

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Financial Statements – Modified Cash Basis**  
**June 30, 2021**

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PRIDA, GUIDA & PEREZ, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
1106 N. FRANKLIN STREET  
TAMPA, FLORIDA 33602

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Judeo Christian Health Clinic, Inc.

We have audited the accompanying financial statements of Judeo Christian Health Clinic, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of June 30, 2021, and the related statements of support, revenue and expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis 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 the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also for the design 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.

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

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Judeo Christian Health Clinic, Inc as of June 30, 2021, and the changes in its support, revenue and expenses, net assets, functional expenses, and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

### Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Prida Guida & Perez".

Prida Guida Perez P.A.  
Tampa, Florida  
February 9, 2022

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Statement of Assets, Liabilities and Net Assets – Modified Cash Basis**  
**June 30, 2021**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 508,884
Certificates of deposit	268,539
Investments	<u>1,442,651</u>
Total current assets	<u>2,220,074</u>
Property and equipment, net	248,422
Beneficial interest in assets held by others	269,210
Other assets	<u>3,656</u>
 Total assets	 <u><u>\$ 2,741,362</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities	<u>\$ -</u>
Net assets	
Without donor restrictions	1,904,952
With donor restrictions	<u>836,410</u>
Total net assets	<u>2,741,362</u>
 Total liabilities and net assets	 <u><u>\$ 2,741,362</u></u>

Read the accompanying notes and independent auditors' report.

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Statement of Support, Revenue and Expenses**  
**and Changes in Net Assets – Modified Cash Basis**  
**June 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, revenues and gains			
Contributions:			
Foundations	\$ 170,787	\$ 47,586	\$ 218,373
Board members	116,346	-	116,346
Other	186,421	204,065	390,486
Fundraising	46,235	-	46,235
Medical and dental clinic - individual patient donations	2,055	-	2,055
Eye clinic - individual patient donations	7,657	-	7,657
Net appreciation of investments and certificates of deposit	235,168	-	235,168
Net appreciation in beneficial interests in assets held by others	64,910	-	64,910
Interest and dividend income	47,166	-	47,166
Gain on extinguishment of debt	94,600	-	94,600
Net assets released from restrictions	209,813	(209,813)	-
Total support and revenue	<u>1,181,158</u>	<u>41,838</u>	<u>1,222,996</u>
Expenses			
Program expenses	694,459	-	694,459
Fundraising expenses	44,361	-	44,361
Management and administrative expenses	43,674	-	43,674
Total expenses	<u>782,494</u>	<u>-</u>	<u>782,494</u>
Change in net assets	<u>398,664</u>	<u>41,838</u>	<u>440,502</u>
Net assets, beginning of year	<u>1,506,288</u>	<u>794,572</u>	<u>2,300,860</u>
Net assets, end of year	<u>\$ 1,904,952</u>	<u>\$ 836,410</u>	<u>\$ 2,741,362</u>

Read the accompanying notes and independent auditors' report.

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Statement of Cash Flows – Modified Cash Basis**  
**June 30, 2021**

Cash flows from operating activities	
Change in net assets	\$ 440,502
Adjustments to reconcile changes in net assets to net cash from operations	
Depreciation	19,681
Net appreciation in investments and certificates of deposit	(235,168)
Gain on extinguishment of debt	(94,600)
Loss on disposition of assets	291
Net appreciation in beneficial interest in assets held by others	(64,910)
Changes in	
Other assets	(3,656)
Liabilities	<u>(11)</u>
Net cash provided by operating activities	<u>62,129</u>
Cash flows from investing activities	
Proceeds from beneficial interest in assets held by others	17,325
Proceeds from sale of investments	145,270
Purchase of investments	<u>(262,310)</u>
Net cash provided (used) by investing activities	<u>(99,715)</u>
Net change in cash and cash equivalents	(37,586)
Cash and cash equivalents, beginning of year	<u>546,470</u>
Cash and cash equivalents, end of year	<u>\$ 508,884</u>

Read the accompanying notes and independent auditors' report.

