CLINICS CAN HELP, INC.

INDEPENDENT AUDITOR'S REPORT
&
FINANCIAL STATEMENTS

For The Year Ended December 31, 2018

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

CLINICS CAN HELP, INC.

Table of Contents

	Page(s)
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10

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, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial

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, 2018, 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, 2019

CLINICS CAN HELP, INC.
Statement of Financial Position
As of December 31, 2018

ASSETS

Cash	$	372,428
Contributions receivable		101,252
Medical equipment and supplies		255,153
Property and equipment, net		1,256,582
Security deposits		974
TOTAL ASSETS	$	1,986,389

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	$	25,305
Accrued expenses		59,425
Total Liabilities		84,730
Net Assets:		
Without donor restrictions:		
Undesignated for general use		1,498,703
Board designated operating reserve		28,000
With donor restrictions		374,956
Total Net Assets		1,901,659
TOTAL LIABILITIES & NET ASSETS	$	1,986,389

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.
Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE			
In-kind donated medical equipment	$ 1,017,363	$ -	$ 1,017,363
Contributions and grants	401,174	138,752	539,926
Capital campaign	-	154,839	154,839
Special events	47,478	-	47,478
Interest income	183	-	183
Net assets released from restrictions	76,809	(76,809)	-
Total Support & Revenue	1,543,007	216,782	1,759,789
EXPENSES			
Program services	1,408,182	-	1,408,182
Supporting activities:			
Management and general	40,390	-	40,390
Fundraising	83,313	-	83,313
Total Expenses	1,531,885	-	1,531,885
Increase in Net Assets	11,122	216,782	227,904
CHANGES IN TOTAL NET ASSETS			
Increase in net assets	11,122	216,782	227,904
Net assets, beginning of year	1,515,581	158,174	1,673,755
Net assets, end of year	$ 1,526,703	$ 374,956	$ 1,901,659

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.

Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services	Management and General	Fundraising	Total Expenses
Grants and individual assistance	$ 1,012,384	$ -	$ -	$ 1,012,384
Payroll and related expenses	261,219	20,603	56,382	338,204
Equipment discards	49,159	-	-	49,159
Contract services	28,177	8,288	2,039	38,504
Depreciation	14,743	7,261	-	22,004
Special events	-	-	16,214	16,214
Facilities expenses	8,432	-	-	8,432
Printing	3,613	1,145	3,153	7,911
Transportation	6,290	249	127	6,666
Telephone	2,915	641	2,274	5,830
Supplies	4,543	430	196	5,169
Insurance	4,200	-	-	4,200
Conferences and meetings	1,181	1,426	1,266	3,873
Advertising	1,626	29	1,643	3,298
Bank charges	2,884	70	4	2,958
Dues and subscriptions	1,921	100	-	2,021
Staff recognition	1,594	118	-	1,712
Repairs and maintenance	1,618	-	-	1,618
Postage	669	-	15	684
Other costs	561	30	-	591
Licenses and taxes	453	-	-	453
Total Expenses	$ 1,408,182	$ 40,390	$ 83,313	$ 1,531,885

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.

Statement of Cash Flows

Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants and contributors	$	506,293
Cash received from fundraising events		47,478
Interest received in savings accounts		183
Cash paid to employees and vendors		(531,293)
NET CASH PROVIDED BY OPERATING ACTIVITIES		22,661
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction costs paid for parking lot		(194,486)
Capitalizable soft costs for improvements		(11,274)
NET CASH USED IN INVESTING ACTIVITIES		(205,760)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for property and equipment:		
Capital campaign donations for parking lot construction		154,839
NET CASH PROVIDED BY FINANCING ACTIVITIES		154,839
Net decrease in cash		(28,260)
Cash, beginning of year		400,688
Cash, end of year	$	372,428

See accompanying notes to financial statements.

CLINICS CAN HELP, INC.
Notes to Financial Statements
December 31, 2018

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), which requires financial information to be reported regarding its financial position and activities according to separate classes of net assets based on the existence or absence of donor-imposed restrictions: Net assets ***without donor restrictions*** are resources that may be expended for any purpose to fulfill the primary mission of the organization. Net assets ***with donor restrictions*** are resources that are expendable only for specific purposes or future periods as stipulated by the

(b) Cash

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

(c) 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 are not recognized until the conditions are met in accordance with terms of the award.

(d) 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.

(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 expense is calculated using the straight-line method over the following estimated useful lives of the assets:

Asset Class	Useful Life
Buildings & Improvements	39 years
Furniture & Equipment	3 - 5 years
Vehicles	5 years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Accounts Payable

Accounts payable consists of expenses incurred that vendors have invoiced the organization and are outstanding as of the end of the accounting period.

(g) Accrued Expenses

Expenses incurred during the current accounting period, but not payable until the next year are recognized as current liabilities. Accrued expenses include accrued wages, payroll taxes, credit card purchases, and construction of the parking lot and building renovations.

