

FAMILY COMMUNITY CLINIC, INC.
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

CONTENTS

	Page
Independent Accountant's Review Report	1
Balance Sheets – Cash Basis	2
Statements of Revenues, Support, Expenses and Changes in Net Assets – Cash Basis	3
Statements of Functional Expenses – Cash Basis	4
Notes to Financial Statements	5-7

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Family Community Clinic, Inc.
Louisville, KY

We have reviewed the accompanying financial statements of Family Community Clinic, Inc. (a nonprofit organization), which comprise the balance sheets – cash basis as of September 30, 2022 and 2021, and the related statements of revenues, support, expenses and change in net assets – cash basis, and functional expenses – cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Family Community Clinic, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Timothy A. Masterson CPA, PSC

Timothy A. Masterson CPA, PSC
July 17, 2023

FAMILY COMMUNITY CLINIC, INC.
BALANCE SHEETS - CASH BASIS
SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 472,109	\$ 872,433
PROPERTY AND EQUIPMENT		
Equipment	133,196	31,150
Leasehold improvements	<u>1,156,485</u>	<u>1,254,097</u>
	1,289,681	1,285,247
Less: accumulated depreciation	<u>(376,280)</u>	<u>(278,194)</u>
	<u>913,401</u>	<u>1,007,053</u>
TOTAL ASSETS	<u>\$ 1,385,510</u>	<u>\$ 1,879,486</u>
NET ASSETS		
NET ASSETS		
Without donor restrictions	<u>\$ 1,385,510</u>	<u>\$ 1,879,486</u>

See independent accountant's review report and accompanying notes.

FAMILY COMMUNITY CLINIC, INC.
STATEMENTS OF REVENUES, SUPPORT, EXPENSES
AND CHANGES IN NET ASSETS - CASH BASIS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUES AND SUPPORT:		
Contributions	\$ 248,056	\$ 209,335
In-kind contributions	304,276	234,538
Grants	230,992	226,866
Loan forgiveness - Payroll Protection Program	-	44,700
Miscellaneous income	<u>3,154</u>	<u>4,277</u>
TOTAL REVENUES AND SUPPORT	786,478	719,716
WITHOUT DONOR RESTRICTIONS		
EXPENSES:		
Functional expenses:		
Program services	694,629	561,124
Management and general	52,610	45,198
Fundraising	<u>33,215</u>	<u>39,823</u>
	780,454	646,145
Endowment fund contribution	<u>500,000</u>	<u>-</u>
TOTAL EXPENSES	<u>1,280,454</u>	<u>646,145</u>
INCREASE (DECREASE) IN NET ASSETS	(493,976)	73,571
WITHOUT DONOR RESTRICTIONS		
NET ASSETS WITHOUT DONOR		
RESTRICTIONS , BEGINNING OF YEAR	<u>1,879,486</u>	<u>1,805,915</u>
NET ASSETS WITHOUT DONOR		
RESTRICTIONS, END OF YEAR	<u>\$ 1,385,510</u>	<u>\$ 1,879,486</u>

See independent accountant's review report and accompanying notes.

FAMILY COMMUNITY CLINIC, INC.
STATEMENTS OF FUNCTIONAL EXPENSES - CASH BASIS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022			2021				
	Program Services	Management and general	Fundraising	Total	Program Services	Management and general	Fundraising	Total
Salaries and wages	\$ 158,919	\$ 42,379	\$ 10,595	\$ 211,893	\$ 144,296	\$ 38,479	\$ 9,620	\$ 192,395
Employee benefits	2,095	559	140	2,794	7,007	1,869	467	9,343
Payroll taxes	12,797	3,412	853	17,062	11,038	2,943	736	14,717
Clinic supplies	25,217	-	-	25,217	39,819	-	-	39,819
Insurance	4,518	1,129	-	5,647	-	-	-	-
Maintenance and repair	16,209	-	-	16,209	-	-	-	-
Professional medical services	257,796	-	-	257,796	202,534	-	-	202,534
Interpreters	46,480	-	-	46,480	32,004	-	-	32,004
Professional fees	15,247	2,975	18,000	36,222	4,296	-	9,000	13,296
Volunteer expense	6,874	-	-	6,874	4,080	-	-	4,080
Marketing	14,742	-	3,627	18,369	6,161	-	8,000	14,161
Rent	10	2	-	12	10	2	-	12
Printing and copying	5,361	596	-	5,957	7,201	800	-	8,001
Utilities	14,017	1,558	-	15,575	9,948	1,105	-	11,053
Depreciation	98,085	-	-	98,085	84,123	-	-	84,123
Membership dues - organization	14,064	-	-	14,064	5,262	-	12,000	17,262
Training	1,948	-	-	1,948	235	-	-	235
Outside services - computer	250	-	-	250	3,110	-	-	3,110
	<u>\$ 694,629</u>	<u>\$ 52,610</u>	<u>\$ 33,215</u>	<u>\$ 780,454</u>	<u>\$ 561,124</u>	<u>\$ 45,198</u>	<u>\$ 39,823</u>	<u>\$ 646,145</u>

See independent accountant's review report and accompanying notes.

