

GRACE CLINICS OF OHIO, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025

Table of Contents

	Page
Independent Auditors' Report	1
Statement of Assets and Net Assets – Modified Cash Basis	3
Statement of Support and Expenses – Modified Cash Basis	4
Statement of Functional Expenses – Modified Cash Basis	5
Statement of Cash Flows – Modified Cash Basis	6
Notes to the Financial Statements	7

Nick DiBartolomeo, CPA

Brian Schneider, CPA



Rick Dumas, CPA

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Grace Clinics of Ohio, Inc. Delaware, Ohio

Opinion

We have audited the accompanying financial statements of Grace Clinics of Ohio, Inc. (a not-for-profit organization), which comprise the statement of assets and net assets – modified cash basis as of June 30, 2025, and the related statements of revenues and expenses – modified cash basis, functional expenses – modified cash basis, cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grace Clinics of Ohio, Inc. as of June 30, 2025, and the changes in its net assets for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grace Clinics of Ohio, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an appropriate financial reporting framework for the Grace Clinics of Ohio, Inc., and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grace Clinics of Ohio, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Grace Clinics of Ohio, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grace Clinics of Ohio, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

HHH CPA Group, LLC

HHH CPA Group, LLC

November 5, 2025

GRACE CLINICS OF OHIO, INC.

STATEMENT OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS

JUNE 30, 2025

ASSETS

Cash and cash equivalents	\$ 378,020
Total current assets	<hr/> 378,020
Property and equipment	
Medical equipment	164,721
Non-medical equipment	6,643
Leasehold improvements	28,105
Accumulated depreciation	<hr/> (168,545)
Net property and equipment	30,924
	<hr/> <hr/> \$ 408,944

NET ASSETS

Net assets:

With donor restrictions	\$ -
Without donor restrictions	
Designated - Board	-
Undesignated	<hr/> 408,944
Total without donor restrictions	<hr/> 408,944
	<hr/> <hr/> 408,944
Total net assets	<hr/> \$ 408,944
	<hr/> <hr/> \$ 408,944

GRACE CLINICS OF OHIO, INC.

STATEMENT OF SUPPORT AND EXPENSES - MODIFIED CASH BASIS

YEAR ENDED JUNE 30, 2025

Support:

Donations	\$ 198,785
Special events	124,410
Investment income	11,889
Grants	239,490
Other support	<u>2,065</u>
Total support	576,639

Operational expenses:

Programs	377,626
Fundraising	62,044
Administrative	95,302

Total operational expenses	<u>534,972</u>
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Change in net assets	41,667
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Unrestricted net assets - beginning of the year	<u>367,277</u>
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Unrestricted net assets - end of the year	\$ <u>408,944</u>
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GRACE CLINICS OF OHIO, INC.

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

YEAR ENDED JUNE 30, 2025

	<u>Programs</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Operational expenses:				
Salaries	\$ 168,590	\$ 82,345	\$ 53,682	\$ 304,617
Payroll taxes	12,395	6,952	3,306	22,653
Postage, shipping, and delivery	1,339	-	258	1,597
Printing and copying	5,674	-	366	6,040
Telephone	7,974	-	-	7,974
Supplies	19,609	-	1,583	21,192
Dues and subscriptions	2,460	-	-	2,460
Office expenses	33,004	814	271	34,089
Program expenses	19,341	-	-	19,341
Equipment rental and repairs	4,262	133	44	4,439
Conferences and meetings	2,261	1,021	-	3,282
Professional fees	21,275	2,370	525	24,170
Rent and occupancy	53,334	1,667	556	55,557
Miscellaneous expenses	5,942	-	1,453	7,395
Depreciation	20,166	-	-	20,166
Total operational expenses	\$ <u>377,626</u>	\$ <u>95,302</u>	\$ <u>62,044</u>	\$ <u>534,972</u>

GRACE CLINICS OF OHIO, INC.

