

**Health for All, Inc.**

Financial Statements

For the Years Ended June 30, 2019 and 2018



# Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Health for All, Inc.  
Bryan, TX 77805

We have audited the accompanying financial statements of Health For All, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 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.

### **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 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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health for All, Inc. as of June 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.

## Emphasis of Matter

As discussed in Note 1 to the financial statements, Health For All, Inc. adopted Financial Accounting Standards Board Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Bryan, Texas  
December 2, 2019

*Imyram, Wallis; Company*

**HEALTH FOR ALL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

**ASSETS**

	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 268,311	\$ 363,296
United Way allocation receivable	7,416	8,883
Grant receivable	6,250	6,250
Donation receivable	-	20,500
Prepaid expenses	3,343	3,278
<b>TOTAL CURRENT ASSETS</b>	<b>285,320</b>	<b>402,207</b>
<b>PROPERTY AND EQUIPMENT</b>		
Office equipment	51,225	51,225
Clinic furniture and equipment	57,893	51,780
Electronic medical records system	10,418	10,418
Leasehold improvements	370,734	370,734
	490,270	484,157
Less accumulated depreciation	(143,759)	(117,186)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>346,511</b>	<b>366,971</b>
<b>TOTAL ASSETS</b>	<b>\$ 631,831</b>	<b>\$ 769,178</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 23,364	\$ 25,815
Deferred revenue	8,888	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>32,252</b>	<b>25,815</b>
<b>NONCURRENT LIABILITIES</b>		
Deferred rent	7,020	5,567
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>7,020</b>	<b>5,567</b>
<b>TOTAL LIABILITIES</b>	<b>39,272</b>	<b>31,382</b>
<b>NET ASSETS</b>		
Without donor restrictions	583,726	688,968
With donor restrictions	8,833	48,828
<b>TOTAL NET ASSETS</b>	<b>592,559</b>	<b>737,796</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 631,831</b>	<b>\$ 769,178</b>

See independent auditors' report and accompanying notes to financial statements.

**HEALTH FOR ALL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions			
Donations	\$ 287,876	\$ -	\$ 287,876
Fundraising	118,393	-	118,393
Contributed assets/services	742,569	-	742,569
Indirect public support			
United Way	61,150	-	61,150
Grants			
Brazos County	25,000	-	25,000
AAMC Uniform Training	10,004	-	10,004
Interest income and other	2,773	-	2,773
Net assets released from restrictions	39,995	(39,995)	-
Total revenue and other support	<u>1,287,760</u>	<u>(39,995)</u>	<u>1,247,765</u>
<b>EXPENSES</b>			
Program services	1,169,610	-	1,169,610
Supporting services:			
Management and general	99,431	-	99,431
Fundraising	<u>123,961</u>	<u>-</u>	<u>123,961</u>
Total expenses	<u>1,393,002</u>	<u>-</u>	<u>1,393,002</u>
<b>CHANGE IN NET ASSETS</b>	(105,242)	(39,995)	(145,237)
<b>NET ASSETS, beginning of year</b>	<u>688,968</u>	<u>48,828</u>	<u>737,796</u>
<b>NET ASSETS, end of year</b>	<u>\$ 583,726</u>	<u>\$ 8,833</u>	<u>\$ 592,559</u>

See independent auditors' report and accompanying notes to financial statements

**HEALTH FOR ALL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2018 Total</b>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions			
Donations	\$ 286,273	\$ -	\$ 286,273
Fundraising	208,264	-	208,264
Contributed assets/services	659,129	-	659,129
Indirect public support			-
United Way	64,526	-	64,526
Grants			
Brazos County	25,000	-	25,000
Pink Alliance	-	30,000	30,000
Mays Business School-			-
Texas A&M University	-	15,141	15,141
AAMC Uniform Training	5,000	-	5,000
National Association of Free			-
and Charitable Clinics	25,000	-	25,000
BB&T	5,000	-	5,000
Texas A&M Health Science Center	5,000	-	5,000
Other	2,075	-	2,075
Interest income and other	3,133	-	3,133
Net assets released from restrictions	21,412	(21,412)	-
Total revenue and other support	1,309,812	23,729	1,333,541
<b>EXPENSES</b>			
Program services	1,085,565	-	1,085,565
Supporting services:			-
Management and general	91,427	-	91,427
Fundraising	102,553	-	102,553
Total expenses	1,279,545	-	1,279,545
<b>CHANGE IN NET ASSETS</b>	30,267	23,729	53,996
<b>NET ASSETS, beginning of year</b>	658,701	25,099	683,800
<b>NET ASSETS, end of year</b>	\$ 688,968	\$ 48,828	\$ 737,796

