

WE CARE JACKSONVILLE, INC.
(A Nonprofit Corporation)

FINANCIAL STATEMENTS

Year Ended September 30, 2018

WE CARE JACKSONVILLE, INC.

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MEMBER OF
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INDEPENDENT AUDITORS' REPORT

Board of Directors
We Care Jacksonville, Inc.
Jacksonville Beach, Florida

We have audited the accompanying financial statements of We Care Jacksonville, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2018 and the related statements of activities, 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.

Auditors' 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.

THE FORDE FIRM, LLC

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of We Care Jacksonville, Inc. as of September 30, 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.

The Forde Firm, LLC

The Forde Firm, LLC
Jacksonville, Florida
March 25, 2019

WE CARE JACKSONVILLE, INC.
STATEMENT OF FINANCIAL POSITION

September 30, 2018

ASSETS

Current assets:	
Cash and cash equivalents (Note 2)	\$ 589,748
Prepaid expenses	-
Receivables	13,999
Total current assets	<u>603,747</u>
 Fixed assets, less accumulated depreciation (Note 2)	 <u>6,306</u>
 TOTAL ASSETS	 <u><u>\$ 610,053</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable and accrued expenses	\$ 3,884
Total current liabilities	<u>3,884</u>
 Net Assets:	
Temporarily restricted net assets	95,000
Unrestricted net assets	511,169
Total net assets	<u>606,169</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 610,053</u></u>

See Accompanying Notes to Financial Statements.

WE CARE JACKSONVILLE, INC.
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Public support:			
Contributions	\$ 738,881	\$ 95,000	\$ 833,881
Contributions in-kind (Note 4)	<u>15,300,687</u>	<u>-</u>	<u>15,300,687</u>
Total public support	<u>16,039,568</u>	<u>95,000</u>	<u>16,134,568</u>
Revenue:			
Fundraising income, net of expenses of \$36,792 for the year ended September 30, 2018	74,497	-	74,497
Interest income	186	-	186
Miscellaneous	<u>5,777</u>	<u>-</u>	<u>5,777</u>
Total revenue	<u>80,460</u>	<u>-</u>	<u>80,460</u>
Total public support and revenue	<u>16,120,028</u>	<u>95,000</u>	<u>16,215,028</u>
EXPENSES:			
Program services	15,987,543	-	15,987,543
Supporting services:			
Management and general	59,737	-	59,737
Fundraising	<u>75,289</u>	<u>-</u>	<u>75,289</u>
Total supporting services	<u>135,026</u>	<u>-</u>	<u>135,026</u>
Total expenses	<u>16,122,569</u>	<u>-</u>	<u>16,122,569</u>
INCREASE (DECREASE) IN NET ASSETS	(2,541)	95,000	92,459
Net assets, beginning of year	<u>513,710</u>	<u>-</u>	<u>513,710</u>
Net assets, end of year	<u>\$ 511,169</u>	<u>\$ 95,000</u>	<u>\$ 606,169</u>

See Accompanying Notes to Financial Statements.

WE CARE JACKSONVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2018

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 408,217	\$ 31,336	\$ 56,000	\$ 495,553
Employee benefits	56,436	4,332	7,742	68,510
Payroll taxes	33,843	2,598	4,643	41,084
Office occupancy	41,539	4,615	-	46,154
Professional fees	8,324	1,015	812	10,151
In-kind services	15,300,687	-	-	15,300,687
Service to clients	59,222	-	-	59,222
Telephone and internet	5,774	705	563	7,042
Insurance	13,853	1,689	1,352	16,894
Conferences and training	4,859	540	-	5,399
Website and IT	29,483	3,596	2,876	35,955
Repairs and maintenance	462	-	-	462
Transportation	2,332	-	-	2,332
Office supplies	5,943	5,943	-	11,886
Miscellaneous expenses	13,335	1,626	1,301	16,262
	<u>15,984,309</u>	<u>57,995</u>	<u>75,289</u>	<u>16,117,593</u>
Total before depreciation				
Depreciation	3,234	1,742	-	4,976
Total expenses	<u>\$ 15,987,543</u>	<u>\$ 59,737</u>	<u>\$ 75,289</u>	<u>\$ 16,122,569</u>

See Accompanying Notes to Financial Statements.

