

VOLUNTEERS IN MEDICINE AMERICA

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6-9



CAREY & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

70 MAIN STREET
SUITE 100
HILTON HEAD ISLAND, SC 29926
email: pcarey@pcareycpa.com

TELEPHONE
(843) 681-4430
FAX
(843) 681-4425

MEMBER
AMERICAN INSTITUTE OF CPAs
S.C. ASSOCIATION OF CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
Volunteers in Medicine America
Hilton Head Island, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Volunteers in Medicine America (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 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 audits. We conducted our audits 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 judgement, 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 Volunteers in Medicine America as of December 31, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Carey & Company, P.A.

March 31, 2020

VOLUNTEERS IN MEDICINE AMERICA
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 243,840	\$ 547,065
Amounts receivable	749	-
US Treasury securities	299,801	-
Prepaid expenses	481	5,058
Total Current Assets	<u>544,871</u>	<u>552,123</u>
Property And Equipment		
Furniture and equipment	8,000	4,371
Less: Accumulated depreciation	(667)	(2,867)
Net Property And Equipment	<u>7,333</u>	<u>1,504</u>
Other Assets		
TOTAL ASSETS	<u>\$ 552,204</u>	<u>\$ 553,627</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ -	\$ 278
Accrued expenses	6,201	14,360
Total Current Liabilities	<u>6,201</u>	<u>14,638</u>
TOTAL LIABILITIES	<u>6,201</u>	<u>14,638</u>
Net Assets		
Without donor restrictions	537,254	538,989
With donor restrictions	8,749	-
TOTAL NET ASSETS	<u>546,003</u>	<u>538,989</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 552,204</u>	<u>\$ 553,627</u>

See accompanying notes and independent auditor's report.

VOLUNTEERS IN MEDICINE AMERICA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue And Support		
Contributions and grants	\$ 346,093	\$ 445,706
National Conference	-	26,250
Investment income	5,393	4,311
Other income	1,550	110
Net assets released from restrictions	<u>11,793</u>	<u>17,000</u>
Total Revenue And Other Support Without Donor Restrictions	<u>364,829</u>	<u>493,377</u>
Expenses		
Program	278,762	287,195
Management and general	64,261	83,024
Fundraising	<u>23,541</u>	<u>9,187</u>
Total Expenses	<u>366,564</u>	<u>379,406</u>
Increase (Decrease) In Net Assets Without Donor Restrictions	<u>(1,735)</u>	<u>113,971</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Revenue and support	20,542	-
Net assets released from restriction	<u>(11,793)</u>	<u>(17,000)</u>
Increase (Decrease) In Net Assets With Donor Restrictions	<u>8,749</u>	<u>(17,000)</u>
INCREASE IN NET ASSETS	7,014	96,971
NET ASSETS - BEGINNING OF YEAR	<u>538,989</u>	<u>442,018</u>
NET ASSETS - END OF YEAR	<u>\$ 546,003</u>	<u>\$ 538,989</u>

See accompanying notes and independent auditor's report.

VOLUNTEERS IN MEDICINE AMERICA
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2019 and 2018

	2019			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	195,874	\$ 23,599	\$ 16,520	\$ 235,993
Benefits and taxes	36,243	4,367	3,057	43,667
Conferences and meetings	5,686	240	-	5,926
Contractual services	3,144	-	349	3,493
Depreciation	1,802	217	152	2,171
Dues and subscriptions	990	119	84	1,193
Information technology	1,234	149	104	1,487
Insurance	-	3,145	-	3,145
Accounting and other professional fees	3,035	11,383	759	15,177
Occupancy	14,302	1,723	1,206	17,231
Office supplies	1,247	150	105	1,502
Office relocation	-	11,793	-	11,793
Printing and postage	1,483	179	125	1,787
Travel	10,502	6,126	875	17,503
Telephone	2,444	295	205	2,944
Other	776	776	-	1,552
Total expenses	<u>\$ 278,762</u>	<u>\$ 64,261</u>	<u>\$ 23,541</u>	<u>\$ 366,564</u>

	2018			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 122,741	\$ 51,070	\$ 6,533	\$ 180,344
Benefits and taxes	29,363	12,217	1,563	43,143
Conferences and meetings	57,673	83	-	57,756
Contractual services	22,500	2,247	-	24,747
Depreciation	256	106	14	376
Dues and subscriptions	825	490	-	1,315
Information technology	1,501	625	80	2,206
Insurance	840	1,487	45	2,372
Legal and professional fees	28,864	2,055	-	30,919
Occupancy	14,799	6,158	788	21,745
Office supplies	932	388	50	1,370
Printing and postage	1,062	442	56	1,560
Grants	725	-	-	725
Travel	2,295	4,765	-	7,060
Telephone	1,095	455	58	1,608
Other	1,724	436	-	2,160
Total expenses	<u>\$ 287,195</u>	<u>\$ 83,024</u>	<u>\$ 9,187</u>	<u>\$ 379,406</u>

See accompanying notes and independent auditor's report.

VOLUNTEERS IN MEDICINE AMERICA
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 7,014	\$ 96,971
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	2,171	376
Unrealized investment income	(451)	-
Donated equipment	(8,000)	(950)
(Increase) decrease in current assets:		
Amounts receivable	(749)	-
Prepaid expense and other assets	4,577	7,423
Increase (decrease) in current liabilities:		
Accounts payable	(278)	(402)
Accrued expenses	(8,159)	5,932
Deferred conference revenue	-	(1,250)
Net Cash Provided (Used) By Operating Activities	<u>(3,875)</u>	<u>108,100</u>
CASH FLOWS FROM (TO) INVESTING ACTIVITIES		
Increase in investments	(299,350)	-
Maturity of certificate of deposits	-	267,720
Net Cash Provided (Used) By Investing Activities	<u>(299,350)</u>	<u>267,720</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(303,225)	375,820
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>547,065</u>	<u>171,245</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 243,840</u></u>	<u><u>\$ 547,065</u></u>
SUPPLEMENTAL DISCLOSURES		
Donated equipment	\$ 8,000	\$ 950

See accompanying notes and independent auditor's report.

