

Miami Rescue Mission Clinic, Inc.
Financial Statements
December 31, 2017

Miami Rescue Mission Clinic, Inc.

Financial Statements

December 31, 2017

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Independent Auditor's Report

To the Board of Directors
Miami Rescue Mission Clinic, Inc.

We have audited the accompanying financial statements of Miami Rescue Mission Clinic, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, 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

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 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 Miami Rescue Mission Clinic, 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.

Miami Rescue Mission Clinic, Inc.

Miami, Florida

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rodriguez, Trueba & Company

Rodriguez, Trueba & Co., PA

Doral, Florida

April 26, 2018

Miami Rescue Mission Clinic, Inc.

Statement of Financial Position

December 31, 2017

Assets

Current Assets	
Cash and cash equivalents	\$ 236,825
Restricted cash	14,576
Total Current Assets	<u>251,401</u>
Property and Equipment - net	<u>10,416</u>
Total Assets	<u>\$ 261,817</u>

Liabilities and Net Assets

Current Liabilities	
Deferred revenue	\$ 14,576
Long-Term Liabilities	
Compensated absences	<u>6,552</u>
Total Liabilities	<u>21,128</u>
Net Assets	
Unrestricted	<u>240,689</u>
Total Liabilities and Net Assets	<u>\$ 261,817</u>

The accompanying notes are an integral part of the financial statements.

Miami Rescue Mission Clinic, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Donations	\$ 130,947	\$ -	\$ 130,947
Grants	-	80,405	80,405
In-kind contributions	888,320	-	888,320
Fees for services	315,813	-	315,813
Other income	648	-	648
Total Operating Revenue	<u>1,335,728</u>	<u>80,405</u>	<u>1,416,133</u>
Net assets released from restrictions	80,405	(80,405)	-
Total Revenue and Support	<u>1,416,133</u>	<u>-</u>	<u>1,416,133</u>
Expenses			
Program services	1,264,869	-	1,264,869
Management and administration	140,795	-	140,795
Fundraising	50,683	-	50,683
Total Expenses	<u>1,456,347</u>	<u>-</u>	<u>1,456,347</u>
Change in Net Assets	(40,214)	-	(40,214)
Net Assets - Beginning of Year	<u>280,903</u>	<u>-</u>	<u>280,903</u>
Net Assets - End of Year	<u>\$ 240,689</u>	<u>\$ -</u>	<u>\$ 240,689</u>

The accompanying notes are an integral part of the financial statements.

Miami Rescue Mission Clinic, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2017

Cash Flows from Operating Activities

Cash received from pledges and contributions	\$ 527,813
Cash paid to employees and suppliers	<u>(566,120)</u>
Net cash (used in) operating activities	<u><u>(38,307)</u></u>

Cash Flows from Investing Activities

Purchases of equipment	<u>(7,077)</u>
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Net decrease in cash, cash equivalents, and restricted cash	(45,384)
Cash, cash equivalents, and restricted cash - beginning of year	<u>296,785</u>
Cash, cash equivalents, and restricted cash - end of year	<u><u>\$ 251,401</u></u>

Reconciliation of Change in Net Assets to Cash (Used in) Operating Activities:

Change in net assets	\$ (40,214)
Depreciation	3,468
Changes in assets and liabilities	
Increase in deferred revenue	1,438
(Decrease) in compensated absences	<u>(2,999)</u>
Total adjustments	<u>1,907</u>
Net cash (used in) operating activities	<u><u>\$ (38,307)</u></u>

The accompanying notes are an integral part of the financial statements.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization

Miami Rescue Mission Clinic, Inc., (the "Organization" or the "Clinic") is a not-for-profit Florida Corporation incorporated in 2011. Miami Rescue Mission Clinic, Inc. is a premier community health center, rooted in the concepts of wellness, prevention and patient-centered care. The Organization's mission is to improve the quality of life of the diverse communities served by providing culturally appropriate, high quality and accessible health care for all. In 2011, the Organization was recognized by the Internal Revenue Service as a 501(c) (3). The Organization has three clinics located in Miami, Hollywood and Pompano Beach.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Classification of the Organization's net assets and its revenues and expenses are based on the existence or absence of donor-imposed restrictions.

The financial statements of the Organization have been presented in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 958-205, "Not-for-Profit Entities-Presentation of Financial Statements". This standard establishes external financial reporting requirements for not-for-profit organizations that include basic financial statements presented herein and the classification of resources into the following three separate classes of net assets:

- **Unrestricted** - Net assets, which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets. Certain unrestricted net assets are designated for a specific purpose through a resolution of the Board of Directors.
- **Temporarily restricted** - Net assets whose use by the Organization is limited by donor-imposed stipulations that expire by the passage of time or that can be either fulfilled or removed by actions of the Organization pursuant to those stipulations.
- **Permanently restricted** - Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by the passage of time nor that can be fulfilled or otherwise removed by actions of the Organization pursuant to those stipulations.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Cash

Restricted cash consists of amounts received from grantors which was not spent as of year-end.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. The estimated useful lives for property and equipment are five years.

Support and Expenses

Contributions received, if any, and unconditional promises to give, if any, are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a 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 Statement of Activities as net assets released from restrictions.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Grant Awards

The Organization receives funding from state and local agencies that supplement its funding sources. The Organization recognizes the award as grant revenue as the expenses stipulated in the grant agreement have been incurred.

