

INTERFAITH DENTAL CLINIC OF NASHVILLE
Financial Statements
June 30, 2011

Contents

	<u>Page</u>
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 12

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Independent Auditors' Report

To the Board of Trustees of
Interfaith Dental Clinic of Nashville

We have audited the accompanying statement of financial position of Interfaith Dental Clinic of Nashville (a nonprofit organization) as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 audit provides 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 Interfaith Dental Clinic of Nashville as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Parker, Parker & Associates

October 11, 2011

INTERFAITH DENTAL CLINIC OF NASHVILLE
Statement of Financial Position
June 30, 2011

Assets

Current Assets

Cash	\$ 168,713
Patient Accounts Receivable, Net of Allowance of \$43,115	73,554
Government Grant Receivable	6,390
Capital Campaign Receivable	422,500
Other Contributions Receivable, Net of Allowance and Discount of \$42,116	175,075
Prepaid Expenses	6,322
Total Current Assets	<u>852,554</u>

Property & Equipment

Assets Not Placed in Service - Murfreesboro Clinic	468,793
Building	1,187,538
Dental Equipment	407,759
Office Equipment	63,733
Land	143,453
	<u>2,271,276</u>
Less: Accumulated Depreciation	(700,828)
Total Property & Equipment	<u>1,570,448</u>

Other Assets

Restricted Cash and Investments	300,550
Beneficial Interest in Agency Endowment Fund Held by the Community Foundation of Middle Tennessee	8,773
Other Contributions Receivable, Net of Allowance and Discount of \$41,920	248,383
Deferred Loan Costs, Net of \$0 Amortization	5,000
Total Other Assets	<u>562,706</u>
Total Assets	<u><u>\$ 2,985,708</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 32,778
Accrued Salaries, Wages, Payroll Deductions Withheld & Taxes	23,193
Accrued Retirement and HSA Contributions	2,627
Accrued Compensated Absences	9,587
Patient Credits	23,046
Total Current Liabilities	<u>91,231</u>

Long-Term Liabilities

Line of Credit - Pinnacle Bank	71,205
Total Liabilities	<u>162,436</u>

Net Assets

Unrestricted Net Assets	
Unrestricted	1,744,283
Board Designated for Clinic Emergency and Building Maintenance	190,247
Board Designated for Beneficial Interest	8,773
Board Designated for Graham Memorial Fund	110,303
Total Unrestricted Net Assets	<u>2,053,606</u>
Temporarily Restricted Net Assets	769,666
Total Net Assets	<u>2,823,272</u>
Total Liabilities and Net Assets	<u><u>\$ 2,985,708</u></u>

See notes to financial statements.

INTERFAITH DENTAL CLINIC OF NASHVILLE
Statement of Activities
For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Patient Fees	\$ 520,588	\$ -	\$ 520,588
Investment Income	35,554	-	35,554
Interest and Dividend Income	4,991	-	4,991
Support			
United Way	130,168	-	130,168
Capital Campaign Contributions and Grants	-	815,000	815,000
Government Grants	49,800	-	49,800
Individual and Foundation Contributions	446,522	169,627	616,149
Corporate Contributions	21,691	-	21,691
Church Contributions	18,370	-	18,370
Special Event Revenue	\$ 454,960		
Less: Costs of Direct Benefits to Donors	<u>(102,106)</u>	-	352,854
Other Income	1,250	-	1,250
Donated Professional Services	481,583	-	481,583
Donated Supplies and Equipment	23,453	-	23,453
Net Assets Released from Restrictions	<u>602,788</u>	<u>(602,788)</u>	<u>-</u>
Total Revenue and Support	<u>2,689,612</u>	<u>381,839</u>	<u>3,071,451</u>
Expenses			
Dental Services	1,842,220	-	1,842,220
Management and General	88,657	-	88,657
Operational Fundraising	<u>260,615</u>	<u>-</u>	<u>260,615</u>
Total Expenses	<u>2,191,492</u>	<u>-</u>	<u>2,191,492</u>
 Change in Net Assets	 498,120	 381,839	 879,959
Net Assets - Beginning of Year			
As Previously Reported	1,943,313	-	1,943,313
Prior Period Adjustment for Time Restricted Receivables	<u>(387,827)</u>	<u>387,827</u>	<u>-</u>
Balance - Beginning of Year, as Restated	<u>1,555,486</u>	<u>387,827</u>	<u>1,943,313</u>
 Net Assets - End of Year	 <u><u>\$ 2,053,606</u></u>	 <u><u>\$ 769,666</u></u>	 <u><u>\$ 2,823,272</u></u>

See notes to financial statements.

