

CLINICS CAN HELP, INC.

INDEPENDENT AUDITOR'S REPORT
&
FINANCIAL STATEMENTS

For The Year Ended December 31, 2020

DANIEL J. ALLEGRETTI, CPA, P.A.
Certified Public Accountant

CLINICS CAN HELP, INC.

TABLE OF CONTENTS

	Page(s)
Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

DANIEL J. ALLEGRETTI, CPA, P.A.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clinics Can Help, Inc.
West Palm Beach, FL

Opinion

I have audited the financial statements of Clinics Can Help, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Clinics Can Help, Inc., as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am required to be independent of Clinics Can Help, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Clinics Can Help, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my 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 GAAS will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, I:

- 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 audit 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 Clinics Can Help, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clinics Can Help, Inc.'s ability to continue as a going concern for a reasonable period of time.

DANIEL J. ALLEGRETTI, CPA, P.A.

Palm Beach Gardens, FL

May 5, 2021

CLINICS CAN HELP, INC.
Statement of Financial Position
As of December 31, 2020

ASSETS	
Cash	\$ 369,066
Certificates of deposit	101,602
Contributions receivable	89,376
Prepaid expenses and other assets	2,315
Medical equipment and supplies	844,815
Property and equipment, net	<u>1,440,327</u>
TOTAL ASSETS	<u><u>\$ 2,847,501</u></u>
 LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable	\$ 12,681
Accrued expenses	<u>7,852</u>
Total Liabilities	<u>20,533</u>
Net Assets:	
Without donor restrictions:	
Undesignated	2,487,592
Board-designated operating reserve	150,000
With donor restrictions	<u>189,376</u>
Total Net Assets	<u>2,826,968</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 2,847,501</u></u>

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.
Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE			
In-kind donated medical equipment	\$ 1,672,750	\$ -	\$ 1,672,750
Contributions and grants	800,601	189,376	989,977
Special events	31,388	-	31,388
Interest income	2,661	-	2,661
Net assets released from restrictions	257,221	(257,221)	-
	<u>2,764,621</u>	<u>(67,845)</u>	<u>2,696,776</u>
EXPENSES			
Program services	1,819,109	-	1,819,109
Supporting activities:			
Management and general	68,640	-	68,640
Fundraising	104,070	-	104,070
	<u>1,991,819</u>	<u>-</u>	<u>1,991,819</u>
Change in net assets	772,802	(67,845)	704,957
Net assets, beginning of year	<u>1,864,790</u>	<u>257,221</u>	<u>2,122,011</u>
Net assets, end of year	<u>\$ 2,637,592</u>	<u>\$ 189,376</u>	<u>\$ 2,826,968</u>

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Grants and individual assistance	\$ 1,201,727	\$ -	\$ -	\$ 1,201,727
Payroll and related expenses	393,195	27,204	74,378	494,777
Contract services	52,847	28,369	17,400	98,616
Equipment discards	64,972	-	-	64,972
Depreciation	39,470	3,758	-	43,228
Facilities expenses	17,779	1,693	-	19,472
Supplies	10,667	-	-	10,667
Printing	9,702	-	514	10,216
Special events	-	-	9,394	9,394
Transportation	5,446	-	2,329	7,775
Telephone	6,364	606	-	6,970
Insurance	4,859	463	-	5,322
Conferences and meetings	4,029	-	-	4,029
Bank charges	-	3,861	-	3,861
Dues and subscriptions	3,492	-	-	3,492
Staff recognition	3,217	-	-	3,217
Board recognition	-	1,500	-	1,500
Advertising and promotion	-	1,105	-	1,105
Licenses and taxes	701	-	-	701
Other costs	642	-	-	642
Postage	-	81	55	136
Total Expenses	\$ 1,819,109	\$ 68,640	\$ 104,070	\$ 1,991,819

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.
Statement of Cash Flows
Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from grants and contributions	\$ 919,994
Cash received from Paycheck Protection Program	64,982
Cash received from fundraising events	31,388
Interest received in savings account	1,059
Cash paid to employees, contractors, and vendors	<u>(927,261)</u>
Net cash provided by operating activities	<u>90,162</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property and equipment	<u>(6,590)</u>
Net cash used in investing activities	<u>(6,590)</u>
Net increase in cash	83,572
Cash, beginning of year	<u>285,494</u>
Cash, end of year	<u><u>\$ 369,066</u></u>

