



Miami Rescue Mission Clinic, Inc.

Financial Statements

December 31, 2020

GENVRT

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Certified Public Accountants & Advisors

Miami Rescue Mission Clinic, Inc.

Financial Statements

December 31, 2020

Contents

	Page
Independent Auditor's Report	1 – 2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 13



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, 2020, and the related statements of activities and changes in net assets, 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

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.

Miami Rescue Mission Clinic, Inc.

Miami, Florida

Page 2

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, 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.

GEMRT & Co, LLP

Coral Gables, Florida

May 6, 2021

Miami Rescue Mission Clinic, Inc.
Statement of Financial Position
December 31, 2020

Assets

Current Assets		
Cash and cash equivalents	\$	465,508
Restricted cash		<u>42,220</u>
Total Current Assets		507,728
Property and Equipment - net		5,527
Security deposits		<u>2,584</u>
Total Assets	\$	<u><u>515,839</u></u>

Liabilities and Net Assets

Current Liabilities		
Deferred revenue	\$	42,220
Long-Term Liabilities		
Compensated absences		<u>8,672</u>
Total Liabilities		<u>50,892</u>
Net Assets		
Without donor restrictions		<u>464,947</u>
Total Liabilities and Net Assets	\$	<u><u>515,839</u></u>

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

Miami Rescue Mission Clinic, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenue and Support			
Donations	\$ 290,741	\$ -	\$ 290,741
Grants	-	166,558	166,558
In-kind contributions	462,586	-	462,586
Fees for services	302,354	-	302,354
Other income	214,361	-	214,361
Total Operating Revenue	<u>1,270,042</u>	<u>166,558</u>	<u>1,436,600</u>
Net assets released from restrictions	166,558	(166,558)	-
Total Revenue and Support	<u>1,436,600</u>	<u>-</u>	<u>1,436,600</u>
Expenses			
Program services	734,262	-	734,262
Management and administration	333,195	-	333,195
Fundraising	44,477	-	44,477
Total Expenses	<u>1,111,934</u>	<u>-</u>	<u>1,111,934</u>
Change in Net Assets	324,666	-	324,666
Net Assets - Beginning of Year	<u>140,281</u>	<u>-</u>	<u>140,281</u>
Net Assets - End of Year	<u>\$ 464,947</u>	<u>\$ -</u>	<u>\$ 464,947</u>

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

Miami Rescue Mission Clinic, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Supporting Services		Total
		Management and Administration	Fundraising	
Accounting	\$ -	\$ 11,500	\$ -	\$ 11,500
Bank charges	-	1,489	-	1,489
Building materials	-	282	-	282
Depreciation expense	-	4,849	-	4,849
Employee	1,018	-	1,018	2,036
Grant fees	-	-	4,955	4,955
Health insurance	19,912	6,255	989	27,156
In-kind medications	144,440	-	-	144,440
In-kind professional services	136,796	-	-	136,796
In-kind rent	29,304	117,216	-	146,520
In-kind supplies	34,830	-	-	34,830
Insurance	6,523	3,248	-	9,771
Labs	1,366	-	-	1,366
Licenses and permits	-	676	-	676
Medical doctor	1,180	-	-	1,180
Medical supplies	24,354	-	-	24,354
Medical waste	956	-	-	956
Miscellaneous	4,500	2,388	5,485	12,373
Office supplies	5,309	5,309	-	10,618
Payroll	270,344	139,285	22,019	431,648
Payroll fees	-	4,034	-	4,034
Payroll taxes	27,941	6,562	1,037	35,540
Pharmacy	5,751	-	-	5,751
Rent	-	24,644	-	24,644
Subscriptions and memberships	3,380	-	-	3,380
Travel and entertainment	-	4,858	8,974	13,832
Utilities	16,358	600	-	16,958
Total Expenses	\$ 734,262	\$ 333,195	\$ 44,477	\$ 1,111,934

