

FIRST CARE FAMILY RESOURCES, INC.

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

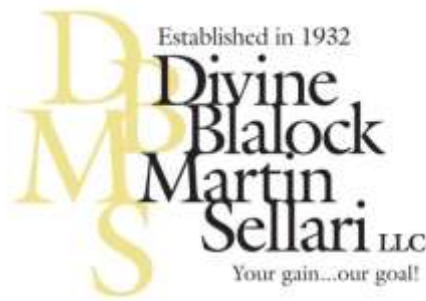
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
First Care Family Resources, Inc.
West Palm Beach, Florida

We have audited the accompanying financial statements of First Care Family Resources, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activities 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 First Care Family Resources, Inc. as of December 31, 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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida
June 26, 2020

FIRST CARE FAMILY RESOURCES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,067,111	\$ 1,337,400
Unconditional promises to give	167,020	198,172
Pregnancy clinic supplies	6,915	14,460
Prepaid expenses	<u>67,436</u>	<u>31,002</u>
Total current assets	1,308,482	1,581,034
Unconditional promises to give, noncurrent	100,000	-
Property and equipment, net	151,751	115,128
Deposits and other assets	<u>21,719</u>	<u>21,731</u>
Total other assets	273,470	136,859
TOTAL ASSETS	<u><u>\$ 1,581,952</u></u>	<u><u>\$ 1,717,893</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 34,670	\$ 34,575
Accrued vacation and other expenses	72,903	42,965
Deferred revenue	<u>7,884</u>	<u>9,550</u>
Total current liabilities	115,457	87,090
Net assets		
Without donor restrictions	1,313,205	1,577,633
With donor restrictions	<u>153,290</u>	<u>53,170</u>
Total net assets	1,466,495	1,630,803
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,581,952</u></u>	<u><u>\$ 1,717,893</u></u>

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions and gifts	\$ 1,143,607	\$ 207,783	\$ 1,351,390
Fees	665	-	665
Special events	525,214	-	525,214
Interest and other income, net	13,566	-	13,566
Gifts in kind	63,263	-	63,263
Net assets released from restrictions	107,663	(107,663)	-
Total revenue and support	1,853,978	100,120	1,954,098
Expenses:			
Program services	1,562,648	-	1,562,648
Management and general	313,606	-	313,606
Fundraising	242,152	-	242,152
Total expenses	2,118,406	-	2,118,406
Change in Net Assets	(264,428)	100,120	(164,308)
Net assets at beginning of the year	1,577,633	53,170	1,630,803
Net assets at end of year	\$ 1,313,205	\$ 153,290	\$ 1,466,495

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions and gifts	\$ 1,815,983	\$ 57,320	\$ 1,873,303
Fees	7,336	-	7,336
Special events	701,148	-	701,148
Interest and other income, net	4,951	-	4,951
Gifts in kind	90,028	-	90,028
Net assets released from restrictions	5,570	(5,570)	-
Total revenue and support	2,625,016	51,750	2,676,766
Expenses:			
Program services	1,347,812	-	1,347,812
Management and general	131,602	-	131,602
Fundraising	380,604	-	380,604
Total expenses	1,860,018	-	1,860,018
Change in Net Assets	764,998	51,750	816,748
Net assets at beginning of the year	812,635	1,420	814,055
Net assets at end of year	\$ 1,577,633	\$ 53,170	\$ 1,630,803