INTERFAITH DENTAL CLINIC OF NASHVILLE
Statement of Functional Expenses
For the Year Ended June 30, 2011

	<u>Supporting Services</u>			
	<u>Dental Services</u>	<u>Management and General</u>	<u>Operational Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 805,921	\$ 63,437	\$ 139,178	\$ 1,008,536
Payroll Taxes	62,559	4,924	10,804	78,287
Employee Benefits	85,613	6,739	14,785	107,137
Bad Debt Expense	2,681	-	40,922	43,603
Communication Expenses	14,423	328	1,639	16,390
Continuing Education, Memberships and Volunteer and Employee Recognition	15,532	2,248	1,687	19,467
Contract Labor	3,395	-	4,132	7,527
Dental Lab	96,861	-	-	96,861
Dental Supplies	101,673	-	-	101,673
Depreciation	66,357	1,368	684	68,409
Donated Dental Supplies	15,969	-	-	15,969
Donated Professional Services	464,848	2,535	14,200	481,583
General Supplies	1,731	38	154	1,923
Insurance	12,408	1,329	352	14,089
Interior/Exterior Building Expenses	11,187	758	1,503	13,448
Loss on Disposal of Assets	692	-	-	692
Merchant, Bank and Investment Fees	9,044	362	2,653	12,059
Office Supplies	6,238	891	1,784	8,913
Printing and Postage	8,510	567	2,269	11,346
Professional Services	6,788	2,147	2,147	11,082
Payroll Processing Fees	2,473	145	291	2,909
Dental Equipment, Repairs & Maintenance	9,500	-	-	9,500
Special Events	-	-	9,470	9,470
Fundraising Expenses - Pledge Dinner	-	-	8,600	8,600
Computer Support, Upgrades and Repairs	20,230	450	1,798	22,478
Utilities	17,587	391	1,563	19,541
Total Expenses	<u><u>\$ 1,842,220</u></u>	<u><u>\$ 88,657</u></u>	<u><u>\$ 260,615</u></u>	<u><u>\$ 2,191,492</u></u>

See notes to financial statements.

INTERFAITH DENTAL CLINIC OF NASHVILLE

Statement of Cash Flows

For the Year Ended June 30, 2011

Cash Flows from Operating Activities

Increase in Net Assets	\$ 879,959
Adjustments to Reconcile Increase in Net Assets to Cash	
Provided by Operating Activities:	
Depreciation	68,409
Loss on Disposal of Assets	692
Donated Property and Equipment	(4,500)
Donated Marketable Securities	(2,214)
Realized and Unrealized Gains on Marketable Securities	(34,331)
Interest and Dividend Income on Restricted Cash and Investments	(4,812)
Fees on Restricted Cash and Investments	2,295
Decrease in Patient Accounts Receivable	1,811
Increase in Other Contributions Receivable	(35,631)
Decrease in Government Grant Receivable	4,620
Decrease in Prepaid Expenses	8
Increase in Beneficial Interest in Agency Endowment Fund	(1,331)
Increase in Accounts Payable	1,161
Decrease in Accrued Liabilities	(31,172)
Increase in Patient Credits	13,459
Contributions Restricted for Long-Term Purposes - Capital Campaign	<u>(815,000)</u>
Total Adjustments	<u>(836,536)</u>
Net Cash Provided by Operating Activities	<u>43,423</u>

Cash Flows from Investing Activities

Transfer from Restricted Cash and Investments	7,503
Payments for Assets Not Placed in Service - Murfreesboro Clinic	(468,793)
Payments for the Purchase of Property and Equipment	<u>(22,316)</u>
Net Cash Used in Investing Activities	<u>(483,606)</u>

Cash Flows from Financing Activities

Collections of Contributions Restricted for Long-Term Purposes - Capital Campaign	392,500
Payment for Line of Credit Costs	(5,000)
Cash Receipts from Draws on Line of Credit from Pinnacle Bank	<u>71,205</u>
Net Cash Provided by Financing Activities	<u>458,705</u>

Net Increase in Cash	18,522
Cash - Beginning of Year	<u>150,191</u>
Cash - End of Year	<u><u>\$ 168,713</u></u>

Supplemental Cash Flow Disclosures:

Noncash Investing Transactions:	
Donated Property and Equipment	\$ 4,500
Donated Marketable Securities	\$ 2,214
Reinvested Dividends on Restricted Cash and Investments	\$ 4,812

See notes to financial statements.