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

Miami Rescue Mission Clinic, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash Flows from Operating Activities

Cash received from pledges and contributions	\$ 879,131
Cash received from PPP Loan and EIDL contributions	105,455
Cash paid to employees and suppliers	<u>(659,167)</u>
Net cash provided by operating activities	<u>325,419</u>

Cash Flows from Investing Activities

Purchases of equipment	<u>(1,067)</u>
Net cash (used in) investing activities	<u>(1,067)</u>

Cash Flows from Financing Activities

-

Net increase in cash, cash equivalents, and restricted cash

324,352

Cash, cash equivalents, and restricted cash - beginning of year

183,376

Cash, cash equivalents, and restricted cash - end of year

\$ 507,728

Reconciliation of Change in Net Assets to Cash Provided by Operating Activities:

Change in net assets	\$ 324,666
Depreciation	4,849
Changes in assets and liabilities	
Increase in deferred revenue	11,995
(Decrease) in accrued expenses	(18,337)
Increase in compensated absences	<u>2,246</u>
Total adjustments	<u>753</u>
Net cash provided by operating activities	<u>\$ 325,419</u>

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

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2020

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 Doral.

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 net asset classification:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretions of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, lesser amounts are expensed. The estimated useful lives for property and equipment are five years.

Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. These include cash and cash equivalents. The Organization estimates that the fair value of all financial instruments at December 31, 2020 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. During 2020, this included approximately \$30,000 in grants that were authorized through the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) for COVID-19 relief.

Revenue Recognition

The Clinic recognizes fees for service revenue upon services being rendered to patients.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Accounting	Time and effort
Bank charges	Time and effort
Building materials	Square footage
Depreciation expense	Square footage
Employee	Time and effort
Grant fees	Time and effort
Health insurance	Time and effort
In-kind medications	Estimated fair value
In-kind professional services	Full time equivalent
In-kind rent	Square footage and estimated fair value
In-kind supplies	Estimated fair value
Insurance	Time and effort
Labs	Time and effort
Licenses and permits	Time and effort
Medical doctor	Time and effort
Medical supplies	Time and effort
Medical waste	Time and effort
Miscellaneous	Time and effort
Office supplies	Time and effort
Payroll	Time and effort
Payroll fees	Time and effort
Payroll taxes	Time and effort
Pharmacy	Time and effort
Rent	Square footage
Subscriptions and memberships	Time and effort
Travel and entertainment	Time and effort
Utilities	Square footage

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2020

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 \$8,672 as of December 31, 2020.

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, 2020, the Organization had an outstanding advanced payment balance of \$42,220 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 Tax Status

The Clinic is an organization exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies as a charity under Section 170(b)(1)(A) and is not a private foundation, so contributions to the Clinic are deductible as charitable contributions. The Clinic files its Form 990 with the federal authorities. As of the year ended December 31, 2020, the Clinic's tax years for 2018, 2019, and 2020 are subject to examination by the tax authorities.

NOTE B – CONCENTRATIONS OF CREDIT RISK

Major Funding Sources

During the year ended December 31, 2020, the Organization received approximately 21% of its funding from Miami Rescue Mission, Inc. (the "Mission") for services provided to enrolled members of the Mission, and in-kind rent (see Note G).

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, 2020, the Organization did not have any uninsured balances.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2020

NOTE C – AVAILABILITY AND LIQUIDITY

The Organization's financial assets available to meet general expenditures over the next twelve months is made up of cash and cash equivalents of \$465,508 and restricted cash of \$42,220. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$278,000). In general, the Organization maintains sufficient financial assets on hand to meet ongoing operating expenses. As part of its liquidity plan, the Organization is making efforts to minimize operating expenses where feasible.

