

ST. LUKE'S HEALTH CARE FOUNDATION

FINANCIAL STATEMENTS

December 31, 2016 and 2015

ST. LUKE'S HEALTH CARE FOUNDATION

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Hauser Financial Group

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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Luke's Health Care Foundation
Wheaton, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of **St. Luke's Health Care Foundation**, which comprise the statement of financial position as of December 31, 2016 and 2015 and the related statements of activities 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 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 the 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 reasonable 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 **St. Luke's Health Care Foundation** as of December 31, 2016 and 2015 and the results of its activities and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.



August 28, 2017

ST. LUKE'S HEALTH CARE FOUNDATION

Statements of Financial Position December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 570,073	\$ 596,883
Pledges	-	-
	<u>\$ 570,073</u>	<u>\$ 596,883</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 1,435	\$ 3,878
Unrestricted and undesignated net assets - available for general activities	207,595	134,240
Temporarily restricted	361,043	458,765
	<u>568,638</u>	<u>593,005</u>
	<u>\$ 570,073</u>	<u>\$ 596,883</u>

See notes to financial statements

ST. LUKE'S HEALTH CARE FOUNDATION

Statements of Activities
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Changes in Unrestricted Net Assets:		
Support and Revenue:		
Contributions	\$ 185,823	\$ 158,354
Interest income	2,428	1,428
	<u>188,251</u>	<u>159,782</u>
Net Assets released from restrictions:		
Satisfaction of purpose restriction	288,283	319,414
	<u>476,534</u>	<u>479,196</u>
Expenses:		
Program services	351,919	414,124
Management and general	49,760	21,606
Fund raising	1,500	5,713
	<u>403,179</u>	<u>441,443</u>
Increase (decrease)	<u>73,355</u>	<u>37,753</u>
Changes in Temporarily restricted Net Assets:		
Contributions	190,561	508,905
Net assets released from restriction	288,283	319,414
Increase (decrease)	<u>(97,722)</u>	<u>189,491</u>
Increase (decrease) in net assets	(24,367)	227,244
Net Assets, beginning of Year	<u>593,005</u>	<u>365,761</u>
Net Assets, end of Year	<u><u>\$ 568,638</u></u>	<u><u>\$ 593,005</u></u>

See notes to financial statements

ST. LUKE'S HEALTH CARE FOUNDATION

Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions and other public support	\$ 376,384	\$ 667,259
Other	2,428	1,428
Cash paid to suppliers, contractors and grantees	<u>(405,622)</u>	<u>(438,696)</u>
Net inflow (outflow)	<u>(26,810)</u>	<u>229,991</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment and other assets	-	-
Retirement of equipment	<u>-</u>	<u>-</u>
Net inflow (outflow)	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advance from board member	-	-
Cancellation of debt	<u>-</u>	<u>-</u>
Net inflow (outflow)	<u>-</u>	<u>-</u>
 Decrease in Cash and Cash Equivalents	 (26,810)	 229,991
 Cash and Cash Equivalents, Beginning of Year	 <u>596,883</u>	 <u>366,892</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 570,073</u>	 <u>\$ 596,883</u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (24,367)	\$ 227,244
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
Change in:		
Receivables	-	-
Payables	<u>(2,443)</u>	<u>2,747</u>
Net inflow (outflow)	<u>\$ (26,810)</u>	<u>\$ 229,991</u>

See notes to financial statements

ST. LUKE'S HEALTH CARE FOUNDATION

Notes to Financial Statements

December 31, 2016 and 2015

1. NATURE OF ORGANIZATION:

St. Luke's Health Care Foundation (SLHCF) was created to support faith based health care in Africa, primarily by supporting the operations of a hospital located in Soddo, Ethiopia.

SLHCF was incorporated on July 9, 2003 under the laws of the State of Illinois as a not-for-profit organization within the meaning of Section 501(c)(3) of the Internal Revenue Code, classified as a publicly supported organization, which is not a private foundation under Section 509(a). It is exempt from federal and state income taxes and contributions by the general public are deductible for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The more significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash held in checking, savings and money market accounts, as well as certificates of deposit with maturities of less than one year are classified as cash and cash equivalents. Balances at times may exceed federally insured credit limits, thus exposing SLHCF to credit risk. Management believes such risk is manageable.

SUPPORT AND REVENUES

Contributions are recorded when made which may be when cash is received, unconditional promises are made or ownership of other assets is transferred to SLHCF. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When the donor 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 statements of activities as net assets released from restrictions. Gifts-in-kind are shown as contributions in the accompanying statements at their fair market values at date of receipt. Revenues are recorded when earned.

ST. LUKE'S HEALTH CARE FOUNDATION

Notes to Financial Statements

December 31, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES

Expenses are recorded when incurred. The costs of providing various program activities have been summarized on a functional basis. The value of certain functions provided by volunteer effort has not been reflected in the financial statements.

CLASSES OF NET ASSETS

The financial statements report amounts separately by classes of net assets:

Unrestricted net assets are those currently available for ministry purposes under the direction of the Board of Directors, those designated by the Board for a specific use and those invested in equipment.

Temporarily restricted net assets are those contributed with donor stipulations for specific operating purposes or programs, and those with time restrictions. They are not currently available until commitments regarding their use have been fulfilled. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

3. RELATED PARTY TRANSACTIONS:

One current member and two former members of the board of directors hold an investment interest in an entity, which owns the hospital supported by SLHCF. The investment interest is held in trust for the benefit of and under the direction of SLHCF, effectively offsetting any potential conflict of interest with and for these individuals, who receive no personal benefit from their investment. The Ethiopian government, law and regulations do not permit a US charitable organization to have a direct ownership interest in real property.

4. CONCENTRATIONS:

During 2016 28% of total donations were received from four individual donors. During 2015 43% of total donations were received from four individual donors.

5. SUBSEQUENT EVENTS:

Events subsequent to December 31, 2016 have been evaluated through the date of the report of the independent auditors. Events after this date, if any, have not been evaluated.

SUPPLEMENTAL INFORMATION

Hauser Financial Group

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

**Board of Directors
St. Luke's Health Care Foundation
Wheaton, Illinois**

Our report on our audits of the basic financial statements of **St. Luke's Health Care Foundation** as of December 31, 2016 and 2015 appears on page 1. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on page 8 is presented for purpose 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 fairly stated in all material respects in relation to the basic financial statements taken as a whole.



August 28, 2017

ST. LUKE'S HEALTH CARE FOUNDATION

Schedule of Functional Expenses
Year Ended December 31, 2016 and 2015

	Program Services	Management and General Services	Fund Raising Services	2016 Total	2015 Total
Supplies	\$	\$	\$	\$	\$
Medical	28,066			28,066	2,108
Non-medical	6,013			6,013	4,906
Buildings	42,082			42,082	73,327
Benevolence	112,335			112,335	83,184
Medical equipment	115,232			115,232	166,045
Various other projects	48,191			48,191	84,554
Professional fees and services		41,130	1,500	42,630	9,053
Office expenses					
Travel		6,263		6,263	17,606
Bank charges		2,367		2,367	660
Other					
Totals for 2016	<u>\$ 351,919</u>	<u>\$ 49,760</u>	<u>\$ 1,500</u>	<u>\$ 403,179</u>	
Totals for 2015	<u>\$ 414,124</u>	<u>\$ 21,606</u>	<u>\$ 5,713</u>		<u>\$ 441,443</u>