

Miami Rescue Mission Clinic, Inc.

Financial Statements

December 31, 2023



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

Certified Public Accountants & Advisors

Miami Rescue Mission Clinic, Inc.

Financial Statements

December 31, 2023

Contents

	Page
Independent Auditors' 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 – 14



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, 2023, 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, 2023, 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

May 15, 2024

Miami Rescue Mission Clinic, Inc.
Statement of Financial Position
December 31, 2023

Assets

Current Assets	
Cash and cash equivalents	\$ 975,075
Restricted cash	59,396
Total Current Assets	1,034,471
Property and Equipment	
Equipment	30,129
Less: Accumulated depreciation	(30,129)
Total Property and Equipment - net	-
Other Assets	
Security deposits	2,584
Total Other Assets	2,584
Right-of-Use Asset	30,274
Total Assets	\$ 1,067,329

Liabilities and Net Assets

Current Liabilities	
Accounts payable	\$ 14,062
Deferred revenue	59,396
Lease liability, current	16,400
Total Current Liabilities	89,858
Long-Term Liabilities	
Compensated absences	7,004
Total Liabilities	96,862
Lease Liability, net of current portion	13,874
Net Assets	
Without donor restrictions	956,593
Total Liabilities and Net Assets	\$ 1,067,329

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, 2023

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Revenue and Support			
Contributions of cash and other financial assets	\$ 111,203	\$ -	\$ 111,203
Contributions of nonfinancial assets	742,006	-	742,006
Grants	-	265,692	265,692
Fees for services	311,184	-	311,184
Other income	550,024	-	550,024
Total Operating Revenue	<u>1,714,417</u>	<u>265,692</u>	<u>1,980,109</u>
Net assets released from restrictions	265,692	(265,692)	-
Total Revenue and Support	<u>1,980,109</u>	<u>-</u>	<u>1,980,109</u>
Expenses			
Program services	1,321,571	-	1,321,571
Management and administration	362,970	-	362,970
Fundraising	42,554	-	42,554
Total Expenses	<u>1,727,095</u>	<u>-</u>	<u>1,727,095</u>
Change in Net Assets	253,014	-	253,014
Net Assets - Beginning of Year	<u>703,579</u>	<u>-</u>	<u>703,579</u>
Net Assets - End of Year	<u>\$ 956,593</u>	<u>\$ -</u>	<u>\$ 956,593</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, 2023

	Program Services	Supporting Services		Total
		Management and Administration	Fundraising	
Accounting	\$ -	\$ 19,000	\$ -	\$ 19,000
Bank charges	-	2,160	-	2,160
Depreciation expense	-	505	-	505
Electronic medical records (EMR)	2,700	-	-	2,700
Employee	25	-	25	50
Grant fees	-	-	9,204	9,204
Health insurance	27,884	8,045	933	36,862
In-kind medications	39,999	-	-	39,999
In-kind professional services	555,487	-	-	555,487
In-kind rent	29,304	117,216	-	146,520
Insurance	12,304	-	-	12,304
Licenses and permits	-	2,137	-	2,137
Medical doctor	142,750	-	-	142,750
Medical supplies	6,005	-	-	6,005
Medical waste	1,993	-	-	1,993
Miscellaneous	6,968	2,504	5,653	15,125
Office supplies	1,561	15,269	-	16,830
Payroll	386,501	141,631	16,428	544,560
Payroll taxes	31,634	12,530	1,453	45,617
Pharmacy	30,351	-	-	30,351
Repair and maintenance	-	10,128	-	10,128
Rent	-	28,095	-	28,095
Seminar	16,074	-	-	16,074
Subscriptions and memberships	4,896	-	-	4,896
Travel and entertainment	-	2,585	8,858	11,443
Utilities	25,135	1,165	-	26,300
Total Expenses	<u>\$ 1,321,571</u>	<u>\$ 362,970</u>	<u>\$ 42,554</u>	<u>\$ 1,727,095</u>

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, 2023

Cash Flows from Operating Activities

Cash received from pledges and contributions	\$ 1,286,487
Cash paid to employees and suppliers	(971,305)
Net cash provided by operating activities	<u>315,182</u>

Cash Flows from Investing Activities

-

Cash Flows from Financing Activities

-

Net increase in cash, cash equivalents, and restricted cash	315,182
Cash, cash equivalents, and restricted cash - beginning of year	719,289
Cash, cash equivalents, and restricted cash - end of year	<u><u>\$ 1,034,471</u></u>

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

Change in net assets	\$ 253,014
Depreciation	505
Decrease in other assets	3,887
(Increase) in right-of-use asset	(1,403)
Increase in accounts payable	8,985
Increase in deferred revenue	48,384
Increase in lease liability	1,403
Increase in compensated absences	407
Total adjustments	<u>62,168</u>
Net cash provided by operating activities	<u>\$ 315,182</u>

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

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2023

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 statement 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, 2023

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 and payables. The Organization estimates that the fair value of all financial instruments at December 31, 2023 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

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.