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Statement of Functional Expenses – Modified Cash Basis**  
**June 30, 2021**

	<b>Program Expenses</b>			<b>Fundraising</b>	<b>Management and</b>	<b>Total</b>
	<b>Medical</b>	<b>Eye</b>	<b>Dental</b>		<b>Administrative</b>	
Salaries and benefits	\$ 355,281	\$ 48,185	\$ 56,832	\$ 29,688	29,688	\$ 519,674
Clinic services	131,880	8,845	1,054	-	-	141,779
Occupancy	17,643	7,057	7,057	1,764	1,764	35,286
Administrative expense	8,834	2,945	2,945	7,362	7,362	29,446
Depreciation	9,840	3,936	3,936	984	984	19,680
Professional fees	5,193	2,597	2,597	-	2,597	12,983
Insurance	6,421	2,568	2,568	642	642	12,841
Repairs and maintenance	3,470	1,388	1,388	347	347	6,940
Special events	-	-	-	3,574	-	3,574
Loss on disposition of assets	-	-	-	-	291	291
<b>Total Functional Expenses</b>	<b>\$ 538,562</b>	<b>\$ 77,521</b>	<b>\$ 78,376</b>	<b>\$ 44,361</b>	<b>\$ 43,674</b>	<b>\$ 782,494</b>

Read the accompanying notes and independent auditors' report.



**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 1 – Organization**

*Nature of operations* – Judeo Christian Health Clinic, Inc. (“Clinic”), organized in 1972, is a Florida corporation operating as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986 as amended. The Clinic provides medical, dental and eye care in Tampa, Florida for individuals who are unable to pay for such services and are unable to acquire assistance from other sources. Volunteer doctors, nurses, pharmacists, dentists, eye doctors and others help to sustain the operations of the Clinic. Patients are seen free of charge by professionals who are willing to volunteer their time. Over 200 medical professionals volunteer in addition to many others who help to perform the day-to-day operations of the Clinic. The Clinic receives financial funding from private contributions from individuals, local churches, organizations, and foundations.

**Note 2 – Summary of Significant Accounting Policies**

*Basis of accounting* – The Clinic's policy is to prepare its financial statements on the modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. The following describes how this basis differs from accounting principles generally accepted in the United States of America (GAAP):

- Support and revenue are recognized when cash is received, rather than when pledged or earned;
- Expenses are recorded when paid, rather than when incurred;
- Donated services received from medical professionals are not recorded as contributions and program expenses;
- The Clinic records rent expense of \$1 on the land in accordance with the lease, rather than recording the expense at fair market value.

Such variances are presumed to be material. However, similar to financial statements prepared in accordance with GAAP, these financial statements reflect the capitalized cost of property and equipment and related depreciation. The accompanying financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

*Basis of presentation* – The Clinic reports information regarding its financial position and activities using two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Clinic and changes therein are classified and reported as follows:

**Net assets without donor restrictions** – Those resources not subject to donor or grantor-imposed stipulations. The board of directors has discretionary control over these resources and amounts may be designated for specific purposes by action of the board of directors.

**Net assets with donor restrictions** – Those resources subject to donor or grantor-imposed stipulations that may or will be satisfied by actions of the Clinic or by the passage of time.

*Cash and cash equivalents* – The Clinic considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Certificates of deposit* – The investment in certificate of deposit consists of certificate of deposits at fair value. Appreciation for the year amounted to \$4,095.

*Property and equipment* – Property and equipment are carried at amortized cost. Property and equipment with costs greater than \$2,500 and estimated useful lives greater than one year are capitalized. Depreciation is computed using the straight-line method over the useful lives of the asset, ranging as follows:

	<u>Years</u>
Building and improvements	19-39
Furniture and fixtures	5-7
Equipment	5-7

Maintenance and repairs are charged to operations when paid. Betterments and renewals are capitalized.

