

**WE CARE JACKSONVILLE, INC.**  
**(A Nonprofit Corporation)**

**FINANCIAL STATEMENTS**

**Years Ended September 30, 2019 and 2018**

WE CARE JACKSONVILLE, INC.

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of We Care Jacksonville, Inc. (a non-profit organization), which comprise the statements of financial position as of September 30, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the years 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



The Forde Firm, LLC  
Jacksonville, Florida  
January 15, 2020

WE CARE JACKSONVILLE, INC.  
STATEMENTS OF FINANCIAL POSITION

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 586,882	\$ 589,748
Receivables	<u>14,185</u>	<u>13,999</u>
Total current assets	601,067	603,747
 Fixed assets, less accumulated depreciation (Note 2)	 <u>3,864</u>	 <u>6,306</u>
 TOTAL ASSETS	 <u>\$ 604,931</u>	 <u>\$ 610,053</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 8,944	\$ 3,884
Total current liabilities	<u>8,944</u>	<u>3,884</u>
 Net Assets:		
Net assets without donor restrictions	594,987	511,169
Net assets with donor restrictions	<u>1,000</u>	<u>95,000</u>
Total net assets	595,987	606,169
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 604,931</u>	 <u>\$ 610,053</u>

See Accompanying Notes to Financial Statements.

WE CARE JACKSONVILLE, INC.  
STATEMENTS OF ACTIVITIES

For The Years Ended September 30, 2019 and 2018

	2019			2018		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE:</b>						
Public support:						
Contributions	\$ 610,774	\$ 1,000	\$ 611,774	\$ 738,881	\$ 95,000	\$ 833,881
Contributions in-kind (Note 4)	13,015,295	-	13,015,295	15,300,687	-	15,300,687
Total public support	13,626,069	1,000	13,627,069	16,039,568	95,000	16,134,568
Revenue:						
Fundraising event	125,314	-	125,314	111,289	-	111,289
Interest income	2,501	-	2,501	186	-	186
Miscellaneous	5,249	-	5,249	5,777	-	5,777
Total revenue	133,064	-	133,064	117,252	-	117,252
Total public support and revenue	13,759,133	1,000	13,760,133	16,156,820	95,000	16,251,820
Net assets released from restrictions (Note 2)	95,000	(95,000)	-	-	-	-
Total public support and revenue and net assets released from restrictions	13,854,133	(94,000)	13,760,133	16,156,820	95,000	16,251,820
<b>EXPENSES:</b>						
Program services	13,595,091	-	13,595,091	15,987,543	-	15,987,543
Supporting services:						
Management and general	70,523	-	70,523	59,737	-	59,737
Fundraising	104,701	-	104,701	112,081	-	112,081
Total supporting services	175,224	-	175,224	171,818	-	171,818
Total expenses	13,770,315	-	13,770,315	16,159,361	-	16,159,361
<b>INCREASE (DECREASE) IN NET ASSETS</b>	83,818	(94,000)	(10,182)	(2,541)	95,000	92,459
Net assets, beginning of year	511,169	95,000	606,169	513,710	-	513,710
Net assets, end of year	\$ 594,987	\$ 1,000	\$ 595,987	\$ 511,169	\$ 95,000	\$ 606,169

See Accompanying Notes to Financial Statements.

WE CARE JACKSONVILLE, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended September 30, 2019 and 2018

	2019				2018			
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
		Management and General	Fundraising			Management and General	Fundraising	
Salaries	\$ 353,219	\$ 45,174	\$ 54,962	\$ 453,355	\$ 408,217	\$ 31,336	\$ 56,000	\$ 495,553
Employee benefits	29,011	3,710	4,514	37,235	56,436	4,332	7,742	68,510
Payroll taxes	26,408	3,377	4,109	33,894	33,843	2,598	4,643	41,084
Office occupancy	42,172	4,686	-	46,858	41,539	4,615	-	46,154
Professional fees	14,803	1,805	1,444	18,052	8,324	1,015	812	10,151
In-kind services	13,015,295	-	-	13,015,295	15,300,687	-	-	15,300,687
Service to clients	39,611	-	-	39,611	59,222	-	-	59,222
Telephone and internet	8,022	978	783	9,783	5,774	705	563	7,042
Insurance	13,261	1,617	1,294	16,172	13,853	1,689	1,352	16,894
Conferences and training	4,082	453	-	4,535	4,859	540	-	5,399
Website and IT	19,843	2,420	1,936	24,199	29,483	3,596	2,876	35,955
Repairs and maintenance	378	-	-	378	462	-	-	462
Transportation	1,984	-	-	1,984	2,332	-	-	2,332
Office supplies	2,675	2,675	-	5,350	5,943	5,943	-	11,886
Fundraising event	-	-	33,440	33,440	-	-	36,792	36,792
Miscellaneous expenses	22,740	2,773	2,219	27,732	13,335	1,626	1,301	16,262
<b>Total before depreciation</b>	<b>13,593,504</b>	<b>69,668</b>	<b>104,701</b>	<b>13,767,873</b>	<b>15,984,309</b>	<b>57,995</b>	<b>112,081</b>	<b>16,154,385</b>
Depreciation	1,587	855	-	2,442	3,234	1,742	-	4,976
<b>Total expenses</b>	<b>\$ 13,595,091</b>	<b>\$ 70,523</b>	<b>\$ 104,701</b>	<b>\$ 13,770,315</b>	<b>\$ 15,987,543</b>	<b>\$ 59,737</b>	<b>\$ 112,081</b>	<b>\$ 16,159,361</b>