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and employee benefits	\$ 884,102	\$ 219,315	\$ 42,090	\$ 1,145,507
Payroll taxes	61,585	15,973	3,039	80,597
Health insurance	41,341	8,494	1,228	51,063
Retirement benefits	14,610	4,675	984	20,269
Workers compensation	3,064	771	151	3,986
	<u>1,004,702</u>	<u>249,228</u>	<u>47,492</u>	<u>1,301,422</u>
Advertising	103,800	-	-	103,800
Building rent	220,654	12,482	18,498	251,634
Client counseling and medical	55,514	-	-	55,514
Computer and website expense	25,530	-	-	25,530
Conferences and meetings	22,295	-	-	22,295
Insurance	10,550	4,257	362	15,169
Legal and accounting	-	8,513	-	8,513
Office expense	10,451	16,320	2,099	28,870
Other	4,858	2,777	10,257	17,892
Postage and delivery	16	814	14,426	15,256
Printing and publications	3,922	5,157	20,706	29,785
Relocation and maintenance	31,616	1,312	1,944	34,872
Special events expense	-	-	90,333	90,333
Staff and volunteer training	5,273	5,496	31,632	42,401
Telephone	21,314	3,063	781	25,158
Travel	4,995	1,345	1,709	8,049
Utilities	11,882	869	1,281	14,032
	<u>1,537,372</u>	<u>311,633</u>	<u>241,520</u>	<u>2,090,525</u>
Total expenses before depreciation				
Depreciation	25,276	1,973	632	27,881
Total expenses	<u>\$ 1,562,648</u>	<u>\$ 313,606</u>	<u>\$ 242,152</u>	<u>\$ 2,118,406</u>

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and employee benefits	724,513	\$ 58,268	\$ 143,464	\$ 926,245
Payroll taxes	52,833	4320	10417	67,570
Health insurance	39,172	1905	6137	47,214
Retirement benefits	11,225	1571	3014	15,810
Workers compensation	4,020	413	733	5,166
	<u>831,763</u>	<u>66,477</u>	<u>163,765</u>	<u>1,062,005</u>
Advertising	77,019	-	1,971	78,990
Building rent	177,699	12,798	9,836	200,333
Client counseling and medical	52,783	-	-	52,783
Computer and website expense	7,798	3,372	4,480	15,650
Conferences and meetings	5,461	3,912	25	9,398
Insurance	11,567	3,785	-	15,352
Legal and accounting	-	11,842	-	11,842
Office expense	15,757	7,424	11,206	34,387
Other	25,540	3,622	4,098	33,260
Postage and delivery	310	535	17,001	17,846
Printing and publications	11,815	2,563	25,888	40,266
Relocation and maintenance	42,876	1,611	962	45,449
Special events expense	0	-	122,423	122,423
Staff and volunteer training	10,510	7,379	11,752	29,641
Telephone	20,383	1,787	1,600	23,770
Travel	13,887	1,501	3,714	19,102
Utilities	16,770	1,111	793	18,674
	<u>1,321,938</u>	<u>129,719</u>	<u>379,514</u>	<u>1,831,171</u>
Total expenses before depreciation				
Depreciation	25,874	1,883	1,090	28,847
Total expenses	<u>\$ 1,347,812</u>	<u>\$ 131,602</u>	<u>\$ 380,604</u>	<u>\$ 1,860,018</u>

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (164,308)	\$ 816,748
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	27,881	28,847
Loss on disposal of property and equipment		20,505
Changes in operating assets & liabilities		
Unconditional promise to give	(68,848)	(10,672)
Pregnancy clinic supplies	7,545	8,847
Prepaid expenses	(36,434)	(15,901)
Deposits and other assets	12	(13,044)
Accounts payable	95	10,332
Accrued vacation and other liabilities	29,938	9,920
Deferred revenue	(1,666)	6,925
Net cash (used) provided by operating activities	(205,785)	862,507
Cash flows from investing activities:		
Purchase of fixed assets	(64,504)	(29,142)
Net cash (used) provided by in investing activities	(64,504)	(29,142)
(Decrease) increase in cash and cash equivalents	(270,289)	833,365
Cash and cash equivalents, beginning of year	1,337,400	504,035
Cash and cash equivalents, end of year	\$ 1,067,111	\$ 1,337,400

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

First Care Family Resources, Inc. (First Care) is a faith and community-based educational and health and welfare organization serving Palm Beach County, Florida. Its principal mission is to offer counseling and other assistance to women through the operation of pregnancy medical clinics.