See independent auditors' report and accompanying notes to financial statements

**HEALTH FOR ALL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program Services</u>		<u>Supporting Services</u>			<u>Total</u>
	Health Care Clinic	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Medicines and vitamins	\$ 159,114	\$ 159,114	\$ -	\$ -	\$ -	\$ 159,114
X-Ray	124,799	124,799	-	-	-	124,799
Lab fees	81,690	81,690	-	-	-	81,690
Medical supplies	5,008	5,008	-	-	-	5,008
Clinic insurance	4,023	4,023	-	-	-	4,023
Electronic medical records	3,984	3,984	-	-	-	3,984
Rent	49,895	49,895	6,745	-	6,745	56,640
Common area maintenance	19,426	19,426	2,649	-	2,649	22,075
Utilities	9,278	9,278	1,266	-	1,266	10,544
Personnel	271,745	271,745	48,198	38,288	86,486	358,231
Contracted services	393,526	393,526	1,149	-	1,149	394,675
Insurance	-	-	3,033	558	3,591	3,591
Maintenance and repairs	9,680	9,680	2,420	-	2,420	12,100
Telephone/internet	5,781	5,781	1,487	-	1,487	7,268
Postage	150	150	571	1,306	1,877	2,027
Printing	1,260	1,260	361	6,295	6,656	7,916
Supplies	2,840	2,840	-	3,763	3,763	6,603
Donor development	-	-	-	10,776	10,776	10,776
Auction expense	-	-	-	39,581	39,581	39,581
Furniture and stage rental	-	-	-	1,645	1,645	1,645
Video service	-	-	-	4,599	4,599	4,599
Web support	-	-	-	716	716	716
Catering	-	-	-	15,695	15,695	15,695
Medical waste disposal	837	837	-	-	-	837
Patient supplies	604	604	-	-	-	604
Miscellaneous	2,501	2,501	19,731	739	20,470	22,971
Depreciation	21,257	21,257	5,316	-	5,316	26,573
Office supplies	2,212	2,212	480	-	480	2,692
Professional fees	-	-	6,025	-	6,025	6,025
	<u>\$ 1,169,610</u>	<u>\$ 1,169,610</u>	<u>\$ 99,431</u>	<u>\$ 123,961</u>	<u>\$ 223,392</u>	<u>\$ 1,393,002</u>

See independent auditor's report and accompanying notes to financial statements.

**HEALTH FOR ALL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>		<u>Supporting Services</u>			<u>Total</u>
	Health Care Clinic	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Medicines and vitamins	\$ 117,587	\$ 117,587	\$ -	\$ -	\$ -	\$ 117,587
X-Ray	140,147	140,147	-	-	-	140,147
Lab fees	80,037	80,037	-	-	-	80,037
Medical supplies	5,334	5,334	-	-	-	5,334
Clinic insurance	4,820	4,820	-	-	-	4,820
Electronic medical records	3,984	3,984	-	-	-	3,984
Rent	48,564	48,564	8,076	-	8,076	56,640
Common area maintenance	19,119	19,119	2,607	-	2,607	21,726
Utilities	8,636	8,636	1,178	-	1,178	9,814
Personnel	248,276	248,276	48,927	37,470	86,397	334,673
Contracted services	363,550	363,550	779	-	779	364,329
Insurance	-	-	2,852	592	3,444	3,444
Maintenance and repairs	5,433	5,433	1,358	-	1,358	6,791
Telephone/internet	6,004	6,004	1,386	-	1,386	7,390
Postage	34	34	522	1,318	1,840	1,874
Printing	1,837	1,837	525	6,450	6,975	8,812
Supplies	2,914	2,914	727	2,982	3,709	6,623
Donor development	-	-	-	4,559	4,559	4,559
Advertising	-	-	-	11,849	11,849	11,849
Auction expense	-	-	-	6,379	6,379	6,379
Furniture and stage rental	-	-	-	3,360	3,360	3,360
Video service	-	-	-	5,754	5,754	5,754
Web support	-	-	-	2,325	2,325	2,325
Catering	-	-	-	15,757	15,757	15,757
Medical waste disposal	486	486	-	-	-	486
Patient supplies	1,754	1,754	-	-	-	1,754
Miscellaneous	3,545	3,545	10,272	3,758	14,030	17,575
Depreciation	22,040	22,040	5,202	-	5,202	27,242
Office supplies	1,464	1,464	1,216	-	1,216	2,680
Professional fees	-	-	5,800	-	5,800	5,800
	<u>\$ 1,085,565</u>	<u>\$ 1,085,565</u>	<u>\$ 91,427</u>	<u>\$ 102,553</u>	<u>\$ 193,980</u>	<u>\$ 1,279,545</u>

