

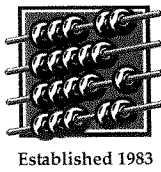
**The Outreach Clinic, Inc.**  
FINANCIAL STATEMENTS  
December 31, 2017

**THE OUTREACH CLINIC, INC.**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Outreach Clinic, Inc.  
Brandon, Florida

**Report on the Financial Statements**

We have audited the accompanying statements of financial position of The Outreach Clinic, Inc. (a nonprofit organization) as of December 31, 2017 and 2016 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.

**Auditor's Responsibility**

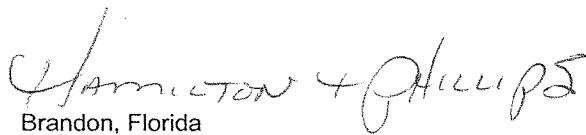
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Outreach Clinic, Inc. as of December 31, 2017 and 2016 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.

  
Brandon, Florida  
August 7, 2019

**THE OUTREACH CLINIC, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 60,210	\$ 137,008
Certificates of Deposit	76,819	76,627
Prepaid Expenses	4,200	-
Inventory	185,769	171,980
<b>Total Current Assets</b>	<u>326,998</u>	<u>385,615</u>
<b>Fixed Assets</b>		
Building Improvements	11,759	11,759
Equipment	5,021	5,021
Furniture and Fixtures	3,714	3,714
Less Accumulated Depreciation	<u>(14,303)</u>	<u>(12,476)</u>
<b>Net Fixed Assets</b>	<u>6,191</u>	<u>8,018</u>
<b>Total Assets</b>	<u><u>\$ 333,189</u></u>	<u><u>\$ 393,633</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Liabilities</b>		
Accounts Payable	<u>\$ 5,221</u>	<u>\$ 4,562</u>
<b>Net Assets</b>		
Without Donor Restrictions	327,968	355,317
With Donor Restrictions	<u>-</u>	<u>33,754</u>
<b>Total Net Assets</b>	<u>327,968</u>	<u>389,071</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 333,189</u></u>	<u><u>\$ 393,633</u></u>

See Auditor's Report and Accompanying Notes to the Financial Statements

**THE OUTREACH CLINIC, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>REVENUE</b>		
Contributions	\$ 111,254	\$ 144,311
Grants	74,067	76,408
Events	72,860	48,720
Service Fees	854	635
Contributed Medical Services	201,232	372,959
Donated Rent	28,800	28,800
Net Assets Released from Restriction	33,754	-
<b>Total Revenue</b>	522,821	671,833
<b>EXPENSES</b>		
<i><b>Program Services</b></i>		
Operations	503,676	626,287
<i><b>Support Services</b></i>		
Management and General	23,848	19,902
Fundraising and Development	36,714	33,415
Total Support Services	60,562	53,317
<b>Total Expenses</b>	564,238	679,604
<b>OTHER REVENUE AND EXPENSES</b>		
In Kind Pharmaceutical Income/(Expense)	13,789	(111,999)
Loss on disposal	-	(1,731)
Interest Income	279	300
<b>Total Other Revenue and Expenses</b>	14,068	(113,430)
<b>DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	(33,754)	-
<b>CHANGE IN NET ASSETS</b>	(61,103)	(121,201)
<b>NET ASSETS, beginning of year</b>	389,071	510,272
<b>NET ASSETS, end of year</b>	\$ 327,968	\$ 389,071

See Auditor's Report and Accompanying Notes to the Financial Statements

**THE OUTREACH CLINIC, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017 and 2016**

	2017				2016	
	Program Services	Support Services			Total	Total
	Operations	Management and General	Fundraising and Development	Total Support Services		
In Kind Medical Services	\$ 201,232	\$ -	\$ -	\$ -	\$ 201,232	\$372,959
Medical Services	32,114	-	-	-	32,114	31,364
Pharmaceuticals Purchased	9,695	-	-	-	9,695	10,069
Advertising	-	-	-	-	-	300
Depreciation	1,827	-	-	-	1,827	1,928
Derby Event Expenses	-	-	10,410	10,410	10,410	10,804
Dues and Subscriptions	1,268	-	-	-	1,268	1,099
Grant Writing	-	-	13,200	13,200	13,200	7,026
Insurance	3,271	161	-	161	3,432	7,865
Janitorial Services	-	-	-	-	-	1,695
Licenses	261	-	-	-	261	248
Office Expenses	8,999	-	-	-	8,999	10,340
Professional Fees	-	-	2,700	2,700	2,700	7,200
Management Fees	2,800	-	-	-	2,800	-
Rent	25,920	2,880	-	2,880	28,800	28,800
Repairs and Maintenance	24,654	-	-	-	24,654	11,620
Salaries and Benefits	176,864	20,807	10,404	31,211	208,075	161,707
Telephone	5,116	-	-	-	5,116	4,320
Training	1,400	-	-	-	1,400	2,183
Utilities	8,255	-	-	-	8,255	8,077
<b>Total Expenses</b>	<b>\$ 503,676</b>	<b>\$ 23,848</b>	<b>\$ 36,714</b>	<b>\$ 60,562</b>	<b>\$ 564,238</b>	<b>\$679,604</b>