First Care's mission is carried out by the operation of four women's health clinics under the brand name of 'First Care Women's Clinic'. Client services include programs designed to assist women in confronting and dealing with the physical, emotional, economic and social issues associated with pregnancy by offering counseling, pregnancy tests, sonograms, STI testing and treatment, infant and maternity clothing, baby food, infant formula and other goods and services to women in need.

First Care is managed by a full-time professional staff under the oversight and direction of a volunteer Board of Directors (the Board or Board of Directors). It vigorously enforces its policy to provide services to those in need regardless of the client's ability to pay. Accordingly, First Care is significantly dependent upon gifts and charitable contributions to assist in subsidizing nonrevenue-producing services.

Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

Basis of presentation

First Care records unconditional promises to give (pledges) as contributions at fair value at the date the promises are received or made and distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, net assets of the First Care and changes therein are classified as follows:

Net assets without donor restrictions – Net assets either not restricted by donors or the donor-imposed restrictions have expired.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time and net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the earnings on related investments for general or specific purposes.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The use of estimates includes, but are not limited to, amounts earned in the reporting period under grant contracts, the estimated value of in-kind services, the allocation of expenses among program and support categories, and useful lives of depreciable assets. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of non-interest-bearing demand deposit accounts and interest-bearing money market accounts. Cash equivalents are short term investments with a maturity date of three months or less from the date of purchase. The concentration of credit risk associated with cash and cash equivalents is considered low due to the credit quality of the financial institutions and the immediate availability of these financial instruments.

Pregnancy clinic supplies

Infant and maternity clothing, diapers, baby beds and bedding accessories, strollers, nonperishable food and other items on hand at year-end are valued at cost for items purchased and at estimated fair value for donated goods. Inventory items are not resalable. Items are held for distribution to needy persons and their families.

Property and equipment

Property and equipment is stated at cost, if purchased, or if acquired by contribution, at estimated fair value on the date of contribution. Depreciation is provided for using the straight-line method over the five to ten year estimated useful lives of the assets. Office, computers and medical equipment are generally assigned an estimated useful life of 5-years; office furniture is assigned a useful life of 7-years; and leasehold improvements are generally amortized over a 10-year period. Expenditures for furniture and equipment costing \$1,000 or more are capitalized; lesser amounts are expensed.

Fair value of financial instruments

The carrying values of cash and cash equivalents, unconditional promise to give, accounts payable, and accrued vacation and other liabilities are reflected in the financial statements at fair value because, in management's opinion, the short maturity of these financial instruments is equal to the price that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date.

Board designated net assets

The Board of Directors established an operating reserve with the objective of setting aside funds to be drawn upon in the event of financial distress or immediate liquidity need. The operating reserve balance totaled \$140,000 at December 31, 2019 and 2018. The funds may be released from designation by majority vote of the Board of Directors' Finance Committee with notification to the entire Board.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Financial support is provided by private sector grants, public donations and gifts. Private grants and public contributions are recognized when received or when a donor or grantor makes an unconditional promise to give. Donor pledges are considered intent to give rather than an unconditional promise to give. Accordingly, pledges are not recognized as support at the time of the pledge. Contributions that contain donor stipulations that limit the use of an asset for specific purposes or designates the support for future periods, are reported as an increase in net assets with donor restrictions and net assets without donor restrictions depending upon the nature of the restriction. When a donor restriction expires, that is, when a stipulation time restriction ends or a purpose restriction is accomplished; net assets with donor restrictions are reclassified and reported in the statements of activities as net assets released from restrictions. Donor contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of long-lived assets (e.g., property and equipment) or contributions that the donor requires to be used to acquire long-lived assets are reported as net assets with donor restrictions. First Care reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time 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.