WE CARE JACKSONVILLE, INC.
STATEMENT OF CASH FLOWS

For The Year Ended September 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 92,459
Adjustments to reconcile change in net assets to net cash provided in operating activities:	
Depreciation	4,976
(Increase) decrease in assets:	
Prepaid expenses	7,390
Receivables	(13,999)
Decrease in operating liabilities:	
Accounts payable and accrued expenses	<u>(294)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>90,532</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	<u>(3,945)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(3,945)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,587
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>503,161</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 589,748</u></u>

SUPPLEMENTARY INFORMATION:

Cash paid for interest	<u>\$ -</u>
Cash paid for taxes	<u><u>\$ -</u></u>

See Accompanying Notes to Financial Statements.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2018

1. NATURE OF ORGANIZATION:

We Care Jacksonville, Inc. (the Organization) was incorporated in Jacksonville, Florida in October 1996 as a not-for-profit entity. The Organization was organized to increase the availability of quality health care for the City of Jacksonville's medically underserved and homeless population by coordinating the participation of multiple community agencies in providing healthcare at city-wide clinic locations, maintaining the quality care provided to clinic patients by ensuring that all medical care is supervised by State of Florida licensed health care professionals, and encouraging the voluntary contribution of medical goods and services by the private sector for use in the clinics. Prior to October 1, 1997, the Organization's program functions were conducted within the Academy of Medicine, Inc. and all activities were reported in the financial statements of the Academy of Medicine, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification. Under these standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Net assets representing resources generated from operations that are not subject to donor-imposed stipulations. Some unrestricted net assets may be board designated.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. The Organization had temporary restricted net assets of \$95,000 at September 30, 2018 to be used during the 2018/2019 fiscal year.

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that must be maintained permanently by the Organization. The Organization did not have any permanently restricted net assets at September 30, 2018.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2018

-continued-

Use of Estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For purposes of these financial statements, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in special projects.

Fixed Assets and Depreciation:

Fixed assets are recorded at cost and are depreciated using the straight-line method over the estimated useful lives (ranging from 3 to 7 years) of the assets. Donated assets are recorded at fair market value at the date of the gift. Fixed asset additions of \$500 and greater are capitalized. Fixed assets consist of the following:

	<u>2018</u>
Computer equipment	\$ 7,191
Office furniture and equipment	<u>28,816</u>
	37,007
Less accumulated depreciation	<u>(30,701)</u>
	<u>\$ 6,306</u>

Endowment Fund

We Care Jacksonville, Inc. is the beneficiary of an endowment fund held by The Community Foundation for Northeast Florida, Inc. We Care does not have legal rights to the corpus of the endowment fund but is able to request receipt of income earned by the fund. The current value of the balance in the endowment fund was \$383,686 at September 30, 2018.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2018

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Fair Values of Financial Instruments:

Generally accepted accounting principles require certain financial instruments to be recorded at fair value. Changes in methods of estimation could affect the fair value estimates; however, such changes are not expected to have a material impact on the organization's financial position, activities or cash flows. Cost approximates fair value for certain other investments, short-term debt, and cash equivalents.

Restricted and Unrestricted Revenue and Support:

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Expense Allocation:

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

Income Taxes:

We Care Jacksonville, Inc. is exempt from federal taxation under Internal Revenue Code Section 501(c)(3). The Organization is not a private foundation. Management evaluated the Organization's tax positions and concluded that the Organization had maintained its exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for 3 years after they were filed.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2018

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3. CONCENTRATION OF RISK:

The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at each financial institution. At September 30, 2018, the Organization had funds in two financial institutions that were \$79,917 and \$40,530 in excess of the insured amount.