See Auditor's Report and Accompanying Notes to the Financial Statements

**THE OUTREACH CLINIC, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from:		
Fundraising	\$ 72,860	\$ 48,720
Grants	74,067	76,408
Contributions	111,254	144,311
Other	855	935
Total cash received	<u>259,036</u>	<u>270,374</u>
Cash paid for:		
Salaries and taxes	208,075	161,707
Services	15,900	15,920
Medical Services	41,809	41,432
General and Administrative	19,185	23,483
Building and Utilities	32,909	17,130
Insurance	3,433	7,865
Fundraising	14,610	10,804
Total cash paid	<u>335,921</u>	<u>278,341</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	(76,885)	(7,967)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Certificate of deposit change to cash equivalent	-	76,627
Earnings on certificate of deposit	279	(211)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	279	76,416
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(76,606)	68,449
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>213,635</u>	<u>145,186</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 137,029</u></u>	<u><u>\$ 213,635</u></u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest expense	<u>None</u>	<u>None</u>

See Auditors' Report and Accompanying Notes to the Financial Statements

**THE OUTREACH CLINIC, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE A - DESCRIPTION OF ORGANIZATION**

The Outreach Clinic (the Organization) is a community based organization that has been providing quality health care for free to uninsured individuals living in east Hillsborough County since April 1989. The clinic uses a network of volunteers as well as collaborative partnerships to provide comprehensive medical care for patients who qualify for services at the clinic. Each year, the clinic provides for over 1,600 medical visits at the clinic and over 600 office visits to specialist outside the clinic. In addition, the Organization provides over 2,000 free prescription medications, 1,700 social service screenings, 2500 lab tests, 450 radiological procedures, and 100 well women exams each year.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. There were no net assets with donor restrictions at December 31, 2017.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents is defined as cash on hand and amounts in depository accounts.

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, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at historical cost and depreciated using the straight line method over the estimated useful lives of each asset - Building improvements, 20-40 years; equipment, 5-10 years; and furniture and fixtures, 5-10 years. Property and equipment purchases over \$2,500 are capitalized.



**THE OUTREACH CLINIC, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Inventory Valuation

Inventory as of December 31, 2017 consisting of pharmaceuticals, was valued using the average wholesale price (AWP). Pharmaceuticals donated from the Prescription Assistance Program (PAP) were valued at average wholesale price (AWP) and pharmaceuticals remaining in inventory purchased from RITCHIE and other pharmaceuticals donated from other sources were valued at AWP.

Donated pharmaceuticals, when received from other sources, are reflected as contributions in the financial statements at their AWP at the date of receipt.

Dispensed pharmaceuticals are reflected as an expense in the financial statements at their AWP at the date of dispense.

Purchased pharmaceuticals are reflected as an expense in the financial statements at cost when purchased with the difference between the pharmaceuticals cost and AWP reflected in donated pharmaceuticals.

Contributed Services

During the year ended December 31, 2017, the value of contributed services meeting the requirements for recognition in the financial statements was material and has been recorded at \$201,232. These specialized medical services include skills provided by nurse practitioners, nurses, pharmacists, physician assistants, and physicians are reported as In Kind Medical Services in the schedule of functional expenses and donated medical services in the statement of activities. Specialized medical services are valued from costing data provided by the State of Florida.

In addition, the Organization received over 1,247 of volunteer service hours not recognized in the Statement of Activities because such services do not involve specialized skills. The current average value of volunteer services in this locality is \$20.25 per hour. The Organization estimates the value of these services at \$25,265.

**THE OUTREACH CLINIC, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Concentration of Credit Risk

Financial instruments which potentially subject an Organization to concentrations of credit risk consist principally of cash and cash equivalents in excess of FDIC limits. Accounts are maintained at institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any losses on its deposits and is under the FDIC limit.

Liquidity and Availability of Resources

The Organization has \$137,029 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The financial assets consist of cash of \$60,210 and short term investments of \$76,819. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Organization has a goal to maintain financial assets, which consist of cash and short term investments, on hand to meet 60 days of normal operating expenses which are, on average, approximately \$55,904. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the Organization invests in certificates of deposit.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE C - INCOME TAX STATUS**

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status.

The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740. In accordance with these professional standards, the Organization recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the year ended December 31, 2017.

**THE OUTREACH CLINIC, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE C - INCOME TAX STATUS** (continued)

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2014.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

**NOTE D - SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions occurring subsequent to December 31, 2017 as of October 11, 2018, which is the date the financial statements were available to be issued. Subsequent events occurring after October 11, 2018, have not been evaluated by management.

**NOTE E - IN KIND DONATIONS AND DISTRIBUTIONS**

In kind donations and distributions for the years ended December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Donated Pharmaceuticals	\$ 619,954	\$ 522,124
Pharmaceuticals Dispensed	<u>606,165</u>	<u>634,123</u>
In Kind Pharmaceutical Expenses in Excess of Revenue	<u>\$ 13,789</u>	<u>\$ (111,999)</u>

**NOTE F - CERTIFICATE OF DEPOSIT**

Short Term Certificate	<u>2017</u> \$ 76,819	due 2/3/18 @ 0.0025%
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Deposits in this institution are insured up to \$250,000. This amount was made permanent July 21, 2010, by the Dodd-Frank Wall Street Reform and consumer Protection Act.