Contributed services and goods

Donated services that create or enhance a non-financial asset or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as in-kind service income and in-kind expense at their respective fair value in the period received. Services donated by volunteers that do not meet those criteria are not recorded as in-kind services. Donated goods and supplies are recorded at their fair value when received.

Functional classification of expenses

In the accompanying statements of activities, expenses have been reported by their functional classification, a method of grouping expenses according to the purpose for which they were incurred. The primary functional classifications are program services and supporting activities. Program services are the activities that result in services being provided to members that fulfill the purposes or mission for which the organization exists. Supporting activities are all activities of organizations other than program services and are included in the financial statements as management and general expenses and fundraising expenses.

Expenses are recorded in the period in which the obligation is incurred. Expenses are charges directly to program services or support activities based on specific identification, when possible. Indirect expenses are allocated among the programs and support categories based on the level of benefit received as measured by personnel time and facility usage associated with the activity or function.

Compensated Absences

First Care compensates its employees for designated holidays, vacation and sick time. The amount accrued as of December 31, 2019 and 2018 is \$24,257 and \$2,363, respectively.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

First Care is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Internal Revenue Service notified First Care by letter dated April 12, 1984, that its governing documents and plan of operations were designed in accordance with section 501(c)(3) of the Internal Revenue Code (the Code)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by First Care and recognize a tax liability if First Care has taken an uncertain position that more than likely would not be substantiated upon examination by the tax authorities. Management monitors the on-going financial and functional activities undertaken by the organization for compliance with its exempt status requirements and has concluded that for the tax reporting periods ended December 31, 2019 and 2018, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. First Care is no longer subject to income tax examinations for years prior to 2016.

Recently Adopted Pronouncements

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Recent Accounting Pronouncements

The FASB has issued the following accounting standards updates that may affect the Organization in future years. Management is evaluating the effects, if any, of the following updates:

- ASU 2016-09, *leases*, will be effective for the Organization for the year ending December 31, 2021 and must be adopted using a modified retrospective method. ASU 2016-02 generally requires lessees to recognize assets and liabilities arising from leases on the statements of financial position.
- ASU 2018-08, *Not-for-profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* will be effective for the Organization for the year ending December 31, 2021. ASU 2018-08 clarifies the guidance for evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE B – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded as receivables and support when received or promised. These contributions are considered unconditional promises to give which is a promise to give that depends only on the passage of time or demand by the promisee for performance. Unconditional promises to give that are due beyond one year have been measured using the net present value of future cash flows based on a discount rate of 3%. The allowance for uncollectible pledges is based on management's estimate of uncollectible amounts in the future.

Contributions receivable at December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Contributions receivable	\$ 273,500	\$ 198,172
Less: Discount for future payments	(6,480)	-
Less: Allowance for uncollectible pledges	-	-
Contributions receivable, net	<u>\$ 267,020</u>	<u>\$ 198,172</u>
Current contributions receivable	\$ 167,020	\$ 198,172
Non-current contributions receivable, net	\$ 100,000	-
	<u>\$ 267,020</u>	<u>\$ 198,172</u>

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 77,766	\$ 52,252
Office and computer equipment	43,848	37,890
Medical equipment	214,549	194,096
Office furniture	18,438	14,581
	<u>354,601</u>	<u>298,819</u>
Less: Accumulated depreciation	<u>(202,850)</u>	<u>(183,691)</u>
	<u>\$ 151,751</u>	<u>\$ 115,128</u>

NOTE D – RETIREMENT PLAN

First Care maintains a SIMPLE IRA plan under Code Section 408(p). Under the plan, employees are able to contribute up to the maximum allowed by the Internal Revenue Service. First Care made matching contributions of \$15,810 and \$20,269 for the years ended December 31, 2019 and 2018, respectively.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE E – IN-KIND CONTRIBUTIONS

First Care receives the majority of baby and maternity supplies from individuals and churches, which are recorded as in-kind support at estimated fair value. In accordance with the accounting policies set forth in Note 2, the estimated fair value of the donated services rendered by nurses and other medical professionals and the rental value of donated facilities are recorded as in-kind support and expense in the accompanying statements of activities. Furthermore, the receipt of donated equipment or the purchase of equipment at a price significantly below its current value is also recorded as in-kind support.

