

CLINICS CAN HELP, INC.

Independent Auditor's Report
&
Financial Statements

December 31, 2017

CLINCS CAN HELP, INC.

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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

I have audited the accompanying financial statements of Clinics Can Help, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clinics Can Help, Inc., as of December 31, 2017, 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.

DANIEL J. ALLEGRETTI, CPA, P.A.

Palm Beach Gardens, FL
April 25, 2018

CLINCS CAN HELP, INC.
Statement of Financial Position
As of December 31, 2017

ASSETS

Cash and cash equivalents	\$ 400,688
Donor-restricted grants receivable	58,752
Medical equipment and supplies	211,491
Property and equipment, net	1,022,745
Utilities deposits	<u>974</u>
 TOTAL ASSETS	 <u><u>\$ 1,694,650</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 14,199
Accrued expenses	<u>6,696</u>
Total Liabilities	<u>\$ 20,895</u>
 Net Assets:	
Unrestricted:	
Undesignated	\$ 1,487,581
Board designated operating reserve	28,000
Temporarily restricted	<u>158,174</u>
Total Net Assets	<u>\$ 1,673,755</u>
 TOTAL LIABILITIES & NET ASSETS	 <u><u>\$ 1,694,650</u></u>

See accompanying notes to financial statements.

CLINCS CAN HELP, INC.
Statement of Activities
Year ended December 31, 2017

	Total
UNRESTRICTED SUPPORT & REVENUE	
In-kind donated medical equipment	\$ 899,359
Grants and contributions	432,056
Special events income	35,420
Interest income	99
Net assets released from restrictions	115,000
Total Unrestricted Support & Revenue	1,481,934
EXPENSES	
Program services	\$ 1,188,125
Supporting activities	211,615
Total Expenses	1,399,740
Increase in Unrestricted Net Assets	\$ 82,194
TEMPORARILY RESTRICTED SUPPORT	
Grants and contributions	158,174
Net assets released from restrictions	(115,000)
Increase in Temporarily Restricted Net Assets	\$ 43,174
CHANGES IN TOTAL NET ASSETS	
Increase in net assets	125,368
Net assets, beginning of year	1,548,387
Net assets, end of year	\$ 1,673,755

See accompanying notes to financial statements.

CLINCS CAN HELP, INC.
Statement of Functional Expenses
Year Ended December 31, 2017

	SUPPORTING ACTIVITIES				Total Expenses
	Program Services	Management and General	Fundraising	Total	
Individual grants and assistance	\$ 916,926	\$ -	\$ -	\$ -	\$ 916,926
Payroll and related expenses	194,805	61,958	33,723	95,681	290,486
Contract services	7,546	61,663	3,485	65,148	72,694
Equipment discards	32,629	-	-	-	32,629
Depreciation	13,744	8,844	-	8,844	22,588
Golf tournament	-	-	11,786	11,786	11,786
Supplies	5,124	2,524	-	2,524	7,648
Facilities expenses	4,070	2,005	-	2,005	6,075
Printing	1,822	3,036	1,214	4,250	6,072
Telephone	2,901	1,741	1,160	2,901	5,802
Insurance	-	4,400	-	4,400	4,400
Transportation	4,387	-	-	-	4,387
Equipment rental	3,418	-	-	-	3,418
Travel and conferences	-	2,382	550	2,932	2,932
Bank charges	-	2,304	-	2,304	2,304
Landscaping	-	1,900	-	1,900	1,900
Dues and subscriptions	-	1,696	-	1,696	1,696
Repairs and maintenance	-	1,534	-	1,534	1,534
Staff recognition	-	1,433	-	1,433	1,433
Advertising	309	-	722	722	1,031
Other costs	356	505	-	505	861
Postage	-	606	-	606	606
Licenses and taxes	88	444	-	444	532
Total expenses	<u>\$ 1,188,125</u>	<u>\$ 158,975</u>	<u>\$ 52,640</u>	<u>\$ 211,615</u>	<u>\$ 1,399,740</u>

See accompanying notes to financial statements.

CLINCS CAN HELP, INC.
Statement of Cash Flows
Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 125,368
Non-cash adjustments to reconcile increase in net assets to net cash provided by operating activities:	
In-kind donated medical equipment received	(899,359)
Grants provided of donated medical equipment	770,581
Discarded medical equipment	32,629
Depreciation expense	22,588
Decrease (increase) in assets:	
Grants receivable	56,248
Prepaid expenses	1,998
Utilities deposits	38
Increase (decrease) in liabilities:	
Accounts payable	14,199
Accrued expenses	3,274
Net cash provided by operating activities	127,564

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of property and equipment	(27,735)
Net cash used in investing activities	(27,735)

Net increase in cash and cash equivalents	99,829
Cash and cash equivalents, beginning of year	300,859
Cash and cash equivalents, end of year	\$ 400,688

See accompanying notes to financial statements.

CLINCS CAN HELP, INC.
Notes to Financial Statements
December 31, 2017

NOTE 1 – NATURE OF ORGANIZATION’S ACTIVITIES

Clinics Can Help, Inc. is a Florida not-for-profit organized as a 501(c)(3) charitable organization. The organization accepts donations of gently used and new durable medical equipment and unwrapped medical supplies from individuals and organizations 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

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Organization reports financial information regarding its activities and financial position according to separate classes of net assets based on the existence or absence of donor-imposed restrictions: unrestricted and temporarily restricted. Unrestricted net assets are resources that the governing board has sole discretion to use in carrying on the operations of the Organization. Temporarily restricted net assets are resources expendable only for purposes or future periods specified by the donor.

