

VOLUNTEERS IN MEDICINE CLINIC

FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018



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FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 and 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 16

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Volunteers in Medicine Clinic
Springfield, Oregon

We have audited the accompanying financial statements of Volunteers in Medicine Clinic (a nonprofit organization), which comprise the statements of financial position as of September 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 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 audits 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 Volunteers in Medicine Clinic as of September 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.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
January 20, 2020

FINANCIAL STATEMENTS

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF FINANCIAL POSITION
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 236,185	\$ 327,496
Investments, short-term	372,372	331,742
Unconditional promise to give, current portion	-	100,000
Unconditional promises to give, facility, current portion	97,773	213,433
Medicine inventory	189,707	461,104
Retail inventory	14,734	-
Prepaid expenses	<u>10,681</u>	<u>11,262</u>
 Total current assets	 <u>921,452</u>	 <u>1,445,037</u>
Leasehold improvements and equipment, net	 <u>9,085</u>	 <u>12,505</u>
Other assets		
Endowment investments	789,838	802,202
Investments, long-term	-	100,013
Unconditional promises to give, facility, net of current portion	<u>-</u>	<u>85,315</u>
 Total other assets	 <u>789,838</u>	 <u>987,530</u>
Total assets	 <u><u>\$ 1,720,375</u></u>	 <u><u>\$ 2,445,072</u></u>
Liabilities and Net Assets		
Current liabilities		
Accrued expenses	\$ -	\$ 140
Accrued vacation	<u>62,798</u>	<u>57,379</u>
 Total current liabilities	 <u>62,798</u>	 <u>57,519</u>
Net assets		
Without donor restriction	1,128,067	1,603,258
With donor restriction	<u>529,510</u>	<u>784,295</u>
 Total net assets	 <u>1,657,577</u>	 <u>2,387,553</u>
Total liabilities and net assets	 <u><u>\$ 1,720,375</u></u>	 <u><u>\$ 2,445,072</u></u>

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2019 and 2018

	2019	2018
Net assets without donor restriction		
Revenue and other support:		
Contribution income	\$ 400,510	\$ 335,583
Special events income, net	186,848	222,635
Patient income	21,578	14,970
Investment income	7,074	4,400
Endowment investment income	10,762	54,221
In-kind donations	861,300	1,289,156
In-kind donations, other special events	-	3,292
In-kind volunteer services	197,913	187,863
Thrift store	14,224	-
Net assets released from restrictions	584,183	557,086
Total revenue and other support	2,284,392	2,669,206
Expenses:		
Program services:		
Medical clinic and thrift store	2,390,736	2,286,636
Support services:		
Management and general	242,132	248,871
Fundraising	126,715	173,201
Total expenses	2,759,583	2,708,708
Decrease in net assets without donor restriction	(475,191)	(39,502)
Net assets with donor restriction		
Revenues and other support:		
Contribution income	500	1,500
Grant revenue	309,747	373,996
In-kind contribution, facility	19,151	71,385
Net assets released from restrictions	(584,183)	(557,086)
Decrease in net assets with donor restriction	(254,785)	(110,205)
Change in net assets	(729,976)	(149,707)
Net assets, beginning of year	2,387,553	2,537,260
Net assets, end of year	\$ 1,657,577	\$ 2,387,553

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2019 and 2018

2019

	2019			Total
	Program Services	Support Services		
	Medical Clinic & Thrift Store	Management and General	Fundraising	
Accrued expenses				
Payroll	\$ 515,069	\$ 135,570	\$ 78,266	\$ 728,905
Payroll taxes	47,443	12,487	7,209	67,139
Employee benefits	55,869	14,706	8,489	79,064
Medicine	22,088	-	-	22,088
Insurance, professional liability	20,381	2,264	-	22,645
Medical record and transcription services	22,110	-	-	22,110
Cleaning and maintenance	18,687	3,656	2,497	24,840
Professional services	93,050	37,154	18,652	148,856
Utilities	15,984	-	-	15,984
Insurance, general	7,277	809	-	8,086
Volunteer and staff appreciation	4,189	493	246	4,928
Marketing and public relations	2,993	1,977	4,474	9,444
Telephone	8,561	504	1,007	10,072
Office supplies	4,132	517	516	5,165
Travel and education	1,867	287	718	2,872
Medical supplies	11,456	-	-	11,456
Miscellaneous	325	7,257	-	7,582
Laboratory services	595	-	-	595
Rent	2,088	110	-	2,198
Alarm system	886	-	-	886
Thrift store expenses	24,135	1,270	-	25,405
	<u>879,185</u>	<u>219,061</u>	<u>122,074</u>	<u>1,220,320</u>
Total accrued expenses				
	<u>879,185</u>	<u>219,061</u>	<u>122,074</u>	<u>1,220,320</u>
In-kind expenses				
In-kind medicine	1,077,014	-	-	1,077,014
In-kind volunteer services	197,913	-	-	197,913
In-kind clinical, lab services, and other	39,835	716	239	40,790
In-kind lease expense	193,711	22,013	4,402	220,126
In-kind expenses, other special events	-	-	-	-
Depreciation	3,078	342	-	3,420
	<u>1,511,551</u>	<u>23,071</u>	<u>4,641</u>	<u>1,539,263</u>
Total in-kind expenses				
	<u>1,511,551</u>	<u>23,071</u>	<u>4,641</u>	<u>1,539,263</u>
Total expenses	<u>\$ 2,390,736</u>	<u>\$ 242,132</u>	<u>\$ 126,715</u>	<u>\$ 2,759,583</u>
Percentage of total expenses	86.6%	8.8%	4.6%	

