

**HEARTLAND INTERNATIONAL
HEALTH CENTER
Chicago, Illinois**

**FINANCIAL STATEMENTS
June 30, 2008 and 2007**



**Clifton
Gunderson LLP**
Certified Public Accountants & Consultants

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Independent Auditor's Report

Board of Directors
Heartland International Health Center
Chicago, Illinois

We have audited the accompanying statements of financial position of Heartland International Health Center (the "Health Center") as of June 30, 2008 and 2007 and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heartland International Health Center as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2009, on our consideration of the Health Center's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Clifton Gunderson LLP

Oak Brook, Illinois
January 16, 2009

**HEARTLAND INTERNATIONAL HEALTH CENTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash	\$ 543,182	\$ 190,187
Accounts receivable:		
Program service grants and fees	152,774	145,016
Patient services	334,693	469,555
Allowance for contractual adjustments, discounts and bad debts	(137,372)	(247,939)
Prepaid expenses	5,052	7,410
Property and equipment, net	<u>325,059</u>	<u>37,268</u>
TOTAL ASSETS	<u>\$ 1,223,388</u>	<u>\$ 601,497</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and other accrued expenses	\$ 212,933	\$ 89,727
Accounts payable to Heartland Alliance for Human Needs & Human Rights and Affiliates	219,934	838,900
Accrued payroll and related liabilities	103,121	54,983
Note payable to Heartland Alliance for Human Needs & Human Rights and Affiliates	<u>279,357</u>	<u>-</u>
Total liabilities	<u>815,345</u>	<u>983,610</u>
NET ASSETS (DEFICIT)		
Unrestricted	48,172	(494,036)
Temporarily restricted	<u>359,871</u>	<u>111,923</u>
Total net assets (deficit)	<u>408,043</u>	<u>(382,113)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,223,388</u>	<u>\$ 601,497</u>

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

HEARTLAND INTERNATIONAL HEALTH CENTER
STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 101,725	\$ 344,986	\$ 446,711
Program services:			
Grants, contracts, reimbursements and client fees	1,777,166	-	1,777,166
Patient services, net of contractual adjustments and discounts of \$227,785	684,797	-	684,797
Other income	271,442	-	271,442
Net assets released from restrictions	97,038	(97,038)	-
	<u>2,932,168</u>	<u>247,948</u>	<u>3,180,116</u>
Total revenues			
EXPENSES			
Program services	2,113,664	-	2,113,664
Management and general	246,487	-	246,487
	<u>2,360,151</u>	<u>-</u>	<u>2,360,151</u>
Total expenses			
INCREASE IN NET ASSETS FROM BUDGETARY OPERATIONS			
	572,017	247,948	819,965
Non-budgetary items:			
Depreciation and amortization	(29,809)	-	(29,809)
	<u>542,208</u>	<u>247,948</u>	<u>790,156</u>
CHANGE IN NET ASSETS (DEFICIT)			
	542,208	247,948	790,156
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(494,036)</u>	<u>111,923</u>	<u>(382,113)</u>
NET ASSETS, END OF YEAR	<u>\$ 48,172</u>	<u>\$ 359,871</u>	<u>\$ 408,043</u>

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

**HEARTLAND INTERNATIONAL HEALTH CENTER
STATEMENT OF ACTIVITIES
Year Ended June 30, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 2,011	\$ 165,493	\$ 167,504
Program services:			
Grants, contracts, reimbursements and client fees	842,503	-	842,503
Patient services, net of contractual adjustments and discounts of \$173,455	500,781	-	500,781
Other income	15,626	-	15,626
Net assets released from restrictions	<u>278,855</u>	<u>(278,855)</u>	<u>-</u>
Total revenues	<u>1,639,776</u>	<u>(113,362)</u>	<u>1,526,414</u>
EXPENSES			
Program services	1,478,541	-	1,478,541
Management and general	<u>146,021</u>	<u>-</u>	<u>146,021</u>
Total expenses	<u>1,624,562</u>	<u>-</u>	<u>1,624,562</u>
INCREASE (DECREASE) IN NET ASSETS FROM BUDGETARY OPERATIONS			
	15,214	(113,362)	(98,148)
Non-budgetary items:			
Depreciation and amortization	<u>(3,667)</u>	<u>-</u>	<u>(3,667)</u>
CHANGE IN NET ASSETS (DEFICIT)	11,547	(113,362)	(101,815)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(505,583)</u>	<u>225,285</u>	<u>(280,298)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (494,036)</u>	<u>\$ 111,923</u>	<u>\$ (382,113)</u>

