Illinois
August 26, 2013

Open Door Clinic of Greater Elgin
Statements of Financial Position
December 31, 2012 and 2011

Assets

	2012	2011
Current Assets:		
Cash	$ 639,352	$ -
Accounts receivable (net of allowance for bad debts of $15,307 and $0 for 2012 and 2011)	769,882	622,800
Other receivables	-	3,900
Total current assets	1,409,234	626,700
Property and Equipment:		
Equipment	154,308	154,308
Less accumulated depreciation	(143,560)	(129,557)
Net property and equipment	10,748	24,751
Total Assets	$ 1,419,982	$ 651,451

Liabilities and Net Assets

Current Liabilities:		
Checks in excess of cash	$ -	$ 40,943
Accounts payable	377,134	264,501
Accrued expenses	12,036	11,489
Total current liabilities	389,170	316,933
Net Assets:		
Unrestricted	1,030,812	334,518
Temporarily restricted	-	-
Permanently restricted	-	-
Total net assets	1,030,812	334,518
Total Liabilities and Net Assets	$ 1,419,982	$ 651,451

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, 2012 and 2011

	2012	2011
Public Support and Revenue:		
AIDS Foundation of Chicago	$ 407,938	$ 294,617
Chicago Department of Public Health	315,830	302,260
Department of Health and Human Services	344,837	330,883
Department of Rehabilitation Services	143,752	129,320
Illinois Department of Public Health	107,485	103,351
Other grants	20,000	-
340B drug program (net of expenses of $2,681,834 and $1,385,001, respectively)	1,074,099	455,928
Program service fees	112,809	138,062
Private donations	7,641	39,892
United Way	6,758	7,384
Other	41,305	44,844
Fundraising	51,103	61,846
Total public support and revenue	2,633,557	1,908,387
Expenses:		
Program services		
Primary care	974,312	727,750
Case management	422,284	405,418
Outreach	121,599	135,293
Denistry	95,566	65,905
Counseling	182,460	207,871
Resource and development	74,291	-
Management and general	66,751	178,589
Total expenses	1,937,263	1,720,826
Change in Unrestricted Net Assets	696,294	187,561
Net Assets, Beginning of Year	334,518	146,957
Net Assets, End of Year	$ 1,030,812	$ 334,518

See accompanying notes and independent auditor's report.

Open Door Clinic of Greater Elgin
Statements of Functional Expenses
For the Years Ended December 31, 2012 and 2011

	Program Expenses								
	Primary Care	Case Management	Outreach	Dentistry	Counseling	Resource and Development	Total Program Expenses	Management and General	Total December 31, 2012
Salaries and wages	$ 469,562	$ 300,761	$ 59,246	$ 9,686	$ 97,839	$ 46,848	$ 983,942	$ 20,094	$ 1,004,036
Payroll taxes	42,684	28,211	5,303	858	8,862	4,593	90,511	1,722	92,233
Employee benefits	58,972	39,486	7,506	372	9,903	8,277	124,516	1,561	126,077
Supplies and professional fees	220,737	16,367	20,397	62,870	48,755	3,166	372,292	133	372,425
Occupancy	89,411	14,007	14,939	12,152	4,111	-	134,620	-	134,620
Telephone	12,521	6,648	3,983	3,573	5,287	140	32,152	125	32,277
Technology	3,185	2,762	914	914	1,828	1,469	11,072	-	11,072
Conferences, conventions and travel	37,785	9,016	4,577	2,608	728	5,773	60,487	30	60,517
Postage	693	233	676	799	528	1,336	4,265	-	4,265
Office supplies	3,769	1,397	837	777	1,609	176	8,565	-	8,565
Advertising and promotion	10,307	776	569	924	822	1,125	14,523	-	14,523
Depreciation	-	-	-	-	-	-	-	14,003	14,003
Uncollected fees	15,307	-	-	-	-	-	15,307	-	15,307
Program expenses	7,083	2,620	2,652	33	2,188	1,388	15,964	85	16,049
Fundraising expenses	-	-	-	-	-	-	-	26,557	26,557
Other	2,296	-	-	-	-	-	2,296	2,441	4,737
Total Expenses	$ 974,312	$ 422,284	$ 121,599	$ 95,566	$ 182,460	$ 74,291	$ 1,870,512	$ 66,751	$ 1,937,263

See accompanying notes and independent auditor's report.