**FAMILY COMMUNITY CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Family Community Clinic, Inc. is a not-for-profit organization that provides free health care services to people without health insurance in the Louisville, Kentucky area.

Basis of Accounting

The financial statements have been prepared in accordance with the cash basis of accounting. Revenues are recognized when received and expenses are recognized when paid.

Basis of Presentation

Family Community Clinic, Inc. is required to report financial information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to any donor-imposed restrictions and are available for purposes deemed necessary by management.

Net assets with donor restrictions: Net assets permanently restricted by the donor, such as endowment funds.

Property and Equipment

Property and equipment are stated at cost if purchased. Donated property and equipment are recorded as contributions at the estimated fair value on the date of contribution and are recorded as increases in unrestricted net assets unless the donor restricts the contribution to a specific purpose. Items in excess of \$1,500 are capitalized and depreciated using the straight-line method over their estimated useful lives. Items not meeting this threshold are charged to expense as incurred.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 17, 2023, which is the date that the financial statements were available to be issued.

NOTE 3 - ESTIMATES

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

NOTE 4 - CONTRIBUTIONS

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and nature of any donor restrictions. Contributions other than cash are recorded at fair market value on the date of the donation.

NOTE 5 - FUNCTIONAL EXPENSE ALLOCATION

The financial statements report certain amounts that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated based on estimates of time and effort, utilities and printing and copying, which is allocated based on usage and, professional fees, marketing, and membership dues, which are direct charges to a particular function.

FAMILY COMMUNITY CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

NOTE 6 - ADVERTISING COSTS

Advertising costs are charged to expense as incurred.

NOTE 7 - COMPENSATED ABSENCES

Family Community Clinic, Inc. employees are entitled to paid absences, depending on length of service and other factors. Family Community Clinic, Inc. cannot reasonably estimate the amount of compensation for future absences, and accordingly, no liability has been recognized. These costs are recognized as incurred.

NOTE 8 - INCOME TAX EXEMPTION

Family Community Clinic, Inc. is exempt from federal income taxes under Internal Revenue Code Section 501(c) 3. In addition, Family Community Clinic, Inc. qualifies for the charitable contribution deduction and has been classified as an organization other than a private foundation under the applicable provisions of the Internal Revenue Code. However, net income from certain activities, not directly related to the tax-exempt purpose, is subject to taxation as unrelated business income. Family Community Clinic, Inc. believes it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Therefore, no provision for income taxes has been made in the financial statements.

The statute of limitations for the examination of tax returns is generally three years from the due date of the returns, including extensions. The following tax years remain open at September 30, 2022:

Fiscal year ended September 30, 2022
2021
2020

NOTE 9 - CONCENTRATIONS OF RISK

Investment risk

Family Community Clinic, Inc. maintains accounts at various financial institutions located in Louisville, Kentucky. Deposits at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to 250,000. At September 30, 2022 and 2021, uninsured funds totaled \$227,816 and \$118,924, respectively.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Family Community Clinic, Inc. leases a building from a nonprofit organization for a nominal fee of \$12 per year. The initial lease term is twenty years and expires on October 31, 2037.

NOTE 11 – PERMANENT ENDOWMENT

Family Community Clinic, Inc. has partnered with Community Foundation of Louisville to establish a permanent endowment fund. The funds are owned and managed by Community Foundation of Louisville for the benefit of Family Community Clinic, Inc. Per the endowment agreement signed July 29, 2021, five percent of the average fund balance will be available for grants to Family Community Clinic, Inc. Grants will be made beginning in the first quarter after the funds have been held for one year.

During fiscal year 2022, Family Community Clinic, Inc. donated \$500,000 to the endowment fund.

NOTE 12 - VOLUNTEER SERVICES

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. Donated services are recognized as revenue if the service creates or enhances nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased if not provided by donation. Donated services that do not meet the above criteria are not recognized as revenues and are not reported in the financial statements.

NOTE 13 -- DONATED PROFESSIONAL SERVICES

The Organization received the following donated professional services for fiscal years 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Program Services		
Medical Providers - in-kind services	\$ 165,006	\$ 155,305
Nurses - in-kind services	34,011	23,905
Registered nurses	18,963	-
Interpreters - in-kind services	46,480	32,004
Scibes - in-kind services	39,816	23,324
	<u>304,276</u>	<u>234,538</u>
	\$	\$

NOTE 14 - RETIREMENT PLAN

For fiscal 2022, Family Community Clinic, Inc. implemented a SIMPLE IRA retirement plan. The Organization contributes three percent for all eligible employees. Retirement expense for fiscal 2022 was \$447.