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:	
Net increase in net assets	\$ 41,667
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	20,166
	<hr/>
Total adjustments	<u>20,166</u>
Net cash from operating activities	61,833
Cash flows from investing activities:	
Purchase of property and equipment	(2,697)
	<hr/>
Net cash from investing activities	(2,697)
Cash flows from financing activities:	<hr/>
Net increase (decrease) in cash	59,136
Cash at beginning of year	<u>318,884</u>
Cash at end of year	\$ <u>378,020</u>
Supplemental disclosures:	
Interest paid	\$ <u> -</u>
Income taxes paid	\$ <u> -</u>

GRACE CLINICS OF OHIO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Organization

The Organization is incorporated in the State of Ohio as a not-for-profit corporation. The Organization operates faith-based free medical clinics in Central Ohio that are open to walk-in patients who do not have health insurance. Grace Brethren Church of Powell, Ohio is the sole member of this Organization.

Note 2 - Summary of Significant Accounting Policies

Financial Statements

The Organization's policy is to prepare its financial statements using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles primarily because certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and change in net assets in conformity with accounting principles generally accepted in the United States of America.

Cash

For purposes of the statements of cash flows, the Organization considers all cash in checking accounts, savings accounts and petty cash to be cash equivalents. As of June 30, 2025, the Organization has cash deposits with one financial institution. The Federal Deposit Insurance Corporation insures depositors up to \$250,000 in each bank. The bank account balances contain cash deposits that are over the federal insurance limit as June 30, 2025. There may be times that the combined balances exceed the insurance limit in subsequent periods.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated using the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation expense is \$20,166 for the year ended June 30, 2025

Revenue Recognition

The Organization records contributions as either contributions without donor restrictions or contributions with donor restrictions. Contributions with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are received. All other donor-restricted contributions are reported as net assets with donor restrictions.

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GRACE CLINICS OF OHIO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2 - Summary of Significant Accounting Policies - continued

Functional Expense Allocation

The costs of providing the various programs and other activities are included on a functional basis in the accompanying modified cash basis statements of revenues and expenses and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel related expenses are allocated based on staff time and office related expenses are allocated based on space utilized.

Note 3 – Federal Income Taxes

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, the Organization 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 under Section 509(a)(2).

The Organization has adopted the provisions of the Accounting for Uncertainty in Income Taxes topic of the FASB Accounting Standards Codification, which became effective for years beginning after December 26, 2008. The Organization's tax returns for the last three years are subject to examination by taxing authorities. During the year ended June 30, 2025, the Organization did not have any unrelated income that was subject to federal taxes.

Note 4 – Subsequent Events

The Organization has evaluated events subsequent to the date of the financial statements, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through November 5, 2025, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 5 – Recent Accounting Pronouncement

The Organization adopts all applicable, new accounting pronouncements as of the specified effective dates.

Accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our financial statements upon adoption.

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GRACE CLINICS OF OHIO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

Note 6 – Related Party Transactions

The Organization leases space from Grace Brethren Church of Powell, Ohio on a month-to-month basis. For the year ended June 30, 2025, expenses related to this lease amounted to \$4,800.

Note 7 – Liquidity

The Organization does not have any donor or board restrictions on any assets listed on the statement of financial position, nor are there any contractual limitations on use. There are no contractual agreements beyond those listed in the Notes. Detailed below are assets available to meet next year's expenditures as of June 30, 2025:

Cash and cash equivalents	\$ 378,020
Less those unavailable for general expenditures	-
Assets available for subsequent expenditures	<u><u>\$ 378,020</u></u>

Note 8 – Donated Materials and Services

Significant materials and services are donated to the Organization by various individuals, corporations and other organizations. The donated materials consisted primarily of medical supplies with an estimated value of \$134,095.

In addition, a significant portion of the Organization's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements. During the year ended June 30, 2025, these volunteers donated their time with an estimated value of \$921,818. This value was computed using the average hourly earnings of all nonagricultural workers in the US as determined by the U.S. Department of Labor's Bureau of Labor Statistics, of \$34.79 which is \$30.25 plus 15% for estimated fringe benefits.