(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. Donor's purpose restrictions that are satisfied within the same reporting period as the contribution awarded are classified without donor restrictions. When net assets with donor restrictions from the prior year are satisfied, the amounts are reclassified to net assets released from restrictions in the Statement of Activities.

(j) Capital Campaign

Donations solicited through the capital campaign to fund the completion of the parking lot and surrounding areas are reported *with donor restrictions.* When construction of the parking lot and improvements to the surrounding areas have been completed, the donor restrictions will be satisfied and the balance will be reclassified to net assets without donor restrictions.

(k) 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 between functions based on management estimates. Salaries and wages, employee benefits, payroll taxes, and contract services are allocated based on time and effort.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income Taxes

Clinics Can Help is exempt from federal income tax under IRC Section 501(c)(3). For the year ended December 31, 2018, 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.

(m) 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.

(n) Recent Accounting Pronouncement

Effective for fiscal years beginning after December 15, 2017, FASB has issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities, which updates US GAAP to improve net asset classification descriptions and provide information about the liquidity and availability of financial resources. Clinics Can Help has updated the presentation of the financial statements in accordance with the standard and has prepared the Statement of Cash Flows using the direct method as encouraged by ASU 2016-14 to provide more relevant information to financial statement users.

NOTE 3 - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following schedule reflects Clinics Can Help's financial assets as of December 31, 2018, reduced by amounts not available for general expenditure within one year of the Statement of Financial Position date due to Board designations, donor-imposed restrictions, and legal or contractual limitations:

Financial assets:		
Cash	$	372,428
Contributions receivable		101,252
Total financial assets	$	473,680
Less amounts unavailable for general use:		
Commitments for parking lot construction		(149,585)
Net assets with time and purpose restrictions		(91,252)
Board designated net assets for operating reserve		(28,000)
Financial assets available to meet cash needs for general expenditure within one year	$	204,843

Clinics Can Help's liquidity management generally maintains financial assets to meet a minimum 180 days of general expenditures. Cash is maintained in a checking account; surplus cash is deposited into a savings account and transferred as needed. The Board of Directors may designate, on occasion, a portion of surpluses to fund its operating reserve.

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

Clinics Can Help's cash deposits have been placed with a high credit financial institution insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. During the year, total balances may exceed federally insured limits. The organization has not experienced, nor does it anticipate, losses with respect to its deposit accounts.

NOTE 5 – CONTRIBUTIONS RECEIVABLE

As of December 31, 2018, unconditional promises to give of $101,252 are expected to be fully collected within one year based on amounts received in prior years and are recorded at net realizable value.

NOTE 6 – PROPERTY & EQUIPMENT

As of December 31, 2018, the organization's property and equipment consisted of the following major classes of depreciable assets. Depreciation expense recorded for the year was $22,004.

Land	$ 245,340
Building	357,245
Improvements	695,805
Equipment	30,965
Vehicles	27,967
	1,357,322
Accumulated Depreciation	(100,740)
Total Property and Equipment	$ 1,256,582

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2018, net assets with donor restrictions were available with the following purpose or time restrictions:

	12/31/2017	Additions	Releases	12/31/2018
Capital Campaign	$ 81,365	$ 154,839	$ -	$ 236,204
Lending Closet	76,809	61,252	(76,809)	61,252
Passage of Time	-	77,500	-	77,500
Total	$ 158,174	$ 293,591	$ (76,809)	$ 374,956

Capital Campaign - The warehouse and administrative offices were acquired through donations solicited from the Capital Campaign. Further improvements to complete the parking lot, lighting, and landscaping are funded through contributions raised through the Capital Campaign.

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 provided by nonprofit organizations are restricted to be used for specific operating costs of the program.

Passage of Time - Contributions to be used for operating expenditures after December 31, 2018. Time restrictions are satisfied as funds are used in future periods as defined by the donor.

NOTE 8 – COMMITMENTS

Clinics Can Help entered into a contract for construction of the parking lot and further improvements to the building and surrounding area. The organization has committed to capital expenditures in the next fiscal year of $149,585 to complete construction.

NOTE 9 – CONTINGENCIES

Clinics Can Help receives funding that requires compliance with terms and conditions specified in its contracts and agreements. Compliance with those terms and conditions may be subject to audits that could result in claims 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 10 – EMPLOYEE BENEFIT PLAN

In 2018, Clinics Can Help established a 403(b) retirement plan for all employees who are immediately eligible upon their date of hire. The plan provided for the organization to make discretionary matching contributions to employee elective deferrals. For the year ended December 31, 2018, there were no contributions by the organization. In 2019, Clinics Can Help has amended the retirement plan to match their employees dollar-for-dollar up to 1% of elective salary deferrals.

NOTE 11 – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated events and transactions for potential recognition or disclosure in the financial statements through April 25, 2019, the date of which the financial statements were available to be issued.