CARE 4 U MANAGEMENT, INC.
D/B/A CARE 4 U COMMUNITY HEALTH CENTER

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2018

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GUTIERREZ MADARIAGA
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Care 4 U Management, Inc. D/B/A Care 4 U Community Health Center
Miami, Florida

We have audited the accompanying financial statements of Care 4 U Management, Inc. D/B/A Care 4 U Community Health Center (the "Organization) (a nonprofit corporation) which comprise the statement of financial position as of December 31, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization as of December 31, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2019 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Gutierrez Madariaga, CPA P.A.

GUTIERREZ MADARIAGA, CPA P.A.
Miami, Florida
October 18, 2019

CARE 4 U MANAGEMENT, INC. D/BA CARE 4 U COMMUNITY HEALTH CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	94,202
Accounts receivable		211,420
TOTAL CURRENT ASSETS		305,622
FURNITURES AND EQUIPMENT, NET		15,652
DEPOSITS		15,175
TOTAL ASSETS	$	336,449

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses		64,664
Due to related parties		146,729
TOTAL LIABILITIES		211,393
NET ASSETS		
Without donor restrictions		125,056
With donor restrictions		-
TOTAL NET ASSETS		125,056
TOTAL LIABILITIES AND NET ASSETS	$	336,449

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

CARE 4 U MANAGEMENT, INC. D/BA CARE 4 U COMMUNITY HEALTH CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contract revenues	$ 789,679	$ -	$ 789,679
Other income	11	-	11
TOTAL REVENUES AND OTHER SUPPORT	789,690	-	789,690
EXPENSES			
Program expenses	515,397	-	515,397
Support services:			
General and Administrative	152,370	-	152,370
TOTAL EXPENSES	667,767	-	667,767
Change in net assets	121,923	-	121,923
NET ASSETS, at beginning of year	3,133	-	3,133
NET ASSETS, at end of year	$ 125,056	$ -	$ 125,056

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

CARE 4 U MANAGEMENT, INC. D/BA CARE 4 U COMMUNITY HEALTH CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	121,923
Adjustments to reconcile changes in		
Depreciation expense		824
net assets to net cash provided		
by operating activities:		
Changes in operating assets and liabilities:		
(Increase) in accounts receivable		(211,420)
(Increase) in other assets		(15,174)
Increase in accounts payable and accrued expenses		64,663
Total adjustments		(161,107)
NET USED IN BY OPERATING ACTIVITIES		(39,184)
Purchase of equipment		(16,476)
NET CASH USED IN INVESTING ACTIVITIES		(16,476)
Proceeds from related parties		146,729
NET PROVIDED BY FINANCING ACTIVITIES		146,729
NET INCREASE IN CASH AND EQUIVALENTS		91,069
CASH AND CASH EQUIVALENTS		
Beginning of year		3,133
End of year	$	94,202

SUPPLEMENTAL DISCLOSURE		
Interest paid	$	17,725
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Vehicle acquired	$	16,476

