



Miami Rescue Mission Clinic, Inc.

Financial Statements

December 31, 2021

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Certified Public Accountants & Advisors

Miami Rescue Mission Clinic, Inc.

Financial Statements

December 31, 2021

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Independent Auditors' Report

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

Opinion

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, 2021, 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.

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, 2021, 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miami Rescue Mission Clinic, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

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 Miami Rescue Mission Clinic, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.


Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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 generally accepted auditing standards will always detect a material misstatement when it exists. 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- 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 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 Miami Rescue Mission Clinic, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Rescue Mission Clinic, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Coral Gables, Florida

June 13, 2022

Miami Rescue Mission Clinic, Inc.
Statement of Financial Position
December 31, 2021

Assets

Current Assets		
Cash and cash equivalents	\$	568,861
Restricted cash		182,570
Total Current Assets		<u>751,431</u>
Property and Equipment - net		4,530
Other Assets		
Security deposits		2,584
Other Assets		3,887
Total Other Assets		<u>6,471</u>
Total Assets	\$	<u><u>762,432</u></u>

Liabilities and Net Assets

Current Liabilities		
Deferred revenue	\$	182,570
Long-Term Liabilities		
Compensated absences		<u>7,667</u>
Total Liabilities		<u>190,237</u>
Net Assets		
Without donor restrictions		<u>572,195</u>
Total Liabilities and Net Assets	\$	<u><u>762,432</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, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenue and Support			
Donations	\$ 119,715	\$ -	\$ 119,715
Grants	-	333,567	333,567
In-kind contributions	732,877	-	732,877
Fees for services	307,270	-	307,270
Other income	220,783	-	220,783
Total Operating Revenue	<u>1,380,645</u>	<u>333,567</u>	<u>1,714,212</u>
Net assets released from restrictions	<u>333,567</u>	<u>(333,567)</u>	<u>-</u>
Total Revenue and Support	<u>1,714,212</u>	<u>-</u>	<u>1,714,212</u>
Expenses			
Program services	1,206,174	-	1,206,174
Management and administration	356,568	-	356,568
Fundraising	44,222	-	44,222
Total Expenses	<u>1,606,964</u>	<u>-</u>	<u>1,606,964</u>
Change in Net Assets	107,248	-	107,248
Net Assets - Beginning of Year	<u>464,947</u>	<u>-</u>	<u>464,947</u>
Net Assets - End of Year	<u>\$ 572,195</u>	<u>\$ -</u>	<u>\$ 572,195</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, 2021

	Supporting Services			Total
	Program Services	Management and Administration	Fundraising	
Accounting	\$ -	\$ 12,500	\$ -	\$ 12,500
Bank charges	-	2,180	-	2,180
Building materials	-	12,938	-	12,938
Depreciation expense	-	4,549	-	4,549
Electronic medical records (EMR)	5,937	-	-	5,937
Employee	249	-	249	498
Equipment purchase	-	1,493	-	1,493
Grant fees	-	-	6,146	6,146
Health insurance	25,377	5,583	946	31,906
In-kind medications	83,866	-	-	83,866
In-kind professional services	485,151	-	-	485,151
In-kind rent	29,304	117,216	-	146,520
In-kind supplies	17,340	-	-	17,340
Insurance	7,501	2,022	-	9,523
Licenses and permits	-	2,256	-	2,256
Meals and beds	57,000	-	-	57,000
Medical doctor	72,213	-	-	72,213
Medical supplies	13,932	-	-	13,932
Medical waste	1,243	-	-	1,243
Miscellaneous	7,600	2,929	4,708	15,237
Office supplies	10,654	11,682	-	22,336
Payroll	312,198	135,600	22,981	470,779
Payroll taxes	26,531	11,523	1,953	40,007
Pharmacy	19,697	-	-	19,697
Rent	-	28,975	-	28,975
Seminar	4,386	-	-	4,386
Subscriptions and memberships	2,675	-	-	2,675
Travel and entertainment	-	4,076	7,239	11,315
Utilities	23,320	1,046	-	24,366
Total Expenses	\$ 1,206,174	\$ 356,568	\$ 44,222	\$ 1,606,964