Open Door Clinic of Greater Elgin
Statements of Functional Expenses (cont.)
For the Years Ended December 31, 2012 and 2011

	Program Expenses								
	Primary Care	Case Management	Outreach	Dentistry	Counseling	Resource and Development	Total Program Expenses	Management and General	Total December 31, 2011
Salaries and wages	$ 348,340	$ 305,026	$ 69,186	$ 10,335	$ 104,917	$ -	$ 837,804	$ 72,277	$ 910,081
Payroll taxes	30,933	26,609	5,472	963	9,491	-	73,468	6,591	80,059
Employee benefits	46,983	36,825	7,747	2,425	10,323	-	104,303	10,506	114,809
Supplies and professional fees	190,795	6,610	16,548	41,241	48,921	-	304,115	5,070	309,185
Occupancy	41,507	1,609	19,809	1,664	3,720	-	68,309	14,580	82,889
Telephone	10,530	11,191	6,722	4,776	11,215	-	44,434	1,369	45,803
Technology	961	1,621	961	961	1,922	-	6,426	-	6,426
Conferences, conventions and travel	4,872	9,604	7,133	2,470	1,820	-	25,899	913	26,812
Postage	206	227	482	609	495	-	2,019	496	2,515
Office supplies	638	121	186	114	399	-	1,458	258	1,716
Advertising and promotion	587	82	-	-	64	-	733	-	733
Depreciation	-	-	-	-	-	-	-	15,092	15,092
Uncollected fees	50,068	-	-	-	-	-	50,068	-	50,068
Program expenses	1,208	5,893	1,047	347	1,057	-	9,552	1,217	10,769
Fundraising expenses	-	-	-	-	-	-	-	49,936	49,936
Other	122	-	-	-	13,527	-	13,649	284	13,933
Total Expenses	$ 727,750	$ 405,418	$ 135,293	$ 65,905	$ 207,871	$ -	$ 1,542,237	$ 178,589	$ 1,720,826

See accompanying notes and independent auditor's report.

Open Door Clinic of Greater Elgin
Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Change in net assets	$ 696,294	$ 187,561
Adjustments to reconcile change in net asssets to cash provided (used) by operating activities		
Depreciation	14,003	15,092
Cash provided (used) by assets and liabilities:		
Accounts receivable	(147,082)	(463,724)
Other receivables	3,900	1,495
Checks in excess of cash	(40,944)	20,153
Accounts payable	112,634	243,446
Accrued expenses	547	10,977
Net cash provided (used) by operating activites	639,352	15,000
Cash Flows from Investing Activities		
Net cash provided (used) by investing activites	-	-
Cash Flows from Financing Activities		
Line of credit repayments	-	(15,000)
Net cash provided (used) by financing activites	-	(15,000)
Net Increase (Decrease) in Cash and Cash Equivalents	639,352	-
Cash and Cash Equivalents, Beginning of Year	-	-
Cash and Cash Equivalents, End of Year	$ 639,352	$ -
Supplemental disclosure		
Interest expense	$ 219	$ 2,944

See accompanying notes and independent auditor's report.

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 de-stigmatize 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.

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 (Formerly SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958-210, the school 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, 2012 and 2011, 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, 2012 and 2011, respectively.

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.

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, 2012, cash balances exceeded the insured limit. As of December 31, 2012, the uninsured portion of this balance was $446,561. Management has evaluated the frequency and amount over the limit, and based on these considerations, does not consider this to be a risk.

Note 1 - Significant Accounting Policies (continued)

Contributions

The Organization accounts for contributions in accordance with the recommendations in FASB ASC 958-225 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*). 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. The useful life for furniture and office equipment is seven 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, 2012 and 2011, 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.

Risk Management

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

Note 1 - Significant Accounting Policies (continued)

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

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, 2012 and 2011, the allowance for doubtful accounts balance was $15,307 and $0, respectively.

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 (formerly FIN 48 "Accounting for Uncertainty in Income Taxes"). 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 then not (50% chance) of being sustained under a potential audit or examination.

The Organization's Federal Exempt Organization Income Tax Returns (Form 990) for 2009, 2010, and 2011 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, 2012 and 2011, consists of the following:

	December 31, 2011 Balance	Additions/ Activity	Disposals	December 31, 2012 Balance
Furniture and office equipment	$ 154,308	$ -	$ -	$ 154,308
Less: accumulated depreciation	(129,557)	(14,003)	-	(143,560)
	$ 24,751	$ (14,003)	$ -	$ 10,748

Depreciation expense for the years ended December 31, 2012 and 2011 was $14,003 and $15,092, respectively.

Note 3 - Lease Commitments

The Organization is currently leasing four separate office locations from non-related parties. Rental expense for the years ended December 31, 2012 and 2011 was $68,218 and $49,991, respectively. Cost of living adjustments may be assessed. All leases end with the option for renewal at December 31, 2013, with the exception of the Elgin location which ends at December 31, 2014 with the option to renew.

Future minimum leases payments by locations are as follows:

	Elgin	Aurora Suite H	Aurora Suite K	Aurora Suite L	Total
2013	$ 31,800	$ 8,880	$ 18,240	$ 17,700	$ 76,620
2014	31,800	-	-	-	31,800
Total	$ 63,600	$ 8,880	$ 18,240	$ 17,700	$ 108,420

Note 4 - Concentrations

Open Door Clinic of Greater Elgin received a substantial portion of its support for the years ended December 31, 2012 and 2011 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, 2012 and 2011 are as follows:

	2012	2011
340B program revenues	$ 3,755,933	$ 1,840,929
340B program expenses	(2,681,834)	(1,385,001)
Program net income	$ 1,074,099	$ 455,928

Note 5 – Retirement Plan

Employees of the Organization may participate in an Internal Revenue Code section 403(b) retirement savings plan. The plan is funded solely by employee contributions to the plan, pursuant to a salary reduction agreement.