NOTE D – CASH AND RESTRICTED DEPOSITS

The balance in cash, cash equivalents, and restricted deposits consists of the following:

Operating cash	\$	465,508
Restricted cash		42,220
	\$	<u>507,728</u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 is as follows:

Equipment	\$	26,577
Less: Accumulated depreciation		<u>(21,050)</u>
Property and equipment - net	\$	<u>5,527</u>

Depreciation expense for the year ended December 31, 2020 was \$4,849.

NOTE F – PAYROLL PROTECTION PROGRAM LOAN AND ECONOMIC INJURY DISASTER LOAN

During 2020, the Company applied for and was granted a loan in the amount of \$95,455 from the Payroll Protection Program Loan ("PPP") through the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. Repayment of the loan was set to be deferred for ten months, commencing at the end of a covered period. In the event the loan was required to be repaid, the loan would be payable over a two-year period, accruing interest at 0.98%. In 2020, the Company applied for forgiveness of the loan with the Small Business Administration ("SBA") after a covered period of 24 weeks. The forgiveness is based on several requirements including factors such as employee headcount and salary levels, and proper use of the funds. Management used the proceeds from this loan for payroll costs, in accordance with the loan agreement. In December 2020, the Company was granted forgiveness of the loan by the SBA. Upon notice of forgiveness, the Company reclassified the loan to other income.

In addition to the Payroll Protection Program Loan, the Company applied for and received an advance in the amount of \$10,000 from the Economic Injury Disaster Loan ("EIDL") through the CARES Act. The advance does not have to be repaid and was forgiven in conjunction with the PPP loan forgiveness.

For the year ended December 31, 2020, other income includes a total of \$105,455 of funding received and forgiven under the CARES Act.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2020

NOTE G – RELATED PARTY TRANSACTIONS

During 2020, 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 \$300,000 in fees for services provided by the Clinic to the Mission’s members.

During 2018 the Clinic signed a lease agreement with the Mission for the use of the Clinic’s facilities. Commencing in August 2018, rent is to be paid at \$1,000 per month through July 2028. The fair market value of the rent of the facilities is approximately \$11,275 per month. During the period from January 2018 through July 2018, \$7,500 per month was recorded to in-kind contributions. Commencing in August 2018, the difference between the rent per the lease agreement and the fair market value of the rent, \$10,275, was recorded to in-kind contributions. Total rent expense for the year ended December 31, 2020 amounted to \$146,520, including \$134,520 as in-kind contributions.

The Clinic occupies space an additional location within the Mission’s facility in Hollywood. Total rent expense for this location for the year ended December 31, 2020 amounted to \$12,000 and is included as in-kind contributions.

NOTE H – LEASE COMMITMENTS

Commencing on November 1, 2019, the Clinic entered into a one-year lease agreement with a one-year option to rent a space for an additional clinic location in Doral, Florida. On November 1, 2020, the Clinic exercised the one-year option. Rent is payable monthly in the amount of \$1,334. Total rent expense paid under this lease totaled \$14,674 during 2020.

Total rent expense paid under the operating lease (Note G) totaled \$10,000 during 2020. Total future rental commitments required under the lease are as follows:

2021	\$	25,338
2022		12,000
2023		12,000
2024		12,000
2025		12,000
2026 - 2028		31,000
	\$	<u>104,338</u>

NOTE I – CONTINGENCIES

The Clinic receives a number of grants from local governmental agencies and private foundations. These grants are subject to monitoring by the corresponding oversight agency as to allowable costs. Failure to comply with the provisions of the grants could result in the return of funds to the grantors. Although that is a possibility, the Clinic deems the contingency remote since, in management’s opinion, the Clinic has complied in all material respects with the provisions of the grants.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2020

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 6, 2021, which is the date the financial statements were available to be issued. Included in this evaluation is the consideration of the effects of COVID-19. The Clinic has been providing additional services to their patients through telemedicine, thus allowing the Clinic to continue to operate as usual and remotely. Based on their continued operations, management believes that the Clinic and its operations will not be adversely affected as a result of the COVID-19 pandemic.