INTERFAITH DENTAL CLINIC OF NASHVILLE
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies

A. Organization and Nature of Activities

Interfaith Dental Clinic of Nashville (the "Clinic") is a nonprofit organization dedicated to providing affordable dental care to uninsured working poor families and those over age 65 in the greater Nashville area through access to affordable quality dental care, oral disease prevention services, and oral health education.

B. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Financial Statement Presentation

The net assets of the Clinic and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time.

D. Estimates

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

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes cash on hand, demand deposits and investments with initial maturities of three months or less. The Clinic considers all cash and cash equivalents held with the investment advisor to be investments. As of June 30, 2011 there are no cash equivalents.

F. Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows unless the value not discounted is immaterial to the financial statements as a whole. Conditional promises to give are not included as support until the conditions are substantially met.

G. Investments

Investments in equity securities with readily determinable fair values, mutual funds and all investments in debt securities are reported at their fair values in the statement of financial position. The fair values for these investments are based on quoted market prices. Donated securities are recognized at the fair value on date of the contribution. All interest, dividends and unrealized gains and losses are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

H. Property, Plant and Equipment

Property, plant and equipment with estimated useful lives greater than one year and cost of more than \$500 are carried at cost if purchased or fair market value if donated. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years.

I. Contributed Property and Equipment

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

INTERFAITH DENTAL CLINIC OF NASHVILLE
Notes to Financial Statements - Continued
June 30, 2011

Note 1. Summary of Significant Accounting Policies – Continued

J. Impairment of Long-Lived Assets

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount.

K. Compensated Absences

Full time employees are defined as those working 30 hours or more per week. Vacation pay is calculated based on each employee's regularly scheduled hours per week and is granted based upon each employee's employment contract. The total accrued vacation payable at June 30, 2011 is \$9,587.

L. Functional Expenses

Expenses are charged directly to program, management and general, or fundraising based on a combination of specific identification and allocation by management.

M. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently 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 and reported in the statement of activities as net assets released from restrictions.

N. Contributed Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Clinic receives many contributed services from various dental professionals. These services meet the requirements for recognition in the financial statements and have been recorded or reflected in the accompanying financial statements.

O. Patient Fees

Fees are charged to the patients on a sliding scale based on their ability to pay according to the Federal Poverty Guidelines for Tennessee. The market value for services performed during the year ended June 30, 2011 was \$2,585,798. The discount between market value and patient fees recognized fluctuates with patient mix. The majority of patients are charged 20% of market value.

P. Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation.

The Clinic's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Q. Agency Endowment Fund

The Clinic's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. Investment income and changes in the value are recognized in the statement of activities. Distributions received from the fund are recorded as decreases in the beneficial interest. The beneficial interest has been classified as an unrestricted net asset on the statement of financial position.

INTERFAITH DENTAL CLINIC OF NASHVILLE
Notes to Financial Statements - Continued
June 30, 2011

Note 1. Summary of Significant Accounting Policies – Continued

R. Fair Value Measurements

Assets and liabilities measured at fair value are recorded in accordance with FASB ASC 820-10, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820-10 establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2 Inputs – Inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Unobservable inputs in which there is little or no market data, which requires management to develop their assumptions.

Note 2. Contributions Receivable

Unconditional promises to give at June 30, 2011 are recorded as follows:

Receivable in One Year or Less	\$ 217,191
Receivable in One to Five Years	290,303
Total Contributions Receivable-Unrestricted	<u>507,494</u>
Less:	
Discounts for the Time Value of Money	(42,287)
Allowance for Uncollectible Receivables	<u>(41,749)</u>
Contributions Receivable, Net	<u><u>\$ 423,458</u></u>

Gross contributions have been discounted to account for the time value of money using discount rates ranging from 2.61% to 4.50%. The rates were determined using a risk adjusted discount rate technique after an allowance had been established

Note 3. Assets Not Placed in Service – Murfreesboro Clinic

On June 30, 2011, the Clinic purchased the top floor of a building, designated as a condo cooperative, located in Murfreesboro, Tennessee. The top floor of this building will be used as a satellite clinic, scheduled to open in January 2012. A capital campaign was started during the year ended June 30, 2011 in order to provide funding for the satellite clinic. No depreciation expense was taken on this asset for the year ended June 30, 2011 since it was not placed in service as of this date.