Note 6 - Reclassification

Certain 2011 amounts have been reclassified to conform with the 2012 financial statement presentation.

Note 7 - Contingencies

The Organization is currently the defendant in litigation pending in the Illinois Circuit Court for the Sixteenth Judicial Circuit (Kane County), alleging violations of the AIDS Confidentiality Act, 410 ILCS 305, and other claims. The Organization denies the allegations in the complaint and is vigorously defending the lawsuit. Presently, the costs of defending said pending litigation are being covered by insurance; however, the Organization's insurers have contested coverage for the claims in the lawsuit. The Organization is continuing to address defense of the lawsuit and obtaining insurance coverage. The Organization believes that resolution of this lawsuit will not have material adverse effect on its financial position.

Note 8 – Line of Credit

The Organization maintains a $20,000 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, 2012 and 2011, there was no outstanding balance on the line of credit.

Note 9 - 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, 2012, 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 August 26, 2013.

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.

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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.

Tighe, Kress + Orr, P.C.

Elgin, Illinois
August 26, 2013

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, 2012. 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, 2012.

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

Open Door Clinic of Greater Elgin's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Open Door Clinic of Greater Elgin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Tighe, Kress + Orr PC

Elgin, Illinois
August 26, 2013

Open Door Clinic of Greater Elgin
Schedule of Expenditures of Federal Awards
December 31, 2012

Federal Grantor	CFDA Number	Agency Pass Through Number	Expenditures
U.S. Department of Health and Human Services			
Ryan White Title III*			
Outpatient EIS Program	93.918		344,837
Pass-Through Programs:			
Passed-through from the City of Chicago Department of Public Health:			
Ryan White Title I Funds*			
Primary Care	93.914	23752	89,404
Administration	93.914	23752	37,168
Mental Health	93.914	23752	74,396
Dental Care	93.914	23752	51,612
Psychosocial	93.914	23752	35,600
Substance Abuse	93.914	23752	27,650
Rollover Funds	93.914	23752	-
Illinois Department of Public Health pass-through programs from Aids Foundation of Chicago:			
Ryan White Part A*			
Case Management	93.914		322,263
Ryan White Part B			
Rollover Funds	93.917		85,676
Illinois Department of Public Health			
HIV Testing and Prevention	93.944		105,091
Total Federal Awards			$ 1,173,697
Total Expenditures by CFDA Number			
93.914			638,093
93.917			85,676
93.918			344,837
93.944			105,091
Total Federal Awards			$ 1,173,697

*Major Federal Award Program

Open Door Clinic of Greater Elgin
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

Section 1 - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:	Unmodified		
Internal Control Over Financial Reporting:			
Material Weaknesses Identified?	____ Yes	X No	
Reportable Conditions Identified That Are Not Considered To Be Material Weaknesses?	____ Yes	X No	
Noncompliance Material To Financial Statements Noted?	____ Yes	X No	

Federal Awards

Internal Control Over Major Programs:			
Material Weaknesses Identified?	____ Yes	X No	
Reportable Conditions Identified That Are Not Considered To Be Material Weaknesses?	____ Yes	X No	
Type of Auditor's Report Issued:	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 Programs:

CFDA No.	Name of Federal Program
93.914	U.S. Department of Health and Human Services (Ryan White Part A Funds) - Includes Primary Care, Administration, Mental Health, and Dental Care
93.918	U.S. Department of Health and Human Services (Ryan White Part C Funds) - Includes Primary Care, Administration, Mental Health, and Dental Care

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, 2012

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, 2012.

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, 2012.

Open Door Clinic of Greater Elgin
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2012

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, 2011.

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, 2011.

Open Door Clinic of Greater Elgin
Notes to Schedule of Federal Awards
December 31, 2012

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, 2012 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, 2012 and 2011

	2012	2011
Salaries and wages	$ 1,004,036	$ 910,081
Payroll taxes	92,233	80,059
Employee benefits	126,077	114,809
Supplies and professional fees	372,425	309,185
Occupancy/insurance	134,620	82,889
Telephone	32,277	45,803
Technology	11,072	6,426
Conference, conventions and travel	60,517	26,812
Postage	4,265	2,515
Office supplies	8,565	1,716
Advertising and promotion	14,523	733
Depreciation	14,003	15,092
Uncollected fees	15,307	50,068
Program expenses	16,049	10,769
Fundraising expenses	26,557	49,936
Other	4,737	13,933
	$ 1,937,263	$ 1,720,826