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

HEARTLAND INTERNATIONAL HEALTH CENTER
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2008 and 2007

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2008</u>	<u>2007</u>
Change in net assets (deficit)	\$ 790,156	\$ (101,815)
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:		
Depreciation	29,809	3,667
Change in allowance for contractual adjustments, discounts and bad debts	(110,567)	37,965
Effects of changes in operating assets and liabilities:		
Accounts receivable:		
Program service grants and fees	(7,758)	42,868
Patient services	134,862	407,019
Prepaid expenses	2,358	(7,410)
Accounts payable and other accrued expenses	123,206	54,396
Accounts payable to Heartland Alliance for Human Needs & Human Rights and Affiliates	(339,609)	(98,817)
Accrued payroll and related liabilities	48,138	25,981
Deferred revenue	-	(132,732)
	<hr/>	<hr/>
Net cash provided by operating activities	670,595	231,122
 CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	<u>(317,600)</u>	<u>(40,935)</u>
 NET INCREASE IN CASH	352,995	190,187
 CASH, BEGINNING OF YEAR	<u>190,187</u>	<u>-</u>
 CASH, END OF YEAR	<u><u>\$ 543,182</u></u>	<u><u>\$ 190,187</u></u>

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

**HEARTLAND INTERNATIONAL HEALTH CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2008**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 1,054,825	\$ -	\$ 1,054,825
Payroll taxes and fringe benefits	190,226	-	190,226
Staff expenses	54,313	-	54,313
Professional services	121,323	246,487	367,810
Office services	90,953	-	90,953
Occupancy	101,585	-	101,585
Equipment	56,888	-	56,888
Client support	(2,018)	-	(2,018)
Medical supplies	158,088	-	158,088
Delegate agency	287,481	-	287,481
	<u>2,113,664</u>	<u>246,487</u>	<u>2,360,151</u>
Depreciation and amortization	29,809	-	29,809
TOTAL FUNCTIONAL EXPENSES	<u>\$ 2,143,473</u>	<u>\$ 246,487</u>	<u>\$ 2,389,960</u>

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

HEARTLAND INTERNATIONAL HEALTH CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2007

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 664,895	\$ -	\$ 664,895
Payroll taxes and fringe benefits	119,415	-	119,415
Staff expenses	43,632	-	43,632
Professional services	91,955	146,021	237,976
Office services	38,672	-	38,672
Occupancy	40,479	-	40,479
Equipment	81,286	-	81,286
Client support	766	-	766
Medical supplies	129,423	-	129,423
Delegate agency	268,018	-	268,018
	<u>1,478,541</u>	<u>146,021</u>	<u>1,624,562</u>
Depreciation and amortization	3,667	-	3,667
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,482,208</u>	<u>\$ 146,021</u>	<u>\$ 1,628,229</u>

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

HEARTLAND INTERNATIONAL HEALTH CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Heartland International Health Center (the "Health Center") is a nonprofit federally qualified health center ("FQHC") that receives federal grant funds pursuant to section 330 of the Public Health Service Act, 42 U.S.C. 254b, which program is administered by the Bureau of Primary Health Care ("BPHC") within the United States Department of Health and Human Services ("DHHS"), and provides comprehensive culturally competent health care and supportive services to individuals and families who reside in the Uptown community area and three neighboring community areas of Edgewater, Rogers Park, and Albany Park on the north side of Chicago.

The Health Center's fiscal year ends on June 30. Significant accounting policies followed by the Health Center are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Health Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Health Center and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are maintained permanently by the Health Center. Investment income from related investments may be used for operating purposes and is recorded as unrestricted revenue. The Health Center has no permanently restricted net assets as of June 30, 2008 and 2007.