*Investments* – Investment purchases are recorded at cost. Thereafter, investments are reported at their estimated fair value. Investment income is reported in the statement of support, revenues and expenses and consists of interest and dividend income, and realized and unrealized capital gains and losses, less external investment expenses.

*Paycheck protection loan* – During the previous year, the Clinic received a forgivable loan under the Small Business Administration Paycheck Protection Program (PPP) in the amount of \$94,600. Management elected to account for this government assistance as debt under the guidance in ASC 470. During the current year, management received notice from the lender that the debt was forgiven and reported the amount as a gain on extinguishment of debt.

*Contributions* – 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 support is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When all eligibility requirements are met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

*Functional allocation of expenses* – Costs of providing the various programs and other activities of the Clinic have been detailed on both a natural and functional basis in the accompanying statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that function. Certain other costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied. Salaries and benefits are allocated based on time and effort. Clinical services, occupancy, administrative expenses and depreciation are allocated based on square footage. Professional fees, insurance, repairs and maintenance, and special event expenses are allocated on a pro-rata basis using estimates of time and effort and direct charges.

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Income taxes* – Pursuant to a determination letter received from the Internal Revenue Service (“IRS”), the Clinic is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and therefore is exempt from state income tax.

The Clinic is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Management believes the Clinic met the requirements to maintain their tax-exempt status and have no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements. The income tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

*Use of estimates* – The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures.

**Note 3 - Liquidity**

The Clinic’s goal is to ensure that all financial assets are properly invested based on anticipated future use. These are defined as operating funds, those required to fund current operations; restricted funds, those held for specific future research studies; and unrestricted funds, those having no restrictions and not needed to cover operating expenses.

The following represents the Clinic’s financial assets available to meet general expenditures over the next 12 months at June 30, 2021:

Cash and cash equivalents	\$ 508,884
Certificates of deposit	268,539
Investments	<u>1,442,651</u>
	<u>\$ 2,220,074</u>

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 4 – Beneficial Interest in Assets Held by Others**

The Clinic accounts for assets held by others in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. In 2001, the Clinic established an endowment fund (Fund) with Community Foundation of Tampa Bay, Inc. (CFTB), with the Clinic as beneficiary. Under the terms of the fund agreement, CFTB has variance power to carry out the purposes of the Fund and is the legal owner of the Fund. The Clinic is the beneficiary of the Fund and is to receive distributions of income, subject to the CFTB’s spending policy. Under the current policy CFTB will pay an annual amount of no less than five and no greater than seven percent of the value of the Fund as of January 1st of each year dependent upon the average annual total return of CFTB’s investments for the prior three calendar years.

The CFTB variance power grants all powers of modification or removal of purposes of the Fund. Should, in the sole discretion of the Board of Trustees of CFTB, the purposes for which the Fund was created ever become unnecessary, incapable of fulfillment, undesirable, impractical, obsolete or no longer adopted to the needs of the community, CFTB can redirect the use of the Fund to a different beneficiary.

The following is the activity in beneficial interest in assets held by others during the year ended June 30, 2021:

Beginning balance	\$ 221,625
Grants received	(17,325)
Change in fair market value	<u>64,910</u>
Ending balance	<u>\$ 269,210</u>

In addition to the above, CFTB has received contributions from which the donors have requested that the Clinic receives benefits. The balance of such funds approximated \$205,000 at June 30, 2021 and is not included in the accompanying statement of assets, liabilities and net assets as the contributions were contributed to CFTB directly by donors. The Clinic received approximately \$13,000 in grants from these funds.