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

CARE 4 U MANAGEMENT, INC. D/B/A CARE 4 U COMMUNITY HEALTH CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Expenses									Supporting Services	
	Case Management	HIV/STD Testing	Benevolence	Medical Administration	Medical Outreach	Pharmacy	Primary Care	Other Program	Total Program Expenses	General & Administrative	Total Expenses
Salaries	$ -	$ -	$ -	$ 55,682	$ 9,347	$ -	$ 41,425	$ 4,691.00	$ 111,145	$ 63,113	$ 174,258
Payroll taxes	-	-	-	4,638	904	-	3,640	418	9,600	$ 3,065	12,665
Contracted services	-	-	-	20,401	500	-	601	601	22,103	11,430	33,533
Prescription medicine and program costs	-	-	-	-	-	272,440	1,588	-	274,028	-	274,028
Pharmacy fees	-	-	-	-	-	47,978	-	-	47,978	-	47,978
Insurance	-	-	-	157	4,009	-	-	-	4,166	5,285	9,451
Dues and subscriptions	-	-	-	-	-	-	-	-	-	680	680
Interest expense	-	-	-	-	-	-	-	-	-	17,725	17,725
Licenses and permits	-	85	-	2,090	-	-	835	-	3,010	1,192	4,202
Memberships	-	-	-	-	-	-	-	99	99	454	553
Payment processing fees	-	-	-	-	-	-	-	-	-	55	55
Postage and delivery	11	21	-	55	-	-	10	-	97	19	116
Advertising	-	-	-	100	-	-	23	-	123	1,120	1,243
Bank fees	-	-	-	-	-	-	-	-	-	246	246
Printing	-	-	-	-	300	-	-	-	300	3,133	3,433
Rent	-	-	-	-	-	-	14,000	-	14,000	28,200	42,200
Software	-	-	-	-	-	-	1,894	-	1,894	349	2,243
Supplies	250	946	155	1,422	58	-	16,609	4,032	23,472	3,562	27,034
Rental assistance	-	-	469	-	-	-	-	-	469	-	469
Telephone	-	-	-	256	308	-	-	-	564	-	564
Automobile and gas	-	-	-	-	768	-	-	-	768	12	780
Travel	-	-	-	-	-	23	-	-	23	513	536
Utilities	-	-	-	-	-	-	353	-	353	8,455	8,808
Repairs and maintenance	-	-	-	-	-	85	-	-	85	2,604	2,689
Equipment lease	-	-	-	-	-	-	230	-	230	-	230
Depreciation	-	-	-	-	824	-	-	-	824	-	824
Miscellaenous	-	66	-	-	-	-	-	-	66	1,158	1,224
Total	$ 261	$ 1,118	$ 624	$ 84,801	$ 17,018	$ 320,526	$ 81,208	$ 9,841 -	$ 515,397	$ 152,370	$ 667,767

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

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Activities

Care 4 U Management, Inc. D/B/A Care 4 U Community Health Center (the "Organization") was organized as a nonprofit Organization incorporated in 2013 in the State of Florida. The Organization operates a with a mission to fulfill the unmet and social needs of individuals and families infected with and affected by health disparities, with an emphasis on HIV/STD's. Originally the Organization provided case management and referral services to individuals living with HIV/AIDS. In June 2018, the Organization opened a medical clinic and grew from one location to two. In addition, the Organization operates through the Section 340B program.

Section 340B is a US federal government program created in 1992 that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices. The intent of the program is to allow covered entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Maintaining services and lowering medication costs for patients is consistent with the purpose of the program, which is named for the section authorizing it in the Public Health Service Act In cases where the covered entity treats an insured patient with discounted medication, the federal government or the patient's private insurance routinely reimburses the entity for the full price of the medication, and the entity is able to retain the difference between the reduced price it pays for the drug and the full amount for which it is reimbursed.

Basis of Accounting and Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") promulgated by the Financial Accounting Standards Board Accounting Standards Codification ("ASC"). Consequently, the Organization's resources are classified and reported in the accompanying financial statements as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restriction – include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restriction class.

Net assets with donor restriction – include those net assets whose use by the Organization has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with the investment return available for operations.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity date of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation less accumulated depreciation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the related assets.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Concentration of Credit Risk

Financial instruments that potentially subject the Council to concentration of credit risk consist principally of cash equivalents. At times, cash balances may exceed the levels of insurance provided by the Federal Deposit Insurance Coverage (FDIC).

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Revenue Recognition

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 restrictions expire 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. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Income Taxes

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

There are no reserves held for uncertain tax positions at December 31, 2018. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization generally is no longer subject to examination by the Internal Revenue Service for the years prior to 2015.

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement

Assets and liabilities that are measured at fair value use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the observable inputs be used when available. Fair value estimates involve uncertainties and matters of significant judgment.

Deposits

Deposits represents amounts paid for the Organization's rent and other items. Total deposits as of December 31, 2018 were $15,175.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are personnel expenses, which are allocated on the basis of estimates of time and effort; facilities and depreciation, which are allocated on a weighted-average square footage basis; and supplies and contracted services, which are allocated based on actual expenses incurred for each function.

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions.*
- The unrestricted net asset class has been renamed *net assets without donor restrictions.*
- The financial statements include a statement of functional expenses and a new disclosure about liquidity and availability of resources.

Subsequent Events

The Organization has evaluated subsequent events through October 18, 2019, which is the date the financial statements were available to be issued.