Note 4. Investments

The Clinic holds investments contributed to the Graham Memorial Fund and the 1998 Building Fund in various equity securities and cash. These investments are carried at the fair market value determined on June 30, 2011 using quoted market prices. The investments are as follows:

	<u>Fair Value</u>	<u>Cost</u>
Money Market	\$ 31,113	\$ 31,113
Certificates of Deposit	10,131	10,000
Mutual Funds	259,306	223,529
Totals	<u><u>\$ 300,550</u></u>	<u><u>\$ 264,642</u></u>

INTERFAITH DENTAL CLINIC OF NASHVILLE
Notes to Financial Statements - Continued
June 30, 2011

Note 5. Beneficial Interest in Agency Fund Endowment

During the year ended June 30, 2002, the Clinic transferred \$5,000 to the Community Foundation of Middle Tennessee ("Community Foundation") under an agency endowment fund. It is the hope of the Clinic that other individuals will contribute to the fund. The Clinic has granted variance power to the Community Foundation, and the Community Foundation has ultimate authority and control over the Fund and the income derived there from. The clinic retains a beneficial interest in the endowment fund held by the Community Foundation. Upon request by the Clinic, income from the fund representing an annual return may be distributed to the Clinic or to another suggested beneficiary subject to the approval of the Community Foundation. The fund is charged a .4% administrative fee annually on the principal.

A schedule of the changes in the Clinic's beneficial interest in this fund for the year ended June 30, 2011 is as follows:

Beneficial Interest - Beginning of Year	\$ 7,443
Change in Value of Beneficial Interest:	
Contributions to the Fund	-
Realized Gain	426
Unrealized Gain	799
Interest and Dividends	179
Investment Fees	(36)
Administrative Expenses	(38)
	<u>1,330</u>
Distributions to the Clinic	<u>-</u>
Beneficial Interest - End of Year	<u><u>\$ 8,773</u></u>

Note 6. Fair Value Measurements

The following assets carried at fair value are reviewed and adjusted on a recurring basis:

Asset	Fair Value June 30, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Contributions Receivable, Net	\$ 423,458	\$ -	\$ 423,458
Restricted Investments	\$ 259,306	\$ 259,306	\$ -
Beneficial Interest in Agency Endowment Fund Held by the Community Foundation of Middle Tennessee	\$ 8,773	\$ 8,773	\$ -

The fair value of contributions receivable is estimated as the present value of expected future cash flows. A reconciliation of the beginning to ending balance of contribution receivable is as follows:

INTERFAITH DENTAL CLINIC OF NASHVILLE
Notes to Financial Statements - Continued
June 30, 2011

Note 6. Fair Value Measurements - Continued

Other Contributions Receivable, Net - July 1, 2010	\$ 387,827
Increases:	
New Pledges	169,627
Decreases:	
Payments on Pledges	(96,851)
Write-Offs	(47,383)
Change in Allowance for Uncollectible Receivables	6,461
Change in Discount for the Time Value of Money	3,777
Other Contributions Receivable, Net - June 30, 2011	<u>\$ 423,458</u>

Note 7. Line of Credit

During the year ended June 30, 2011, the Clinic entered into an agreement with Pinnacle Bank for a line of credit in the amount of \$625,000. The line of credit was obtained for the purchase, renovation, staffing, furnishings and fixtures of the Murfreesboro clinic. Interest is payable monthly at fixed rate of 4.75%. The outstanding principal and interest is due and payable June 30, 2013. Collateral for the line of credit consists of a first mortgage on the property located at 1721 Patterson Street located in Nashville, Tennessee and the new equipment to be purchased for the Murfreesboro clinic. As of June 30, 2011, the outstanding balance on the line of credit was \$71,205.

Maturity of the line of credit is as follows:

Years Ended	
June 30,	Amount
2012	\$ -
2013	71,205
Thereafter	-
Total	<u>\$ 71,205</u>

Note 8. Unrestricted Net Assets

Board designated net assets are available for the following purposes:

Beneficial Interest – See Note 5.