See Accompanying Notes to Financial Statements.

WE CARE JACKSONVILLE, INC.  
STATEMENTS OF CASH FLOWS

For The Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (10,182)	\$ 92,459
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,442	4,976
(Increase) decrease in assets:		
Prepaid expenses	-	7,390
Receivables	(186)	(13,999)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	<u>5,060</u>	<u>(294)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(2,866)</u>	<u>90,532</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>-</u>	<u>(3,945)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>(3,945)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,866)</b>	<b>86,587</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>589,748</u>	<u>503,161</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 586,882</u></u>	<u><u>\$ 589,748</u></u>

**SUPPLEMENTARY INFORMATION:**

There was no cash paid for interest or taxes during 2019 or 2018.

See Accompanying Notes to Financial Statements.



WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2019 and 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:

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-For-Profit Organizations" (the Guide). ASC 958-205 was effective January 1, 2018. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

*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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

*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.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2019 and 2018

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New Accounting Pronouncements

On August 18, 2016, FASB issued ASU 2016-14, Not-For-Profit Entities (Topic 958), Presentation of Financial Statements for Not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied retrospectively to all periods presented.

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 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>2019</u>	<u>2018</u>
Computer equipment	\$ 7,191	\$ 7,191
Office furniture and equipment	<u>29,816</u>	<u>28,816</u>
	37,007	37,007
Less accumulated depreciation	<u>(33,143)</u>	<u>(30,701)</u>
	<u>\$ 3,864</u>	<u>\$ 6,306</u>

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2019 and 2018

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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 \$376,455 and \$383,686 at September 30, 2019 and 2018, respectively.

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.

Revenue and Support With and Without Donor Restrictions:

Contributions are recorded depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions. 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 Statement of Activities as net assets released from restrictions.

Functional Expense Allocation:

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of Supporting costs that benefit multiple functional areas (indirect costs) have been allocated across Program Services based on management's estimate of benefit for each function.

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  
Years Ended September 30, 2019 and 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, 2019, the Organization had funds in two financial institutions that were \$45,967 and \$43,057 in excess of the insured amount. 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 95% 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 \$13,015,295 and \$15,300,687 for the years ended September 30, 2019 and 2018, respectively.

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 years ended September 30, 2019 and 2018 was \$46,858 and \$45,610, respectively.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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5. LEASES (continued):

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

2020	\$ 46,972
2021	46,972
2022	<u>3,914</u>
Total	<u>\$ 97,858</u>

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	<u>2019</u>	<u>2018</u>
Transportation Program for Patients	\$ 1,000	\$ -0-
Baptist Beaches Health and Wellness Program	-0-	75,000
Beaches Community Fund	-0-	10,000
Dubow Family Foundation	<u>-0-</u>	<u>10,000</u>
	<u>\$ 1,000</u>	<u>\$ 95,000</u>

7. LIQUIDITY AND AVAILABILITY OF FUNDS

Financial assets available for general expenditure without donor restrictions limiting their use within one year of the statement of financial position date consist of the following:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 586,882	\$ 589,748
Receivables	<u>14,185</u>	<u>13,999</u>
	601,067	603,747
Less those unavailable for general expenditure within one year due to:		
Donor restrictions for designated programs	<u>1,000</u>	<u>95,000</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 600,067</u>	<u>\$ 508,747</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in highly liquid short term investments.

WE CARE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2019 and 2018

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8. SUBSEQUENT EVENTS:

In preparing these financial statements, the Organization evaluated events and transactions for potential recognition or disclosure through January 15, 2020, the date the financial statements were available to be issued.