2018

Program Services	Support Services		
Medical Clinic & Thrift Store	Management and General	Fundraising	Total
\$ 420,371	\$ 143,511	\$ 125,656	\$ 689,538
39,372	13,441	11,770	64,583
55,317	18,884	16,535	90,736
21,904	-	-	21,904
19,387	2,154	-	21,541
17,440	-	-	17,440
19,054	3,560	2,531	25,145
83,753	28,948	352	113,053
16,645	-	-	16,645
7,357	818	-	8,175
5,400	635	318	6,353
3,120	2,409	5,704	11,233
9,208	542	1,083	10,833
3,576	447	447	4,470
2,341	360	901	3,602
10,767	-	-	10,767
1,915	8,958	-	10,873
1,814	-	-	1,814
1,541	81	-	1,622
451	-	-	451
-	-	-	-
<u>740,733</u>	<u>224,748</u>	<u>165,297</u>	<u>1,130,778</u>
1,057,003	-	-	1,057,003
187,863	-	-	187,863
102,542	1,580	209	104,331
193,711	22,012	4,403	220,126
-	-	3,292	3,292
4,784	531	-	5,315
<u>1,545,903</u>	<u>24,123</u>	<u>7,904</u>	<u>1,577,930</u>
<u>\$ 2,286,636</u>	<u>\$ 248,871</u>	<u>\$ 173,201</u>	<u>\$ 2,708,708</u>
84.4%	9.2%	6.4%	

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (729,976)	\$ (149,707)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Non-cash contribution of facility	(19,151)	(71,385)
Depreciation	3,420	5,315
Endowment investment income	(10,762)	(54,221)
Amortization of donated facility	220,126	220,126
Non-cash donations of medicine inventory	271,238	(127,822)
Non-cash donations of retail inventory	(14,734)	-
(Increase) decrease in:		
Medicine inventory	159	249
Prepaid expenses	579	(2,012)
Unconditional promises to give	100,000	111,149
Increase (decrease) in:		
Accrued expenses	(140)	140
Accrued vacation	5,419	6,787
	<u>(173,822)</u>	<u>(61,381)</u>
Net cash used by operating activities		
Cash flows from investing activities		
Purchase of endowment investments	(993,783)	-
Proceeds from sale of endowment investments	1,016,911	-
Purchase of property, plant, and equipment	-	(1,564)
Purchase of investments	(6,927)	(169,192)
Proceeds from sale of investments	66,310	218,126
	<u>82,511</u>	<u>47,370</u>
Net cash provided by investing activities		
Decrease in cash and cash equivalents	(91,311)	(14,011)
Cash and cash equivalents, beginning of year	<u>327,496</u>	<u>341,507</u>
Cash and cash equivalents, end of year	<u>\$ 236,185</u>	<u>\$ 327,496</u>

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Volunteers in Medicine Clinic (the Organization) is a nonprofit organization that operates in Lane County, Oregon, providing for the health and wellness needs of the medically underserved and their households.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of 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, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are composed of certificates of deposit and are carried at fair value. Endowment investments are composed of certificate of deposits and securities and are carried at fair value.

Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give that are to be received in future periods are discounted at an appropriate rate. Management has determined that outstanding promises to give are fully collectible. Therefore, no allowance for uncollectible promises to give is considered necessary at September 30, 2019 and 2018.

Medicine Inventory

Inventory consists of purchased, free, and donated medicines. Purchased medicines are stated at the lower of cost at acquisition (first in, first out method) or market. Free and donated medicines are stated at the lower of fair market value at the date of the donation (first in, first out method) or market. Beginning October 1, 2015, the Organization elected to capitalize in inventory free and donated medicines on hand. Previously, such medicines were expensed at the date of donation.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Leasehold Improvements, Equipment, and Depreciation

Leasehold improvements and equipment are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated on the double declining balance and straight-line method over their estimated useful lives.