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.
Notes to Financial Statements
December 31, 2020

NOTE 1 – NATURE OF ORGANIZATION’S ACTIVITIES

Clinics Can Help, Inc. ("Clinics Can Help") is a Florida not-for-profit corporation exempt from income tax under 501(c)(3) of the Internal Revenue Code. The organization accepts donations of gently used and new durable medical equipment and unwrapped medical supplies that it provides to patients who may not be able to afford medical equipment for their physical recovery.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting & Presentation

Clinics Can Help's financial statements have been prepared using accrual basis accounting in accordance with generally accepted accounting principles (US GAAP). The Organization reports information regarding its activities and financial position according to separate classes of net assets based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions - resources management and the governing Board has sole discretion to expend for any purpose towards its mission.

Net assets with donor restrictions - resources expendable for purposes or future periods as expressly specified or implied by the donor.

(b) Cash

Clinics Can Help's cash balance consists of deposit accounts held at an FDIC-insured bank.

(c) Certificates of Deposit

Certificates of deposit held at FDIC-insured commercial banks with original maturities greater than three months that do not meet the definition of cash equivalents or debt securities are considered other investments. Certificates of deposit are valued at amortized cost.

(d) Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give which have a measurable performance barrier and right of return are not recognized until the conditions have been substantially met.

(e) Medical Equipment and Supplies

Medical equipment and supplies are warehoused on site until recipients have been identified. Purchased items are recorded at cost and donated items are recorded based on the estimated fair market value on the date of donation. The value of medical equipment and supplies held in inventory is not subject to subsequent remeasurement.

(f) Property and Equipment

Acquisitions of property and equipment over \$1,000 with useful lives expected to exceed one year are capitalized. Purchased assets are recorded at cost and donated assets are recorded at fair value on the date of donation. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets.

CLINICS CAN HELP, INC.
Notes to Financial Statements
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses include amounts invoiced by vendors and operating expenditures incurred during the accounting period, but not payable until the following year.

(h) In-kind Donations

Clinics Can Help recognizes in-kind contributions of donated medical equipment and supplies based on the estimated fair value on the date of donation. Donated services are recognized if the services require specialized skills, performed by individuals who possess those skills, and would be purchased if not donated.

The organization receives in-kind contributions of donated services from volunteers who assist with the organization's activities that do not meet the criteria for recognition under US GAAP. Therefore, no contribution or expense is recognized.

(i) Contributions and Grants

Contributions are reported without donor restrictions if available for general operations by the organization. Contributions are reported with donor restrictions if available for donor-imposed purposes or future periods. If a donor restriction is satisfied within the same reporting period as awarded, the contribution is classified without donor restrictions. Contributions received in prior periods for which donor restrictions have been satisfied in the current year are classified as net assets released from restrictions in the statement of activities.

(j) Functional Classification of Expenses

In the statement of activities, expenses are reported as either program services or supporting activities. Program services are expenses incurred for the primary activities that fulfill Clinics Can Help's mission. Supporting activities are administrative and fundraising expenses that are not directly identifiable as program services.

Indirect costs not directly identified as program services or supporting activities are allocated among functions based on an equitable basis. Payroll and related expenses are allocated based on time and effort. Facilities expenses, depreciation, insurance, and telephone are allocated based on the ratio of total direct costs.

(k) Income Taxes

Clinics Can Help is exempt from federal income tax under IRC Section 501(c)(3). For the year ended December 31, 2020, there were no activities conducted by the organization that would require recognition or disclosure in the financial statements of material uncertain tax positions for tax liabilities incurred from unrelated business taxable income.

CLINICS CAN HELP, INC.
Notes to Financial Statements
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates based on assumptions that affect specific reported amounts and disclosures. Significant estimates include in-kind donations of medical equipment, functional allocation of expenses, medical equipment and supplies, and depreciable lives of property and equipment.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

Clinics Can Help's cash deposits and certificates of deposit have been placed with a high credit financial institution that is insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year, total balances may exceed FDIC federally-insured limits. The organization has not experienced any losses with respect to its deposit accounts.