(b) Cash and Cash Equivalents

For the purposes of financial statement presentation, the Organization considers all money market funds and highly liquid debt instruments with initial maturities of three months or less to be cash equivalents.

(c) Grants Receivable

Grants receivable are unconditional promises to give for which payment has not been received. The amount recorded equals the net realizable value of uncollected balances. Management estimates the allowance based on past experience for collectability.

(d) Medical Equipment and Supplies

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

(e) 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 market value on the date of donation. Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings & Improvements	39 years
Furniture & Equipment	3 - 5 years
Vehicles	5 years

CLINCS CAN HELP, INC.
Notes to Financial Statements
December 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts designated by the donor for specific purposes or future periods are reported as temporarily restricted. If the purpose restriction is fulfilled within the same accounting period as the contribution received, the amount is reported as unrestricted.

(g) Promises to Give

In accordance with FASB ASC 958-605, Revenue Recognition, unconditional promises to give are measured at net realizable value and recorded in the period awarded as unrestricted support if available for immediate use or temporarily restricted support if subject to purpose or time restrictions specified by the donor.

(h) Donated Services

Donated services are recorded as in-kind contributions if the services require specialized skills, are performed by individuals who possess those skills, and would be purchased if not donated. The organization receives in-kind contributions of services from volunteers who assist with the organization's activities that do not meet the criteria for recognition under generally accepted accounting principles. Accordingly, no revenue or expense is recognized.

(i) Functional Classification of Expenses

In the accompanying Statement of Activities, expenses are reported as program services or supporting activities according to the purpose incurred. Program services are the primary activities that fulfill the Organization's mission. Supporting activities are all activities other than program services. Expenses recorded are either specifically identified as program services or supporting activities, or allocated to both functions based on estimates of the relative benefit to the program services or supporting activities.

(j) Income Taxes

The organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Uncertain tax positions are accounted for only if tax liabilities are likely to be incurred. As of December 31, 2017, the organization has not made a provision for income taxes. Information returns filed for the 2014 calendar year and later are open to IRS examination by statute. However, no examinations are currently being conducted.

(k) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include in-kind donations of medical equipment, functional allocation of expenses, and the depreciable lives of property and equipment. Accordingly, actual results could differ from estimates.

CLINCS CAN HELP, INC.
Notes to Financial Statements
December 31, 2017

NOTE 3 – GRANTS RECEIVABLE

Unconditional promises to give recorded as grants receivable are allocations from the United Way. The grants receivable are considered fully collectable based on promises to give received in prior years and recorded at net realizable value. Accordingly, there is no allowance for doubtful accounts. Grants receivable for the year ended December 31, 2017 were due from the following sources:

United Way of Palm Beach County	\$	46,252
Town of Palm Beach United Way		12,500
Total Grants Receivable	\$	58,752

NOTE 4 – PROPERTY & EQUIPMENT

As of December 31, 2017, the organization's property and equipment consisted of the following major classes of depreciable assets. Depreciation expense recorded for the year was \$22,588.

Land	\$	245,340
Building		357,245
Improvements		439,964
Equipment		30,965
Vehicles		27,967
		<u>1,101,481</u>
Accumulated Depreciation		(78,736)
Total Property and Equipment	\$	1,022,745

NOTE 5 - RESTRICTED NET ASSETS

For the year ended December 31, 2017, temporarily restricted net assets were available for the following purposes:

Purpose	12/31/2016	Additions	Releases	12/31/2017
Lending Closet	\$ 115,000	76,809	(115,000)	\$ 76,809
Capital Campaign	-	81,365	-	81,365
Total	\$ 115,000	158,174	(115,000)	\$ 158,174

Lending Closet - The Organization's Lending Closet program provides medical equipment to individuals in need from in-kind donations received from individuals, medical supply companies, hospitals, and schools. Grants provided by nonprofit organizations are restricted to be used for operating costs of the program.

Capital Campaign - The Organization acquired the land and building that it uses as administrative offices and to warehouse medical equipment from donations solicited through its Capital Campaign. The cost of further improvements for the parking lot, lighting, and landscaping is ongoing to renovate the facilities. Donor contributions raised through the Capital Campaign are restricted for these improvements.

CLINCS CAN HELP, INC.
Notes to Financial Statements
December 31, 2017

NOTE 6 – CONCENTRATIONS OF CREDIT RISK

The organization maintains its cash balances in deposit accounts at a bank in Palm Beach County, Florida. The deposit accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. During the year, cash balances may exceed the FDIC insured amounts. As of December 31, 2017, deposit accounts exceeded the FDIC insured limit by \$150,789.

NOTE 7 – CONTINGENCIES

The Organization receives funding that requires compliance with the terms and conditions specified in contracts and agreements. Compliance with those terms and conditions may be subject to audits that could result in claims against the Organization for disallowed costs. Management is not aware of any material instances of noncompliance and the Organization has not made a provision for liabilities that may arise from future audits since those amounts, if any, cannot be determined.

NOTE 8 – SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure in the financial statements through April 25, 2018, the date the financial statements were available to be issued.