Revenue Recognition

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restriction.

Contributions of donated non-cash assets and services are recorded at their fair value in the period received.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, no provision for federal or state income taxes has been included in these financial statements.

Concentration of Credit Risk

The Organization maintains its cash in various financial institutions. The balances, at times, may exceed the federally insured limit of \$250,000. At September 30, 2019 and 2018, deposits exceeded the federally insured limit by \$197,050 and \$214,392, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

Net Assets

Net assets of the Organization consist of the following:

Without donor restriction – These net assets are available for general obligations of the Organization.

With donor restriction – These net assets are restricted by donors and grantors to be used for specific purposes.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Endowment Fund Policy

The Board of Directors has established guidelines for the utilization of the Endowment Fund maintained to benefit the general purposes of the Organization. The policy sets forth that the Organization shall accept current and deferred gifts to the Endowment Fund. The Organization's policy is to allow for the release of any earnings above the Endowment's value of \$770,917 for operations.

The strategic objective of the Endowment is to attain a long term rate of return modestly in excess of the long term rate of inflation while maintaining a level of portfolio diversification, volatility and risk deem appropriate for the Endowment by the Committee. The Organization engaged the services of an investment manager during 2019.

Endowment Fund investments are limited to equity and directional strategies, debt instruments, and cash.

Expense Allocation

The Organization allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly to that program or support service according to their natural expenditure classification. Other expenses that are common to several functions are allocated among the programs and support services benefited.

Recent Accounting Standard Adopted

During the year ended September 30, 2019, the Organization adopted the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-14: *Presentation of Financial Statements of Not-for-Profit Entities*. The standard was applied on a retrospective basis. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and related to functional allocation of expenses. The September 30, 2018 financial statements have been restated to conform to the presentation and disclosure requirements of ASU 2016-14.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. Such reclassification had no effect on previously reported net assets or change in net assets.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At September 30, 2019 and 2018, The Organization's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

	2019	2018
Cash and cash equivalents	\$ 236,185	\$ 327,496
Pledges receivable	-	100,000
Investments	372,372	431,755
Endowments	789,838	802,202
	1,398,395	1,661,453
Less perpetually restricted portion of endowment	(380,991)	(380,991)
Less board designated funds	(482,000)	(680,000)
 Financial assets available for general expenditure	 \$ 535,404	 \$ 600,462

The Board of Directors has designated a portion of the Organization's net assets without donor restrictions to be reserved for the purpose of future operating reserves. The Board designated funds are held in investments and endowments.

3. Investments

At September 30, investments consisted of certificates of deposit with original maturities greater than 90 days in the following categories:

	2019	2018
Certificates of deposit, short-term	\$ 372,372	\$ 331,742
Certificates of deposit, long-term	-	100,013
 Total investments	 \$ 372,372	 \$ 431,755

4. Endowment Investments

At September 30, the Endowment Fund consisted of the following:

	2019	2018
Earnings	\$ 408,847	\$ 421,211
Perpetually restricted	380,991	380,991
 Total Endowment investments	 \$ 789,838	 \$ 802,202

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

4. Endowment Investments, continued

The following table summarizes Endowment Fund activity:

	<u>2019</u>	<u>2018</u>
Balance, October 1	\$ 802,202	\$ 747,981
Distributions	(23,128)	-
Investment return, net	<u>10,764</u>	<u>54,221</u>
Balance, September 30	<u>\$ 789,838</u>	<u>\$ 802,202</u>

5. Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at September 30, 2019 and 2018.

Securities: Quoted market prices are used to value each security at year end.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

5. Fair Value Measurement, continued

Certificates of deposit: Valued at the quoted market value of certificates held by the Organization at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2019 and 2018:

	Assets at Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 657,910	\$ -	\$ -	\$ 657,910
Securities	504,300	-	-	504,300
Total assets at fair value	<u>\$ 1,162,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162,210</u>

	Assets at Fair Value as of September 30, 2018			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 431,755	\$ -	\$ -	\$ 431,755
Securities	802,202	-	-	802,202
Total assets at fair value	<u>\$ 1,233,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,233,957</u>

6. Unconditional Promises to Give, Facility

The Organization leases a 9,126 square foot building (new clinic) under a five-year operating lease where the annual lease payment is \$12. The original lease commenced on April 1, 2010, and had an expiration date of March 31, 2015. This lease was extended in February 2013 for a two-year period and further extended in March 2017 for an additional three-year period. The lease is currently set to expire March 31, 2020.

The Organization moved into a leased 485 square foot building (storage) under a one-year operating lease where the annual lease payment is \$1. The lease commenced on October 1, 2017 and expired on September 30, 2018. The lease was extended for a one-year period starting on October 1, 2018, and again extended for one year starting on October 1, 2019.