**Note 5 – Property and Equipment**

Property and equipment consist of the following as of June 30, 2021:

Building and improvements	\$ 673,108
Furniture, fixtures and equipment	133,238
Less accumulated depreciation	<u>(557,924)</u>
	<u>\$ 248,422</u>

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 6 – Investments**

The Clinic invests cash in excess of its immediate needs with an investment company in accordance with the Clinic’s investment policy. All investments are stated at fair value or net asset value which approximates fair value. The amounts classified as “beneficial interest in assets held by others” include amounts held by the CFTB. The following table provides information about the Clinic’s investments at June 30, 2021:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain</u>
Corporate bonds	\$ 652,316	\$ 648,063	\$ 4,253
Fixed-rate capital securities	93,101	86,347	6,754
Unit investment trusts	697,234	648,694	48,540
	<u>\$ 1,442,651</u>	<u>\$ 1,383,104</u>	<u>\$ 59,547</u>

Net investment income is as follows for the year ended June 30, 2021:

Interest and dividend income	\$ 44,469
Change in fair value	<u>231,073</u>
Investment income, net	<u>\$ 275,542</u>

**Note 7 – Fair Value Measurements**

*Fair value* – The Clinic measures investments at fair value on a recurring basis. The Clinic defines fair value in accordance with U.S. GAAP, which specifies a hierarchy of valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3). The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Clinic evaluates its hierarchy disclosures annually and, based on various factors, it is possible that an asset or liability may be classified differently from year to year. However, the Clinic expects that changes in classifications between levels will be rare.

The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

*Level 1* – Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Clinic.

*Level 2* – Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

*Level 3* – Unobservable inputs based on the Clinic’s own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 7 – Fair Value Measurements (Continued)**

Management reviews the classification of the Clinic’s investments in the fair value hierarchy on an annual basis. A financial instrument’s level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

*Corporate bonds* – The fair value of corporate bonds is determined using proprietary valuation matrices that utilize comprehensive municipal bond interest rate tables to determine market price, movement, and yield relationships. The investments are classified within Level 2 of the valuation hierarchy.

*Fixed-rate capital securities* - These investments are valued at the closing price reported on the active market on which the securities are traded and are classified within Level 1 of the valuation hierarchy.

*Unit investment trusts* – These investments are held until maturity and fair market value is determined by using level 2 inputs.

The following summarizes the Clinic’s investments as of June 30, 2021, based upon the fair value hierarchy levels described in Note 2:

	Estimated Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 652,316	\$ -	\$ 652,316	\$ -
Fixed-rate capital securities	93,101	93,101	-	-
Unit investment trusts	697,234	-	697,234	-
	<u>\$ 1,442,651</u>	<u>\$ 93,101</u>	<u>\$ 1,349,550</u>	<u>\$ -</u>
Beneficial interest in assets held by others	269,210	-	269,210	-
	<u><u>\$ 1,711,861</u></u>	<u><u>\$ 93,101</u></u>	<u><u>\$ 1,618,760</u></u>	<u><u>\$ -</u></u>

**JUDEO CHRISTIAN HEALTH CLINIC, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 8 – Net Assets with Donor Restrictions**

Net assets with donor restrictions are comprised of the following at June 30, 2021:

Building - reserve for repairs and maintenace	\$ 524,544
Salaries and benefits for certain positions	42,656
Beneficial interest in assets held by others	269,210
	<u>\$ 836,410</u>

Net assets with donor restrictions released from restrictions are comprised of the following for the year ended June 30, 2021:

Prescriptions	\$ 10,000
Salaries and benefits for certain positions	199,813
	<u>\$ 209,813</u>

**Note 9 – Concentrations and Commitments**

*Concentration of credit risk* – The Clinic has cash and cash equivalents and investments in excess of amounts insured by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation insurance and potentially subject the Clinic to credit losses. The Clinic has not experienced losses in such accounts and management believes the risk of loss is remote.

*Concentration in funding sources* – The Clinic receives a substantial amount of support from grantor agencies for its programs. If this support were to be reduced or eliminated, it could affect the operation of the supported programs.

*Commitments* – The Clinic leases the land on which their building and improvements are located. The lease charge is an annual rate of \$1 through May 2047.

**Note 10 – Subsequent Events**

The Clinic has evaluated subsequent events through February 9, 2022, the date which the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date, that would require adjustment to, or disclosure in, in financial statements.