See independent auditor's report and accompanying notes to financial statements.



**HEALTH FOR ALL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (145,237)	\$ 53,996
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	26,573	27,242
Gain on sale of investments	-	(289)
Change in operating assets and liabilities:		
Receivables	21,967	29,888
Prepaid expenses	(65)	707
Accounts payable and accrued expenses	(2,451)	1,797
Deferred revenue	8,888	-
Deferred rent	1,453	1,452
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>(88,872)</b>	<b>114,793</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(6,113)	(11,122)
Proceeds from sale of investments	-	11,058
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<b>(6,113)</b>	<b>(64)</b>
 <b>NET INCREASE (DECREASE) IN CASH</b>	<b>(94,985)</b>	<b>114,729</b>
 <b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>363,296</b>	<b>248,567</b>
 <b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 268,311</b>	<b>\$ 363,296</b>

See independent auditors' report and accompanying notes to financial statements.

HEALTH FOR ALL, INC.  
Notes to the Financial Statements  
June 30, 2019 and 2018

Note 1 – Summary of Significant Accounting Policies

Health for All, Inc., (the “Clinic”) is a not-for-profit corporation chartered by the State of Texas and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Clinic was organized for the purpose of providing community-centered primary and preventive health care for medically indigent adults and children in Brazos County. Currently, the Clinic’s patients are between the ages of 18 and 64 because this is the age range that is not automatically eligible for existing government programs such as Medicaid, Medicare, CHIPS or county indigent funds. The Clinic would like to extend services to include all ages but is limited due to the volunteer providers and dollars available. For now, the Clinic focuses on meeting the greatest need. The Clinic is funded through contributions, government grants, the United Way, and private foundations.

Financial statement presentation

The financial statements of the Clinic are presented in accordance with *FASB Accounting Standards Codification (FASB ASC) 958-205, Presentation of Financial Statements*. The Clinic’s funding sources include donors that have placed specific restrictions on the use of donated assets and, in certain instances, the use of income derived from those assets. Under *ASC 958-205*, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Clinic and changes therein are classified and reported as follows:

- *Without donor restrictions:* net assets that are not restricted by donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction, unless their use is restricted by explicit donor stipulation or by law. Net assets without donor restrictions are those currently available for use by the Clinic or at the discretion of the Board of Directors for the Clinic’s use.
- *With donor restrictions:* net assets that are subject to donor-imposed stipulations, which limit their use by the Clinic to a specific purpose and/or the passage of time. When a restriction is satisfied or expires, 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. Also included in this category are stipulations permanently imposed by the donor. Those net assets are not available for use in operations and limitations neither expire by fulfillment of a specific purpose and/or the passage of time.

Contributions

The Clinic accounts for contributions in accordance with *FASB ASC 958-605, Revenue Recognition*. In accordance with *ASC 958-605*, contributions received are recorded as restricted support when they are received with donor restrictions that limit the use of the donated assets or designates them for a future period.

All 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 released to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

HEALTH FOR ALL, INC.  
Notes to the Financial Statements - Continued  
June 30, 2019 and 2018

Note 1 – Summary of Significant Accounting Policies - Continued

Fair value of financial instruments

The carrying amounts of current assets and current liabilities approximate fair value due to the short maturity of these instruments.

Property and equipment and depreciation

The Clinic capitalizes, at cost, all expenditures for fixed assets in excess of \$500. Donated equipment is recorded as support at the estimated fair value at the date of the gift. Equipment is depreciated using the straight-line method over its estimated useful life. The cost of maintenance and repairs is charged to expense as paid; significant renewals and betterments are capitalized.