HEARTLAND INTERNATIONAL HEALTH CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

The Health Center maintains its cash balances in banks which may exceed Federal Deposit Insurance Corporation limits from time-to-time. The Health Center has not experienced any losses in such accounts and management believes that the Health Center is not exposed to any significant credit risk on cash.

Accounts Receivable

Accounts receivable include program service grants and fees which are uncollateralized funding source obligations and are stated at the invoice amount. Payments of accounts receivable are generally applied to the specific invoices identified on the funding source's remittance advice.

Accounts receivable also include amounts due for patient services rendered. These are uncollateralized obligations that are stated at the invoice amount. Payments of patient fees receivable are applied to specific invoices. The carrying amount of patient fees receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance.

Property and Equipment

Property and equipment are recorded at cost, except for donated assets, which are recorded at fair value at the time of receipt. In general, capital expenditures of \$5,000 or greater are recorded as additions to property and equipment. Depreciation is being provided over the estimated useful lives of the assets using the straight-line method.

Impairment of Long-Lived Assets

The Health Center reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Revenues

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenues, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets in the Statements of Activities as net assets released from restrictions.

HEARTLAND INTERNATIONAL HEALTH CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues (continued)

The Health Center receives a substantial portion of its operating funds from grants and awards. These funds are reported as unrestricted revenues as the grants reimburse the Health Center for services provided.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Functional Expenses.

Patient Assistance Program

The Health Center receives donated pharmaceuticals on behalf of designated patients. This activity has been excluded from revenues and expenses on the Statements of Activities and Statements of Functional Expenses as the Health Center acts only as an agent between the donors and the patients.

Income Taxes

The Health Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Health Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement 109*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. The effective date of FIN 48 to certain nonpublic enterprises is currently for fiscal years beginning after December 15, 2007. In October 2008, the FASB proposed delaying the effective date of FIN 48 to certain nonpublic enterprises. The Health Center will be required to adopt FIN 48 upon its dispositive effective date. Management is currently assessing the impact of FIN 48 on its Statement of Financial Position and Statement of Activities.

In September 2006, FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in United States Generally Accepted Accounting Principles and expands disclosures about fair value measurements. SFAS No. 157 will be effective for fiscal years beginning after November 15, 2007. The effects of SFAS No. 157 on the Health Center's financial statements have not been determined.

**HEARTLAND INTERNATIONAL HEALTH CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007**

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Computer equipment	\$ 5,137	\$ -
Furniture and fixtures	9,410	-
Leasehold improvements	303,052	-
Medical equipment	<u>40,829</u>	<u>40,935</u>
Total at cost	358,428	40,935
Less accumulated depreciation	<u>33,369</u>	<u>3,667</u>
Total property and equipment	<u>\$ 325,059</u>	<u>\$ 37,268</u>

Depreciation expense on property and equipment was \$29,809 and \$3,667 for the years ended June 30, 2008 and 2007, respectively.

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	<u>2008</u>	<u>2007</u>
Senn Spang Center for Oral Health	\$ 110,151	\$ 92,673
Senn School Based Health Center	-	19,250
Grant Healthcare Foundation	32,607	-
Illinois Child Health Care Foundation	170,970	-
Roosevelt DentalFry Foundations	40,000	-
Prince Charitable Trust	<u>6,143</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 359,871</u>	<u>\$ 111,923</u>

Temporarily restricted net asset were released from restrictions for the following purposes:

	<u>2008</u>	<u>2007</u>
Senn Spang Center for Oral Health	\$ 41,772	\$ 232,612
Senn School Based Health Center	-	46,243
Grant Healthcare Foundation	17,392	-
Illinois Child Health Care Foundation	8,017	-
Prince Charitable Trust	9,857	-
Ravenswood	<u>20,000</u>	<u>-</u>
Total	<u>\$ 97,038</u>	<u>\$ 278,855</u>

HEARTLAND INTERNATIONAL HEALTH CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 4 - TRANSACTIONS WITH AFFILIATES

The Health Center has entered into an agreement with Heartland Alliance for Human Needs & Human Rights (Heartland Alliance), an affiliated Human Services agency, to provide management and administrative services. These management and administrative services consist of fiscal management, accounting, human resources support, fund development, and insurance and facilities management. The agreement with Heartland Alliance is in effect through November 2013. Expenses incurred by the Health Center under this agreement amounted to \$246,487 and \$146,021 for the years ended June 30, 2008 and 2007, respectively. This is included as part of management and general expense on the Statements of Functional Expenses.