In-kind support for the years ended December 31, 2019 and 2018 consisted of:

	<u>2019</u>	<u>2018</u>
Baby and maternity supplies	\$ 12,189	\$ 30,234
Pregnancy clinic facilities	-	48,000
Sonogram equipment and supplies	40,500	1,125
Volunteer professional nurses	10,574	10,669
	<u>\$ 63,263</u>	<u>\$ 90,028</u>

Volunteer time that did not meet the criteria for recognition in the accompanying financial statements totaled 4,901 and 3,140 hours for the years ended December 31, 2019 and 2018 having an estimated fair value of \$120,997 and \$79,850, respectively.

NOTE F – LEASE COMMITMENTS

First Care operates its administrative offices and its pregnancy clinics in leased facilities under operating lease arrangements. For the year ended December 31, 2019, facility lease expense totaled \$251,634.

Future minimum annual lease payments for the administrative office and clinics for the remaining terms of the leases in effect at December 31, 2019 are as follows:

<u>Year Ending December 31,</u>	<u>Office</u>	<u>Clinics</u>	<u>Total</u>
2020	\$ 33,660	\$ 187,412	\$ 221,072
2021	41,234	190,880	232,114
2022	42,264	126,731	168,995
2023	7,073	37,319	44,392
2024 and thereafter	-	-	-
	<u>\$ 124,231</u>	<u>\$ 542,342</u>	<u>\$ 666,573</u>

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE G – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

As of December 31, 2019, 73% of unconditional promises to give are due from one donor, management believes the unconditional promise to give to be fully collectible.

As of December 31, 2018, 95% of unconditional promises to give are due from one related party donor, management believes the unconditional promise to give to be fully collectible.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2019 and 2018:

	December 31, 2018	Contributions	Released	December 31, 2019
Baby closets	\$ 143	\$ -	\$ (45)	\$ 98
Boca Raton RV/clinic	3,300	3,300	(5,307)	1,293
Natural childbirth education	420	-	-	420
Johanna Jurado Memorial Fund	49,307	4,484	(23,175)	30,616
Empowerment Fund	-	110,000	(14,595)	95,405
Outreach	-	90,000	(64,542)	25,458
	<u>\$ 53,170</u>	<u>\$ 207,784</u>	<u>\$ (107,664)</u>	<u>\$ 153,290</u>

	December 31, 2017	Contributions	Released	December 31, 2018
Baby closets	\$ -	\$ 345	\$ (202)	\$ 143
Belle Glade clinic	1,000	-	(1,000)	-
Boca Raton RV/clinic	-	3,300	-	3,300
Natural childbirth education	420	-	-	420
Johanna Jurado Memorial Fund	-	53,675	(4,368)	49,307
	<u>\$ 1,420</u>	<u>\$ 57,320</u>	<u>\$ (5,570)</u>	<u>\$ 53,170</u>

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE I - LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general expenditures within one year of the statement of financial position date.

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 1,067,111	\$ 1,337,400
Unconditional promises to give	267,020	198,172
Total Financial assets, at year-end	\$ 1,334,131	\$ 1,535,572
Less those unavailable for general expenditures within one year due to:		
Donor restricted	(153,290)	(53,170)
Board designated reserves for future liquidity needs	(140,000)	(140,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,040,841	\$ 1,342,402

NOTE J – SUBSEQUENT EVENTS

In the normal course of preparing the Organization's financial statements, management reviews events that occur after the statement of financial position date, December 31, 2019, for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through June 26, 2020, which is the date the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Subsequent to year end, the Organization applied for and was approved a \$231,400 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.