Cash and cash equivalents

For purposes of the statement of cash flows, the Clinic considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Clinic maintains its cash in bank deposit accounts which exceeded federally insured limits by \$0 at June 30, 2019 and \$77,714 at June 30, 2018.

Use of estimates

Management of the Clinic has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Promises to give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated services

Donated services are recognized as contributions in accordance with *FASB ASC 958-605, Revenue Recognition* if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Clinic. Volunteers also provided clerical and fund-raising services throughout the year that are not recognized as contributions in the financial statements because the criteria for *FASB ASC 958-605* are not met.

Functional allocation of expenses

Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of payroll expenses that benefit multiple functional areas have been allocated based on employee time records. Costs that are not readily allocable to any program service are allocated entirely to management and general.

HEALTH FOR ALL, INC.  
Notes to the Financial Statements - Continued  
June 30, 2019 and 2018

Note 1 – Summary of Significant Accounting Policies - Continued

Implementation of new standard

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit’s liquidity and financial performance. Entities are required to provide enhanced disclosures about liquidity, board designated amounts, and expense by both their natural and functional classification. The standard is effective for fiscal years beginning after December 15, 2017. During the year ended June 30, 2019, management implemented the new standard, the effect of which is reflected on the financial statements and within the footnotes.

A summary of the net assets reclassification driven by the adoption of ASU 2016-14 as of June 30, 2018 follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Net Assets Classifications:			
As previously presented:			
Unrestricted	\$688,968	\$ -	\$688,968
Temporarily restricted	-	48,828	48,828
Net assets, as reclassified	\$688,968	\$48,828	\$737,796

Note 2 – Federal Income Taxes

The Clinic is a tax-exempt non-profit organization under Internal Revenue Code 501(c)(3). In addition, the Clinic has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Clinic has adopted the uncertain tax provisions of *FASB ASC 740*. The Clinic evaluates its uncertain tax positions using the provisions of *FASB ASC 450, Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax provision or for all uncertain tax positions in the aggregate could differ from the amount recognized.

Interest and penalties associated with uncertain tax positions are recognized as components of federal income tax expense. The Clinic did not have any interest or penalties with regard to uncertain tax positions for the years ended June 30, 2019 and 2018. As noted above, the Clinic is a tax-exempt non-profit organization; therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Clinic believes that its tax position regarding its status as a tax-exempt organization will remain significantly unchanged within the next twelve months.

Note 3 – Lease Commitments

On June 30, 2014, the Clinic signed a lease agreement with GGE, Ltd for new office and clinic space for the period August 1, 2014 to July 31, 2024. The monthly base rent is \$4,599 for the period August 1, 2014 to July 31, 2019 and \$4,841 per month for the period August 1, 2019 to July 31, 2024. Total rent expense for this operating lease amounted to \$56,640 for the years ended June 30, 2019 and 2018.

HEALTH FOR ALL, INC.  
Notes to the Financial Statements - Continued  
June 30, 2019 and 2018

Note 3 – Lease Commitments - Continued

As the operating lease agreement with GGE, Ltd has an escalation clause, the Clinic has adopted the escalated rent provisions of *FASB ASC 840-20-25, Recognition*. Accordingly, the Clinic amortized total rent expense on a straight-line basis over the term of the lease.

The following is a schedule of future minimum rental payments required under the above operating lease as of June 30, 2019:

Fiscal year 2020	\$ 56,640
Fiscal year 2021	56,640
Fiscal year 2022	56,640
Fiscal year 2023	56,640
Fiscal year 2024	56,640
Thereafter	<u>9,440</u>
	<u>\$ 292,640</u>

Note 4 – Related Party Transactions

Related parties consist of all affiliates of an organization, including management, board members, employees, and their families. The Clinic received donated services from board members of approximately \$26,086 and \$28,533 during the years ended June 30, 2019 and 2018, respectively. The Clinic also received contributions from board members and employees of \$15,090 and \$18,020 during the years ended June 30, 2019 and 2018, respectively.