The Organization's primary revenue sources are based on services rendered by medical facilities under sovereign immunity rules. This revenue represents 94% of the total revenue of the Organization. Due to the dependency on the laws related to sovereign immunity, if these laws were changed, the Organization could be materially impacted.

4. CONTRIBUTIONS IN KIND:

The Organization solicits and coordinates donated healthcare supplies and services from healthcare professionals and providers. These supplies and services are provided to participating clinics. Using prevailing market rates for healthcare services, management estimates the value of services contributed by licensed medical personnel to be \$15,300,687 for the year ended September 30, 2018.

In-kind donations are measured at their fair value. The Financial Accounting Standards Board (FASB) in its Accounting Standards Codification 820 provides a single definition of fair value and established a three-tier hierarchy which is described below:

Level 1 – In-kind donations for which there are readily available prices in active markets for identical items and services.

Level 2 – In-kind donations for which there is publicly available information about similar items in inactive markets.

Level 3 – In-kind donations for which little publicly available information is available, and unobservable inputs may be used to measure fair value.

The in-kind contributed services above are considered to be Level 1.

5. LEASES:

On October 4, 2013, the Organization entered into a non-cancellable lease for office space. This lease was extended on October 16, 2017 for an additional period ending October 31, 2021. Rental expense for the year ended September 30, 2018 was \$45,610.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2018

-continued-

5. LEASES (continued):

Future minimum rental payments required under the non-cancellable operating lease for the fiscal years ending September 30, are as follows:

2019	\$ 46,858
2020	46,972
2021	46,972
2022	<u>3,914</u>
Total	<u>\$144,716</u>

6. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	<u>2018</u>
Baptist Beaches Health and Wellness Program	\$ 75,000
Beaches Community Fund	10,000
Dubow Family Foundation	<u>10,000</u>
	<u>\$ 95,000</u>

7. SUBSEQUENT EVENTS:

In preparing these financial statements, the Organization evaluated events and transactions for potential recognition or disclosure through March 25, 2019, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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MEMBER OF
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors
We Care Jacksonville, Inc.
Jacksonville, Florida

Independent Auditor's Report on Supplementary Information

We have audited the financial statements of We Care Jacksonville, Inc. as of and for the year ended September 30, 2018, and have issued our report thereon dated March 25, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Source and Status of Funds Received from the City of Jacksonville, Florida is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the board of directors, management, and the City of Jacksonville and is not intended to be and should not be used by anyone other than those specified parties.



The Forde Firm, LLC

Jacksonville, Florida

March 25, 2019

WE CARE JACKSONVILLE, INC.
(A Nonprofit Organization)
SCHEDULE OF THE SOURCE AND STATUS OF FUNDS
RECEIVED FROM THE CITY OF JACKSONVILLE, FLORIDA

<u>Receipt of City Funds</u>	<u>FY 2017/18</u>
Amount of Award	\$ 147,000
Amount Received 10/1/17 - 9/30/18	<u>147,000</u>
Amount Remaining to be Disbursed	<u><u>\$ -</u></u>

Expenditures of City Funds

City FY 2017/18 PSGP

<u>Item</u>	(Unaudited) <u>Budget</u>	Actual 10/1/2017 - <u>9/30/2018</u>	(Unaudited) Remaining <u>Balance</u>
Personnel	\$ 88,000	\$ 88,000	\$ -
Payroll Taxes	6,700	6,700	-
Health Insurance	12,100	12,100	-
Rent - Occupancy	11,344	11,344	-
Telephone	3,000	3,000	-
Office and Other Supplies	2,000	2,000	-
Printing and Advertising	400	400	-
Staff Training	2,000	2,000	-
Director's and Officer's Insurance	1,156	1,156	-
Outcome Measurement (Impact)	5,300	5,300	-
Client Medical	15,000	15,000	-
Total	<u><u>\$ 147,000</u></u>	<u><u>\$ 147,000</u></u>	<u><u>\$ -</u></u>