Clinic Emergency and Building Maintenance – This account is intended to provide funds necessary for emergency of building maintenance beyond what is budgeted in the Clinic's fiscal budget. It is also intended to serve as potential seed money for the establishment of an endowment account.

Graham Memorial Fund – This fund is for the specific purpose of offsetting the cost of care for those patients who are unable to meet the 20% pay requirement, ensuring the proceeds are used directly for patient care.

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2011 are available for the following purposes:

Capital Campaign - Murfreesboro Clinic	\$ 346,208
Time Restricted Receivables	423,458
Total	<u>\$ 769,666</u>

INTERFAITH DENTAL CLINIC OF NASHVILLE
Notes to Financial Statements - Continued
June 30, 2011

Note 10. Net Assets Released from Restrictions

Net assets are released from donor restrictions when expenses are incurred to satisfy the restricted purposes or by occurrence of other events as specified by the donors. Restricted contributions which have been released to operations as of June 30, 2011 are as follows:

Purchase of Murfreesboro Clinic	\$ 468,793
Net Change in Other Contributions Receivable	133,995
Total	<u>\$ 602,788</u>

Note 11. Contributed Property, Equipment and Services

Donated property, equipment and services are used in the ongoing operations of the Clinic. The value of donated property, equipment and services included in the financial statements and the corresponding expenditure or asset capitalization for the year ended June 30, 2011 is as follows:

Revenues	
Donated Professional Services	\$ 481,583
Donated Supplies & Equipment	23,453
Special Events	4,335
Total	<u>\$ 509,371</u>
Expenses	
Donated Professional Services	\$ 481,583
Dental Supplies	15,969
Office Supplies	950
Repairs and Maintenance	2,034
Dental and Office Equipment	4,500
Special Events	4,335
Total	<u>\$ 509,371</u>

Note 12. Retirement Plan

The Clinic has a 401(k) Retirement Plan for all eligible employees. Employees age 21 or older become eligible to participate in the plan after one year of continuous service. The plan allows participants to contribute a portion of their earnings up to the maximum amount allowable under the Internal Revenue Code each year. The Clinic matches the first 3% of a participant's salary dollar for dollar and 50 cents on the dollar on the next 2% of salary for a maximum of 4%. Participants must contribute 5% of their annual salary to get the full 4% match. Clinic contributions of \$21,772 were made during the year ended June 30, 2011. The Clinic may also make discretionary contributions to the retirement plan. For the year ended June 30, 2011, there were no discretionary contributions made by the Clinic.

Note 13. Concentrations

For the year ended June 30, 2011, the Clinic received 20% of its total revenue and support from individual and foundation contributions, 16% from patient fees and 26% from the capital campaign contributions and grants.

The Clinic has unsecured promises to give from donors located primarily in the Middle Tennessee region. The gross amount due on unconditional promises to give at June 30, 2011 is \$507,494.

INTERFAITH DENTAL CLINIC OF NASHVILLE
Notes to Financial Statements - Continued
June 30, 2011

Note 14. Operating Lease

The Clinic leased a copier beginning in February 2009. The minimum monthly rental amount is \$236 for 60 months with the lease expiring in February 2014. Additional amounts due under the lease are based on the number of copies made by the Clinic. The rent paid on this copier was \$3,860 for the year ended June 30, 2011.

Future minimum lease payments are as follows:

Years Ended June 30,	Annual Lease Payments
2012	\$ 2,832
2013	2,832
2014	472
Total	<u>\$ 6,136</u>

Note 15. Prior Period Adjustment

A prior period adjustment was recorded for the year ended June 30, 2011 in the amount of \$387,827. Other contributions receivable were recorded in error as unrestricted net assets for the year ended June 30, 2010 in the net amount of \$387,827. These contributions are time restricted by donors since they are to be received in one to five years. Therefore, these contributions are temporarily restricted until payments are received in future years. There would have been no effect on the change in net assets for the year ended June 30, 2010 for this error. Unrestricted and temporarily restricted net assets at June 30, 2010 were originally reported as \$1,943,313 and \$0, respectively, but should have been \$1,555,486 and \$387,827, respectively.

Note 16. Subsequent Events

The Clinic has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2011 through October 11, 2011, the date the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure in the financial statements.