NOTE 4 - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

As of December 31, 2020, the following financial assets are available for general expenditures over the following year reduced by amounts not available due to internal designations:

Financial assets:		
Cash	\$	369,066
Certificates of deposit		101,602
Contributions receivable		89,376
Total financial assets		<u>560,044</u>
Less: Board-designated operating reserve		<u>(150,000)</u>
Financial assets available to cover cash needs for general expenditures over next 12 months	\$	<u><u>410,044</u></u>

The organization considers contributions restricted for programs which are ongoing, major, and central to annual operations to be available for general expenditures. Cash is maintained in a checking account to fund near-term operating needs, and surplus cash is deposited into a savings account and certificate of deposit to maintain sufficient reserves. The organization's liquidity management maintains financial assets to meet a minimum of 30 days operating expenses.

NOTE 5 – CONTRIBUTIONS RECEIVABLE

As of December 31, 2020, unconditional promises to give of \$89,376 are expected to be fully collected within one year based on amounts received in prior years and are recorded at net realizable value.

CLINICS CAN HELP, INC.
Notes to Financial Statements
December 31, 2020

NOTE 6 – PROPERTY & EQUIPMENT

As of December 31, 2020, the Organization's property and equipment consisted of the following major classes of depreciable assets. Depreciation expense recorded for the year was \$43,228.

Land	\$	245,340
Building		357,245
Improvements		913,673
Equipment		33,184
Vehicles		40,156
		1,589,598
Accumulated depreciation		(149,271)
Total property and equipment, net	\$	1,440,327

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2020, net assets with donor restrictions were available for and released from the following purpose and time restrictions:

	12/31/2019	Additions	Releases	12/31/2020
Medical Equipment	\$ 142,846	\$ -	\$ (142,846)	\$ -
Passage of Time	30,000	-	(30,000)	-
KINDER Project	-	100,000	-	100,000
Lending Closet	84,375	89,376	(84,375)	89,376
Total	\$ 257,221	\$ 189,376	\$ (257,221)	\$ 189,376

Medical Equipment - Contributions restricted for the purchase of durable medical equipment used in the Lending Closet and KINDER programs.

Passage of Time - Contributions awarded in a prior year budgeted for current operating expenditures. Time restrictions are satisfied as funds are used in future periods as defined by the donor.

KINDER Project - Provides medical equipment to special needs children without insurance.

Lending Closet - The program provides medical equipment and supplies to individuals in need from in-kind donations it receives from individuals, medical supply companies, hospitals, and schools. Grants are restricted for specific operating costs of the program to be incurred next fiscal year.

NOTE 8 – EMPLOYEE BENEFIT PLAN

Clinics Can Help established a 403(b) retirement plan for all employees who are immediately eligible upon their date of hire. The organization makes contributions to match their employees dollar-for-dollar up to 1% of elective salary deferrals. For the year ended December 31, 2020, contributions paid by the organization to the 403(b) plan totaled \$317.

CLINICS CAN HELP, INC.
Notes to Financial Statements
December 31, 2020

NOTE 9 – PAYCHECK PROTECTION PROGRAM

In May 2020, the Organization was approved for a \$64,982 loan through the U.S. Small Business Administration ("SBA") under the Paycheck Protection Program ("PPP"). In accordance with FASB ASC 958-605, management has concluded that PPP proceeds represent a government grant. A forgiveness application was submitted to certify that eligibility criteria was maintained and proceeds were used for qualifying costs in accordance with the CARES Act. On January 4, 2021, the Organization received confirmation that the SBA has fully approved the amount submitted for forgiveness to legally release Clinics Can Help from any liability under the promissory note. The amount forgiven is recorded as contributions and grants in the accompanying statement of activities.

NOTE 10 – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated events and transactions for potential recognition or disclosure in the financial statements through May 5, 2021, the date of which the financial statements were available to be issued.

In February 2021, the Organization was approved for \$64,982, a Second Draw of its loan through the U.S. Small Business Administration ("SBA") under the Paycheck Protection Program. The loan matures five years from the date of the note and bears an interest rate of 1.00% per annum. Repayment is currently deferred in accordance with the Paycheck Protection Flexibility Act of 2020. The principal amount may be forgiven in full or reduced based upon meeting certain eligibility requirements and paying qualifying costs that include certain payroll and overhead expenses.