NOTE 2 – CONTRACTS WITH THIRD PARTIES

The Organization as defined by in Section 340B is eligible to purchase outpatient drugs at reduced prices for use by qualified patients of the Organization from drug manufacturers who have signed a drug purchasing agreement with the United States Department of Health and Human Services. In addition, Section 340B allows the Organization to engage independent licensed pharmacies (the "Pharmacies") to provide Section 340B medication to the patients of the Organization consistent with certain contract pharmacy service guidelines established by the Health Resources and Services Administration ("HRSA").

The Organization entered intro contracts with third party pharmacies where the Pharmacy will monitor its inventory of covered medication and maintain sufficient supplies of the medication to meet day to day needs of the patients. The Organization authorizes the Pharmacy to order covered drugs from the designated manufacturer or wholesaler under the Organization's section account dispensed to the Organization's patients in accordance with the Replenishment of 340B Drugs.

The Pharmacy shall submit all claims for reimbursement for medication dispensed to the patients to the appropriate insurance carrier. The Pharmacy shall accept the reimbursement as described in the applicable agreement between each insurance carrier and the Pharmacy as payment in full plus any co-payments paid by the patient. The Pharmacy shall charge or reduce from the reimbursement, a dispensing fee. The net reimbursement is defined as the reimbursement received by the Pharmacy from the insurance company less the cost of replenishing the drug. Total program revenues for the year ended December 31, 2018 was $789,679. The total cost of the medications for the year ended December 31, 2018 was 274,028.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following amounts due from third parties as of December 31, 2018:

Pharmco, LLC	$ 188,316
Solera Specialty Pharmacy, LLC	23,104
Total	$ 211,420

Management believes that all accounts receivable are collectible and that no reserve is necessary at December 31, 2018

NOTE 4 – FURNITURE AND EQUIPMENT, NET

Furniture and equipment consist of the following as of December 31, 2018:

Vehicle	$ 16,476
Total	16,476
Less: Accumulated depreciation	(824)
Furnitures and equipment, net	$ 15,652

The vehicle was paid for in 2018 by the Chief Operating Officer of the Organization on behalf of the Organization. (NOTE 5). Depreciation expense for the year ended December 31, 2018 was $824.

NOTE 5 – RELATED PARTY TRANSACTIONS

In 2018, the Organization was loaned various funds by the Chief Executive Officer ("CEO") of the Organization for operational purposes. The loan with the CEO had no terms, interest rate or maturity date. As of December 31, 2018 the outstanding balance was $13,989.

In 2018, the Organization entered into a promissory note with the Chief Operating Officer ("COO") as the COO loaned the Organization funds for operational purposes. The note bears interest at 12% and matures on May 31, 2022. As of December 31, 2018, the outstanding balance was 132,740. Subsequent to year end, the Organization paid down the loan in full.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization has a lease for office rent in two locations which are classified as operating leases. The minimum lease payments are as follows:

Future minimum payments are as follows:

2019	$	92,670
2020		87,120
2021		86,520
2022		86,520
2023		57,680
Total	$	410,510

Rent expense for the year ended December 31, 2018 was $42,200.

NOTE 7 – ECONOMIC DEPENDENCE

A significant portion of the Organization’s funding is received from two main third party contractors. A significant reduction in the level of this funding, if this were to occur, may have a material effect on the Organization's programs and activities. Revenues received under these contracts represent 99% of the Organization’s total support and revenue for the year ended December 31, 2018.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has $305,622 of financial assets available within one year of December 31, 2018 to meet cash needs for general expenditures, consisting of cash of $94,202 and accounts receivable of $211,420. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

GUTIERREZ MADARIAGA
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Care 4 U Management, Inc. D/B/A Care 4 U Community Health Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Care 4 U Management, Inc. D/B/A Care 4 U Community Health Center. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gutierrez Madariaga, CPA P.A.

GUTIERREZ MADARIAGA, CPA P.A.
Miami, Florida
October 18, 2019

22) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.

23) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.

24) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

26) Care 4 U Management, Inc. d/b/a Care 4 U Community Health Center is an exempt organization under Section 501 c 3 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Signature:

Title: Chief Executive Officer