Contributed Nonfinancial Assets

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 contributions of nonfinancial assets in the accompanying statements at their estimated fair values. Contributions of nonfinancial assets 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.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2023

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
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
Insurance	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 taxes	Time and effort
Pharmacy	Time and effort
Repair and maintenance	Time and effort
Rent	Square footage
Seminar	Time and effort
Subscriptions and memberships	Time and effort
Travel and entertainment	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 \$7,004 as of December 31, 2023.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2023

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, 2023, the Organization had an outstanding advanced payment balance of \$59,396 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, 2023, the Clinic's tax years for 2021, 2022, and 2023 are subject to examination by the tax authorities.

Leases

Leases are defined as the right to use an underlying asset. When a leasing arrangement is identified, a determination is made at inception as to whether the lease is a finance lease or an operating lease. As a lessee, the Organization recognizes a lease liability and an intangible right-of-use (ROU) lease asset at the beginning of a lease unless the lease is considered a short-term lease, less than 12 months in duration. ROU lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is calculated based on the present value of the contractual minimum lease payments using the risk-free rate of return. The Organization has elected to use the risk-free rate of return as the discount rate, under the ASU 2021-09, Leases Topic (Topic 842): Discount Rate for Lessees that are not public business entities.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases - continued

Finance lease assets are recorded within property and equipment, with a corresponding amount recorded within the Organization's lease obligations. Finance lease expense is composed of depreciation expense on the leased asset and interest on the lease liability. Operating leases with a duration greater than one year are included in operating lease right-of-use assets and operating lease liabilities in the Organization's statement of financial position at December 31, 2023. The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

The Organization calculates the amortization of the discount on the lease liability. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying asset are not included in the lease liability calculations but are expensed in the period in which the obligation was incurred.

Subsequent Events

Subsequent events have been evaluated through May 15, 2024, 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, 2023.

New Accounting Pronouncements

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. These expected credit losses are recorded to an allowance for credit losses valuation account that is deducted from receivables to present the net amount to be collected on the financial asset. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. Grants receivable from governmental entities do not fall under the scope of this Accounting Standard Update. We adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

NOTE B – CONCENTRATIONS OF CREDIT RISK

Major Funding Sources

During the year ended December 31, 2023, the Organization received approximately 24% 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).

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2023

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, 2023, 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.

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 \$975,075 and restricted cash of \$59,396. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$432,000). 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	\$ 975,075
Restricted cash	<u>59,396</u>
	<u><u>\$ 1,034,471</u></u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 is as follows:

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

Depreciation expense for the year ended December 31, 2023 was \$505.

NOTE F – RELATED PARTY TRANSACTIONS

During 2023, 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.

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2023

NOTE F – RELATED PARTY TRANSACTIONS (continued)

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 as contributions of nonfinancial assets. 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 as contributions of nonfinancial assets. Total rent expense for the year ended December 31, 2023 amounted to \$146,520, including \$134,520 as contributions of nonfinancial assets.

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, 2023 amounted to \$12,000 and is included as contributions of nonfinancial assets.

NOTE G – OPERATING LEASES

The Organization has operating leases for the use of a medical office space in Doral. The leases contain an option for extension, which is included in the valuation of the right-of-use lease asset and liability amounts, because the Organization is reasonably certain they will exercise the options. The following table provides information on the right-of-use asset, lease liability, and discount rate and lease terms at December 31, 2023:

Right-of-use asset	\$	30,274
Lease liability		30,274
Weighted average discount rate used to calculate present		1.64%
<u>Weighted average lease term (in years)</u>		<u>1.83</u>
Lease Cost and Supplemental Information:		
Operating Lease Cost	\$	18,571
<u>Operating cash flows from operating leases</u>		<u>16,133</u>

Future Lease Payments

As of December 31, 2023, the Organization's future lease payments under non-cancellable lease consisted of the following:

	2024	\$	16,774
	2025		15,376
	Total undiscounted cash flows	\$	32,150
	Less: net present value adjustment		1,876
	Total	\$	30,274

Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2023

NOTE H – CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization recognized contributions of nonfinancial assets, including contributed professional services, use of facilities, contributed supplies and medications. Contributions of nonfinancial assets are initially recorded as contributions with donor-imposed restrictions, the stipulations imposed by the donors and grantors are often met within the fiscal year and are subsequently reclassified to net assets without donor restrictions in the statement of activities.

The contributions of nonfinancial assets are recorded at fair market value. The fair market value for the use of facilities is determined by an analysis of the current market value of the rental spaces available in the same geographical area as the Clinic. The fair value for the contributed professional services is determined by utilizing the current market value of the hourly wage of various positions held by the medical professional volunteers at the clinic. The fair value for the contributed medical supplies, and medications are determined by the value assigned to by the donor.

During 2023, the Organization received \$146,520 in contributed use of facilities, \$555,487 in contributed professional services, and \$39,999 in contributed medications, amounting to \$742,006 in total contributions of nonfinancial assets.

The contributed use of facilities is utilized for the program services and for general and administrative activities. The contributed professional services from volunteers, contributed goods, medical materials and drugs are utilized for the program services.

NOTE I – 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.