The Organization leases a 1,513 square foot space (administrative office) under a two-year operating lease where the annual lease payment is \$12. The original lease commenced on November 1, 2011, and ended on November 30, 2013. The lease was extended for an additional two years through November 30, 2015. In November 2015, the lease was further extended for another two years through November 30, 2017. In October 2017, the lease was again extended for an additional two years from December 1, 2017 to November 30, 2019.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

6. Unconditional Promises to Give, Facility, continued

At September 30, the present value of the estimated future fair value of these lease payments, using a discount rate of 6 percent, was treated as an unconditional promise to give and consisted of the following:

	<u>2019</u>	<u>2018</u>
Promises to give with donor restriction, facility	\$ 99,455	\$ 312,887
Unamortized discount	<u>(1,682)</u>	<u>(14,139)</u>
Net unconditional promises to give, facility	<u>\$ 97,773</u>	<u>\$ 298,748</u>
Amounts due in:		
Less than one year	\$ 97,773	\$ 213,433
One to five years	<u>-</u>	<u>85,315</u>
	<u>\$ 97,773</u>	<u>\$ 298,748</u>

7. Unconditional Promise to Give

At September 30, unconditional promise to give consisted of the following:

	<u>2019</u>	<u>2018</u>
Pledges	\$ -	\$ 100,000
Net unconditional promise to give	<u>\$ -</u>	<u>\$ 100,000</u>
Amounts due in:		
Less than one year	\$ -	\$ 100,000
One to five years	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 100,000</u>

8. Operating Lease Obligations

The Organization leases a building (thrift store) under a three-year operating lease where the monthly lease payment is \$2,500. The lease commenced on April 1, 2019 and is currently set to expire on March 31, 2022. Total lease expense for the year ended September 30, 2019 was \$12,500.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

8. Operating Lease Obligations, continued

Future minimum payments under the above lease, as well as those in Note 6, are as follows:

For the Year Ending September 30,		
2020	\$	30,009
2021		30,000
2022		15,000
2023		-
2024		-
Thereafter		-
Total	\$	75,009

9. Leasehold Improvements and Equipment

At September 30, leasehold improvements and equipment consisted of the following:

	2019	2018
Medical equipment	\$ 77,522	\$ 77,522
Office equipment	94,780	94,780
Office furniture	19,046	19,046
Leasehold improvements	283,248	283,248
	474,596	474,596
Accumulated depreciation	(465,511)	(462,091)
Leasehold improvements and equipment, net	\$ 9,085	\$ 12,505

10. Net Assets With Donor Restriction

At September 30, net assets with donor restriction were available for the following purposes:

	2019	2018
In-kind facility lease donation	\$ 97,773	\$ 298,748
Grant revenue	50,746	104,556
Perpetual endowment	380,991	380,991
Total net assets with donor restriction	\$ 529,510	\$ 784,295

11. Board-designated Net Assets

At September 30, Board-designated net assets were available for the following purposes:

	2019	2018
Operating reserves	\$ 482,000	\$ 680,000

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

12. Retirement Plan

The Organization established a Savings Incentive Match Plan for Employees (SIMPLE) effective January 1, 2015. Under the SIMPLE plan, eligible employees may make elective contributions up to the maximum amount allowable by law. The Organization will make a non-elective contribution equal to 2 percent of the eligible employees' compensation each calendar year. Contributions to the plan totaled \$12,536 and \$13,267 for the years ended September 30, 2019 and 2018, respectively.

13. Related Party Transactions

The Board of Directors made contributions to the Organization of \$23,206 and \$19,969 during the years ended September 30, 2019 and 2018, respectively.

14. In-kind Volunteer Services

For the years ended September 30, in-kind volunteer services consisted of the following:

	2019	2018
In-kind volunteer services	\$ 197,913	\$ 187,863

Other non-eligible volunteer services for administrative and Thrift Store functions totaled \$166,495 and \$170,788 for the years ended September 30, 2019 and 2018, respectively. These non-eligible amounts are not included in the financial statements.

15. Special Events

At September 30, special events consisted of the following:

	2019	2018
Special events income	\$ 260,314	\$ 300,005
Less: Direct donor benefits	(73,466)	(77,370)
Special events income, net	\$ 186,848	\$ 222,635

The Organization received \$60,454 and \$95,406 of donated auction items for the years ended September 30, 2019 and 2018, respectively. In addition, the Organization received \$2,048 and \$8,869 of in-kind special event services, and \$-0- and \$3,292 of miscellaneous in-kind special event donations for the years ended September 30, 2019 and 2018, respectively.

16. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.