The Health Center has also entered into an agreement with Heartland Health Outreach (HHO), an affiliate organization of Heartland Alliance, to provide clinical management and administrative services. HHO provides the services of a Medical Director, third party billing and collections, claims management, facility support, information services and quality improvement. The agreement with HHO is in effect through November 2013. Expenses incurred by the Health Center under this agreement were approximately \$1,580,000 and \$800,000 for the years ended June 30, 2008 and 2007, respectively. This is primarily made up of salaries and wages and related taxes and benefits expense. All other expenses are initially paid by HHO on the Health Center's behalf. The Health Center reimburses HHO when cash is available.

As of June 30, 2008 and 2007, the Health Center has \$219,934 and \$838,900, respectively, recorded as accounts payable to Heartland Alliance for Human Needs & Human Rights and Affiliates. During the year ended June 30, 2008, the Health Center and Heartland Alliance entered into an agreement whereby its outstanding accounts payable debt would be reduced by \$271,322, as a result of a reassessment of previous years' management and general expense charges and a forgiveness of certain other management and general expense charges. This amount has been included as part of other income on the 2008 Statement of Activities. Part of the remaining debt still outstanding to Heartland Alliance at that time in the amount of \$279,357 was converted into an unsecured promissory note. The note is payable in monthly installments of \$5,272 including interest at a rate equal to the one-year U.S. Treasury rate (5.0% at June 30, 2008) and resetting every year. The note is due in June 2013. At June 30, 2008, the outstanding balance on the note is \$279,357.

NOTE 5 - SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Generally accepted accounting principles require disclosure of information about certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

**HEARTLAND INTERNATIONAL HEALTH CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007**

NOTE 5 - SIGNIFICANT ESTIMATES AND CONCENTRATIONS (continued)

Allowance for Uncollectible Patient Fee Receivables

The allowance for uncollectible patient fee receivables is estimated based upon management's assessment of the collectability of individual billing class receivable categories and past collection experience. The allowance at June 30, 2008 and 2007 has been estimated at \$137,372 and \$247,939, respectively.

Payments from the State of Illinois

A significant portion of patient services provided by the Health Center are reimbursed through the State of Illinois. Extended delays in payments by the State could severely disrupt cash flow and negatively impact the Health Center's operations.

NOTE 6 - CONTINGENCIES

The state and federal grants received by the Health Center are subject to audit, and the Health Center could become liable for any expenditure disallowed upon audit. Management believes, however, that such disallowance, if any, would not be material to the financial statements.

NOTE 7 - CASH FLOW DISCLOSURES

There was no cash paid for interest or income taxes during the years ended June 30, 2008 and 2007.

Noncash investing and financing transactions:

During the year ended June 30, 2008, \$279,357 of accounts payable to Heartland Alliance for Human Needs & Human Rights and Affiliates was converted into a note payable over five years. See Note 4. There were no noncash and financing activities during the year ended June 30, 2007.

NOTE 8 - OPERATING LEASE

During the year ended June 30, 2008, the Health Center entered into an operating lease for one of its health centers. The lease is a net lease which provides for monthly base rentals ranging from \$2,500 to \$3,180, plus the Health Center's proportionate share of building expenses and real estate taxes.