In-Kind Contributions

The Organization records the value of donated rent and building services when there is an objective basis available to measure their value. Donated rent and building services are reflected as in-kind contributions in the accompanying statements at their estimated fair values. In-kind contributions also include donated materials and supplies, and professional services provided by medical providers and nurse practitioners. Donated supplies are recorded at values provided by the donors and donated professional services are recorded using suggested rates and values from the Florida Department of Health.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The Organization accrues paid leave (paid time off) based on actual hours worked by employees throughout the year. Employees may carry a balance of up to 120 accrued hours to a subsequent year. Accrued compensated absences were \$6,552 as of December 31, 2017.

Deferred Revenues

Upon receipt of award notifications, a percentage of total awards may be advanced to the Organization by each grant program, in accordance with each program's advanced payment policies. As of the year ended December 31, 2017, the Organization had an outstanding advanced payment balance of \$14,576 recorded as deferred revenue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Clinic is an organization exempt from income taxes under the provisions of Section 501(c) 3 of the Internal Revenue Code. No provision of benefit for income taxes has been included in these financial statements due to the tax exempt status of the Clinic. As of the year ended December 31, 2017, the Clinic's tax years for 2015, 2016, and 2017 are subject to examination by the tax authorities.

Subsequent Events

Subsequent events have been evaluated through April 26, 2018, which is the date the financial statements were available to be issued. Subsequent events requiring disclosure in the financial statements for the year ended December 31, 2017 are included in Note E.

NOTE B – CONCENTRATIONS OF CREDIT RISK

Major Funding Sources

During the year ended December 31, 2017, the Organization received approximately 29% of its funding from Miami Rescue Mission, Inc. (the "Mission") for services provided to enrolled members of the Mission, donations, and in-kind rent (see Note D).

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2017

NOTE B – CONCENTRATIONS OF CREDIT RISK (continued)

Deposits Held in Financial Institutions

The Organization maintains its cash balance in a financial institution. The balances are fully insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2017, the Organization did not have any uninsured balances.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 is as follows:

Equipment	\$ 17,341
Less: Accumulated depreciation	(6,925)
Property and equipment - net	<u><u>\$ 10,416</u></u>

Depreciation expense for the year ended December 31, 2017 was \$3,468.

NOTE D – RELATED PARTY TRANSACTIONS

During 2017, the Miami Rescue Mission, Inc. (the "Mission"), an affiliate of the Clinic which provides shelter, residential programs and other programs and services to the poor and needy (members), paid \$310,000 in fees for services provided by the Clinic to the Mission's members.

The Clinic signed a lease agreement with the Mission for the use of the Clinic's building facility. Rent was to be paid at \$7,500 per month, but the Mission agreed to allow the Clinic to use the premises at no cost. Total rent expense for the year ended December 31, 2017 amounted to \$90,000, and is included as in-kind contributions. At termination of the lease, the Clinic has continued to use the facilities and record rent on an in-kind basis at its estimated value.

The Clinic occupies space at two additional locations within the Mission's facilities in Hollywood and Pompano Beach at no cost to the Clinic. Total rent expense for those locations for the year ended December 31, 2017 amounted to \$24,000, and is included as in-kind contributions. The Clinic is currently negotiating a new lease agreement with the Mission, the exact terms are yet to be determined. Rent to be paid under the new lease is expected to be approximately \$1,000 a month (Note E).

During 2017, the Mission pays the health insurance for the Clinic's employees. The expense is recognized by the Clinic. The premium is paid monthly and is reduced by the fees for service paid by the Mission to the Clinic. During 2018, the Clinic is paying health insurance for its employees (Note E).

NOTE E – SUBSEQUENT EVENTS

During March 2018, the Clinic began paying health insurance directly for its employees.

The Clinic is currently negotiating a new lease agreement with the Mission, the exact terms are yet to be determined.

Miami Rescue Mission Clinic, Inc.
Statement of Functional Expenses
December 31, 2017

	Program Services	Supporting Services		Total
		Management and Administration	Fundraising	
Accounting	\$ -	\$ 8,350	\$ -	\$ 8,350
Bank charges	-	2,390	-	2,390
Building materials	26	-	-	26
Depreciation expense	-	3,468	-	3,468
Electronic medical records (EMR)	4,308	-	-	4,308
Employee	4,770	-	4,770	9,540
Equipment purchase	4,427	-	-	4,427
Grant fees	-	-	3,828	3,828
Health insurance	13,935	-	-	13,935
In-kind medications	368,253	-	-	368,253
In-kind professional services	371,223	-	-	371,223
In-kind supplies	34,844	-	-	34,844
In-kind rent	96,000	18,000	-	114,000
Insurance	11,532	-	-	11,532
Labs	4,954	-	-	4,954
Licenses and permits	45	515	-	560
Medical doctor	11,296	-	-	11,296
Medical supplies	8,744	-	-	8,744
Medical waste	2,167	-	-	2,167
Miscellaneous	13,311	4,326	11,918	29,555
Office supplies	1,628	1,702	-	3,330
Payroll	257,910	77,553	21,582	357,045
Payroll fees	-	3,853	-	3,853
Payroll taxes	18,118	5,230	1,455	24,804
Pharmacy	21,533	-	-	21,533
Seminar	1,401	-	-	1,401
Supscriptions and memberships	1,924	-	-	1,924
Travel and entertainment	-	15,407	7,130	22,537
Utilities	11,613	-	-	11,613
Total Expenses	\$ 1,264,869	\$ 140,795	\$ 50,683	\$ 1,456,347

Read independent auditors' report and notes to the financial statements.