VOLUNTEERS IN MEDICINE AMERICA
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE A-NATURE OF ACTIVITIES

Nature of Activities

Volunteers in Medicine America (formerly known as Volunteers In Medicine Institute, Inc.) is a not-for-profit organization, incorporated in South Carolina in 1996. Volunteers in Medicine America (the "Organization") had been headquartered in Burlington, Vermont through July 2019, when it relocated to Hilton Head Island, South Carolina. The Organization promotes, guides and helps to sustain a national network of free medical clinics emphasizing the use of retired medical and community volunteers within a culture of caring to improve access to health care for America's underserved and uninsured. The Organization is funded primarily through non-governmental grantors and donor contributions.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly the Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. These donor restrictions are temporary in nature and the restrictions will be met by actions of the Organization or by passage of time.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

VOLUNTEERS IN MEDICINE AMERICA
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Donations In Kind and Contributed Services

In 2018, the Organization received donated legal and consulting services of approximately \$29,000. In addition to these amounts recognizable under generally accepted accounting principles, many individuals volunteer their time performing a variety of services that assist the Organization in program, administrative and fundraising activities. However the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Property and Equipment

Furniture and equipment are stated at cost when purchased or at the asset's fair market value at the date contributed. Assets are depreciated over their estimated useful lives using the straight-line method of depreciation. The useful life of equipment range from three to eight years.

Income Taxes

The Organization is a not-for-profit corporation that is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose. There is no unrelated business income for the years ending December 31, 2019 and 2018. The Organization evaluated all tax positions that could have a significant effect on the financial statements and determined that there are no uncertain tax positions at December 31, 2019 and 2018.

Fair Value Measurement

Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles require a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. Those tiers include:

Level 1 - Observable inputs such as quoted prices in active markets.

Level 2 - Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 - Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. The Organization allocates its payroll, tax and benefit costs based on actual time worked by staff on the various program, management and general, and fundraising activities. Other costs are attributable to and benefit one or more program or supporting services and are allocated based on the direct payroll allocation percentages discussed above.

VOLUNTEERS IN MEDICINE AMERICA
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE C-CONCENTRATIONS

Concentration of Credit Risk

The Organization maintains its cash balances with different financial institutions and at times bank balances exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Organization has no uninsured balances at December 31, 2019 and 2018 and has not experienced any losses in such accounts and believes it is not exposed to any unreasonable credit risk.

Concentration of Revenue

In both 2019 and 2018, the Organization received grants of \$300,000 from one corporation; an amount representing approximately 82% and 67% of total revenues for 2019 and 2018, respectively.

NOTE D- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's working capital and cash flows have seasonal variations during the year attributable to the timing of fundraising and program activities. The Organization manages liquidity by investing surplus funds in its operating cash accounts, certificates of deposits or short-term investments and withdrawing or selling them when needed.

The Organization's financial assets at December 31, 2019 and 2018, consisted of cash and investments in US Treasury securities and totaled \$543,641 and \$547,065, respectively. All amounts are available for general expenditure within one year. At December 31, 2019, the Organization's investment in US Treasury securities equaled \$299,349 and is reported at fair value and is categorized as Level 1 under the fair value measurement hierarchy. These US Treasury notes mature in the first half of 2020.

NOTE E-COMMITMENTS

During 2019 and 2018, the Organization leased office space in Burlington, Vermont under short-term leases that expired in July 2019. Rent expense under these leases was \$12,124 for 2019 and \$20,784 for 2018. In June 2019, the Organization entered into a lease for office space in Hilton Head Island, South Carolina. This lease requires monthly rental payments of \$200 through May 31, 2020 and \$400 monthly for the remaining lease term which expires on December 31, 2020. This lease can be cancelled with 90 days notice by either party.

In May 2019, the Organization entered into a three year agreement with a telecommunication provider to supply services. The agreement requires monthly payments of \$430 plus taxes and fees over the term of the contract.

NOTE F-EMPLOYEE BENEFITS

The Organization sponsors a 403 (b) Pension Plan that covers substantially all full-time employees. Employees who meet certain minimum age and service requirements can make contributions to the plan up to prescribed limits. The Organization can make annual discretionary "profit sharing" contributions. The Organization made contributions of 5% of eligible employees' compensation totally \$7,486 and \$7,563 for 2019 and 2018, respectively.

VOLUNTEERS IN MEDICINE AMERICA
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE F-EMPLOYEE BENEFITS - CONTINUED

Compensated paid time off to be use for planned absences, such as personal time or vacations, or unscheduled absences, such as illness or emergencies, are provided to all employees. The annual leave is accrued on a monthly basis and the maximum number of leave hours that can be accrued by an employee is 272 hours. The liability for compensated paid time off at December 31, 2019 and 2018 is \$457 and \$10,620, respectively.

NOTE G - NET ASSETS

Net assets with donor restrictions at December 31, 2019 consisted of \$8,749 in contributions to support the Organization's relocation expense for its move to Hilton Head Island in 2019.

NOTE H-SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 31, 2020, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.