**HEARTLAND INTERNATIONAL HEALTH CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007**

NOTE 8 - OPERATING LEASE (continued)

Approximate future minimum rental payments at June 30, 2008 under the operating lease are as follows:

2009	\$ 31,500
2010	33,780
2011	35,460
2012	37,260
2013	<u>19,080</u>
Total	<u>\$ 157,080</u>

Total rent expense for this operating lease was \$15,000 for the year ended June 30, 2008 and is included in occupancy expense on the Statement of Functional Expenses.

NOTE 9 - SUBSEQUENT EVENT

In November 2008, the Health Center closed on a property for a new health center at the HHC Lincoln Square location. In conjunction with the purchase of this property, the Health Center entered into two note payable agreements with two lending institutions. The first note payable is a variable rate non-disclosable draw-down line of credit, with a maximum amount of borrowings of \$688,000. This line of credit is due in November 2009. Management believes it should be able to convert the outstanding debt on the line into a new, long-term note payable at the end of the initial term of this interest only note. The second note payable is for a principal amount of \$350,000, due in November 2023, at an initial rate of interest of 6%, subject to adjustment at the recalculation dates. The notes payable are secured by the property purchased, construction costs to be incurred, as well as a continuing security interest in all business assets of the Health Center for the line of credit. The new clinic is expected to become fully operational by mid-February 2009.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

HEARTLAND INTERNATIONAL HEALTH CENTER
SCHEDULE OF EXPENSES
(SUMMARIZED BY FUNDER)
 Year Ended June 30, 2008

U.S.

	Department of Health and Human Services Community Health Grant	Illinois Children's Healthcare Foundation	Illinois Department of Human Services	Lloyd Fry Foundation	Other	Total
Salaries and wages	\$ 704,192	\$ 6,878	\$ 271,147	\$ 15,450	\$ 57,158	\$ 1,054,825
Payroll taxes and fringe benefits	126,538	1,139	47,452	4,819	10,278	190,226
Staff expenses	43,882	-	8,605	1,566	260	54,313
Professional expenses	83,778	-	29,631	6,904	1,010	121,323
Office services	61,266	-	20,165	(430)	9,952	90,953
Occupancy	100,237	-	1,058	290	-	101,585
Equipment	50,347	-	5,278	1,263	-	56,888
Client support	(2,018)	-	-	-	-	(2,018)
Medical supplies	135,433	-	19,457	3,198	-	158,088
Delegate agency	257,481	-	-	-	30,000	287,481
	<u>1,561,136</u>	<u>8,017</u>	<u>402,793</u>	<u>33,060</u>	<u>108,658</u>	<u>2,113,664</u>
Management and general allocation	184,797	-	47,455	8,314	5,921	246,487
TOTAL EXPENSES	\$ 1,745,933	\$ 8,017	\$ 450,248	\$ 41,374	\$ 114,579	\$ 2,360,151

HEARTLAND INTERNATIONAL HEALTH CENTER
SCHEDULE OF EXPENSES
(SUMMARIZED BY FUNDER)
Year Ended June 30, 2007

	U.S.				Total
	Department of Health and Human Services Community Health Grant	Illinois Children's Healthcare Foundation	Illinois Department of Human Services	Other	
Salaries and wages	\$ 457,041	\$ 45,792	\$ 109,102	\$ 52,960	\$ 664,895
Payroll taxes and fringe benefits	86,915	7,817	16,314	8,370	119,416
Staff expenses	35,299	1,784	6,549	-	43,632
Professional expenses	66,927	10	25,018	-	91,955
Office services	5,239	23,704	4,639	5,090	38,672
Occupancy	38,313	-	2,167	-	40,480
Equipment	7,532	71,510	2,244	-	81,286
Client support	766	-	-	-	766
Medical supplies	94,815	27,254	7,352	-	129,421
Delegate agency	239,268	-	13,750	15,000	268,018
	<u>1,032,115</u>	<u>177,871</u>	<u>187,135</u>	<u>81,420</u>	<u>1,478,541</u>
Management and general allocation	103,895	19,410	22,716	-	146,021
TOTAL EXPENSES	<u>\$ 1,136,010</u>	<u>\$ 197,281</u>	<u>\$ 209,851</u>	<u>\$ 81,420</u>	<u>\$ 1,624,562</u>