Note 5 – Property and Equipment

Property and equipment in major categories with related accumulated depreciation at June 30, 2019 and 2018 are shown below:

	<u>2019</u>	<u>2018</u>
Office equipment	\$ 51,225	\$ 51,225
Less: accumulated depreciation	<u>(42,347)</u>	<u>(36,660)</u>
	8,878	14,565
Clinic furniture and equipment	57,893	51,780
Less: accumulated depreciation	<u>(46,823)</u>	<u>(35,475)</u>
	11,070	16,305
Electronic medical records system	10,418	10,418
Less: accumulated depreciation	<u>(10,418)</u>	<u>(10,118)</u>
	-	300
Leasehold improvements	370,734	370,734
Less: accumulated depreciation	<u>(44,171)</u>	<u>(34,933)</u>
	<u>326,563</u>	<u>335,801</u>
Net property and equipment	<u>\$346,511</u>	<u>\$366,971</u>

Depreciation expense was \$26,573 and \$27,242 for the years ended June 30, 2019 and 2018, respectively.

HEALTH FOR ALL, INC.  
Notes to the Financial Statements - Continued  
June 30, 2019 and 2018

Note 6 – Net Assets With Donor Restrictions

At June 30, 2019, the Clinic's net assets with donor restrictions were comprised of grants restricted as follows: \$8,833 for medical equipment. At June 30, 2018, the Clinic's net assets with donor restrictions were comprised of grants and contributions restricted as follows: \$33,687 for diagnostic equipment/exams for breast healthcare and \$15,141 for medical equipment.

Note 7 – Net Assets Without Donor Restrictions

The following represents the composition of the Clinic's net assets without donor restrictions as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Undesignated	\$579,109	\$684,354
Board-designated for possible endowment	<u>4,617</u>	<u>4,614</u>
	<u>\$583,726</u>	<u>\$688,968</u>

The designated funds are not available for expenditure by the Clinic unless released by the Board.

Note 8 – Retirement Plan

The Clinic provides retirement benefits to its employees through a Savings Incentive Match Plan for Employees (SIMPLE IRA). This is a defined contribution plan covering any employee who has been paid \$5,000 in the current year and will be paid at least \$5,000 in the next year. The Clinic contributes 2% of each eligible employee's pay to the plan each year. The Clinic's contributions to the plan were \$5,249 and \$4,477 during the years ended June 30, 2019 and 2018.

Note 9 – Donated Services and Materials

The Clinic received donated services from doctors, nurses, pharmacists, and volunteers, and donated pharmaceutical supplies from various hospitals, doctors, and others. It also received donated services from various businesses for fundraising events held by the Clinic.

The value of donated services and supplies included as contributions in the financial statements and the corresponding expenses for the years ended June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Contracted services	\$ 394,676	\$ 360,824
Medicines	148,928	108,101
X-Ray	103,170	110,045
Lab fees	57,183	56,026
Fundraising	38,612	24,033
Other	<u>-</u>	<u>100</u>
	<u>\$ 742,569</u>	<u>\$ 659,129</u>

HEALTH FOR ALL, INC.  
Notes to the Financial Statements - Continued  
June 30, 2019 and 2018

Note 9 – Donated Services and Materials - Continued

Health for All also received donated medicines from various pharmaceutical companies. Patients at the Clinic who meet the eligibility guidelines are enrolled in the Medication Assistance Program and receive free prescription medications which are delivered to and dispensed by Clinic personnel under the direction of a volunteer licensed pharmacist. The value of these medicines is not reflected in the accompanying financial statements since they do not meet the criteria for recognition described in *FASB ASC 958-605, Revenue Recognition*. The unaudited value of these medications for the years ended June 30, 2019 and 2018 was \$264,771 and \$125,132, respectively.

Note 10 - Liquidity and Availability of Resources

As of June 30, 2019, the Clinic's financial assets available within one year for general expenditure are as follows:

Cash and cash equivalents	\$268,311
Receivables	<u>13,666</u>
Total financial assets available within one year	<u>\$281,977</u>
Less amounts unavailable to management without Board's approval:	
Board-designated funds	<u>(4,617)</u>
Total financial assets available to management for general expenditure within one year	<u>\$277,360</u>

The Clinic manages its liquidity following three guiding principles:

- Operate within a prudent range of financial soundness and stability,
- Maintain adequate liquid assets, and
- Maintain sufficient reserves to provide reasonable assurance that ongoing operational expenditures can be met for the foreseeable future.

Note 11 – Supplemental Disclosures of Cash Flow Information

There were no material non-cash investing or financing activities during the years ended June 30, 2019 and 2018.

Note 12 – Subsequent Events

The Clinic has evaluated subsequent events through December 2, 2019, the date which the financial statements were issued.