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, 2021

Cash Flows from Operating Activities

Cash received from pledges and contributions	\$ 1,714,212
Cash paid to employees and suppliers	<u>(1,466,957)</u>
Net cash provided by operating activities	<u>247,255</u>

Cash Flows from Investing Activities

Purchases of equipment	<u>(3,552)</u>
Net cash (used in) investing activities	<u>(3,552)</u>

Cash Flows from Financing Activities

-

Net increase in cash, cash equivalents, and restricted cash	243,703
Cash, cash equivalents, and restricted cash - beginning of year	<u>507,728</u>
Cash, cash equivalents, and restricted cash - end of year	<u>\$ 751,431</u>

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

Change in net assets	\$ 107,248
Depreciation	4,549
Changes in assets and liabilities	
(Increase) in other assets	(3,887)
Increase in deferred revenue	140,350
(Increase) in compensated absences	<u>(1,005)</u>
Total adjustments	<u>140,007</u>
Net cash provided by operating activities	<u>\$ 247,255</u>

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

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2021

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 discretion 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.

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.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Expenditures for maintenance and repairs are charged to income as incurred. Expenditures for betterments and renewals are capitalized. The carrying amount of assets sold or retired and related accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gain or loss is included in income.

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, 2021 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.

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 2021, this included approximately \$5,600 in grants that were authorized through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") for COVID-19 relief.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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
Electronic medical records (EMR)	Time and effort
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
Licenses and permits	Time and effort
Meals and beds	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 taxes	Time and effort
Penalties and taxes	Time and effort
Pharmacy	Time and effort
Rent	Square footage
Seminar	Time and effort
Subscriptions and memberships	Time and effort
Travel and entertainment	Time and effort
Utilities	Time and effort

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 \$7,667 as of December 31, 2021.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021, the Organization had an outstanding advanced payment balance of \$182,570 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, 2021, the Clinic's tax years for 2019, 2020, and 2021 are subject to examination by the tax authorities.

Subsequent Events

Subsequent events have been evaluated through June 13, 2022, which is the date the financial statements were available to be issued. There were no subsequent events requiring disclosure in the financial statements for the year ended December 31, 2021.

NOTE B – CONCENTRATIONS OF CREDIT RISK

Major Funding Sources

During the year ended December 31, 2021, the Organization received approximately 26% 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, 2021, the Organization did not have any uninsured balances.

Geographical Area

The Organization has locations that are in a geographical area that is affected by hurricanes. The Organization mitigates this risk through adequate insurance coverage of its assets.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2021

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 \$568,861 and restricted cash of \$182,570. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$402,000). 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	\$	568,861
Restricted cash		<u>182,570</u>
	\$	<u>751,431</u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2021 is as follows:

Equipment	\$	30,129
Less: Accumulated depreciation		<u>(25,599)</u>
Property and equipment - net	\$	<u>4,530</u>

Depreciation expense for the year ended December 31, 2021 was \$4,549.

NOTE F – RELATED PARTY TRANSACTIONS

During 2021, 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, 2021 amounted to \$146,520, including \$134,520 as in-kind contributions.

The Clinic occupies space in an additional location within the Mission's facility in Hollywood. Total rent expense for this location for the year ended December 31, 2021 amounted to \$12,000 and is included as in-kind contributions.

During 2021, the Clinic transferred \$4,500 to a board member for future electronic medical records service expenses. During 2021, the Clinic incurred an expense of \$613 for electronic medical records, which was paid from the balance held by the related party. As of December 31, 2021, a balance of \$3,887 is being held for the future use of the Clinic, and is presented on the balance sheet as other assets.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2021

NOTE G – 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. As the agreement expired, on November 1, 2021, the Clinic re-entered into a new one-year lease agreement with a one-year option to renew at the Doral location. Rent is payable monthly in the amount of \$1,331. Total rent expense paid for this location totaled \$15,975 during 2021.

Total rent expense paid under the operating lease (Note F) totaled \$12,000 during 2021. Total future rental commitments required under the lease are as follows:

2022	\$	27,972
2023		25,310
2024		12,000
2025		12,000
2026		12,000
2027-2028		19,000
	\$	<u>108,282</u>

NOTE H – CONTINGENCIES

Grants

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.

Coronavirus (COVID-19) Pandemic

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. During 2021, 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.