

HELP A DIABETIC CHILD, INC.
501(c)(3) Public Charity
AUDITED FINANCIAL STATEMENTS
FOR YEARS ENDED 2019

HELP A DIABETIC CHILD, INC.
Notes to the Financial Statements (Continued)
December 31st 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors

Help A Diabetic Child, Inc

Naples, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Help A Diabetic Child, Inc. a (501 (c) (3) nonprofit organization), which comprise the statements of financial position as of December 31, 2019, and the related statements of activities, and cash flows for the year 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.

Auditors' 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 auditors' 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 auditors consider 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.



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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 Help A Diabetic Child, Inc. as of December 31, 2019, 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.



Hakim & Zafar CPA's and Advisory
Miami, Florida
June 22, 2020

Help A Diabetic Child, Inc.
Statement of Financial Position
Years Ended 2018 and 2019

Help A Diabetic Child, Inc.
Statement of Activities

	2018		2019	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Fiscal Year End	Fiscal Year End	Fiscal Year End	Fiscal Year End
REVENUE AND SUPPORT				
Grants				
Schulze Family Foundation		23,000	23,000	23,000
Collier County Community Foundation		4,100	14,896	14,896
Von Arx Family Foundation		25,000	25,000	25,000
Weny Charitable Trust		59,606		25,000
Naples United of Christ		3,000		-
Lohman Family		50,000		175,000
South West Florida Childred's Charity				13,600
Camp Angels		13,000		1,500
Various Restricted Grants and Donors				8,500
Unrestricted				
Aetna	5,000			-
Walmart	750			-
Donations	52,481		115,182	115,182
Interest	41			-
Total Revenue and Support	\$ 58,272	\$ 177,706	\$ 178,078	\$ 223,600
				\$ 401,678

EXPENSES				
Program Services				
Insulin, Diabetes Supplies, and Doctor Visits		55,889		74,535
Diabetes and Wellness Conference		13,603		45,682
Diabetes Camp		2,458		2,208
Volusia County			23,661	23,661
Development of DSME and DAN Programs		92,400	18,577	18,577
Unrestricted				
Professional and Administrative Services	16,020		32,692	32,692
Grants Writing and Donor Relations			3,100	3,100
Advertising & Media	9,356		9,341	9,341
Office Supplies & Expenses	4,468		6,991	6,991
Officers and Directors Insurance	681		681	681
Meals and Entertainment			3,999	3,999
Government Filing Fees	70			-
Total Expenses	\$ 30,595	\$ 164,350	\$ 56,804	\$ 164,664
				\$ 221,467

NET ACTIVITY CURRENT YEAR	\$ 27,677	\$ 13,356	\$ 41,714	\$ 121,274	\$ 58,936	\$ 180,211
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Help A Diabetic Child, Inc.
 Statements of Financial Position and Cashflow
 Years Ended 2018 and 2019

Statement of Financial Position

ASSETS	<u>2018</u>	<u>2019</u>
Operating Account	103,063	241,827
Edward Jones @ cost	20,000	46,031
Wells Fargo	41	10,500
Community Foundation of Collier County		15,000
Weny Account	11,113	1,070
TOTAL ASSETS	\$ 134,217	\$ 314,428
NET ASSETS BALANCE		
With Donor Restrictions	(81,041)	(139,977)
Without Donor Restrictions	(53,176)	(174,450)
FUND BALANCE	\$ (134,217)	\$ (314,428)

Statement of Cashflows

	<u>2018</u>	<u>2019</u>
Cashflow from Operating Activities		
Cash Received from Restrictive Grants	177,706	286,496
Cash Received from Donations	58,231	115,182
Interest and Dividends	41	
Cash paid for Program Services	(161,724)	(164,664)
Cash paid for Operating Expenses	(33,221)	(56,804)
 Total Net Cash Received and Disbursed	 \$ 41,033	 \$ 180,211
Beginning Cash Balance	\$ 93,183	\$ 134,217
Ending Cash Balance	\$ 134,217	\$ 314,428

HELP A DIABETIC CHILD, INC.
Notes to the Financial Statements
December 31st 2019

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Help A Diabetic Child, Inc. (HADC) is a 501(c)(3) Public Charity that was established in 2012 in Naples, Florida. The core mission of HADC is to purchase diabetes supplies, insulin, and services for children in need in addition to promoting awareness and education to all who are dealing with diabetes.

A summary of HADC's significant programs follows:

Education and Information

HADC hosts a variety of education programs and events that help bring children and other individuals that are suffering with diabetes together for support and interaction. One program is a week-long diabetes camp that provides the opportunity to all children, regardless of the family's ability to pay, the opportunity to participate in daily activities which include education on nutrition and exercise, emotional and peer support presented by medical professionals, wellness, and of course fun and social activities.

The annual conferences which takes place close to year end is a more formal educational program that is open to the general public and allows children, parents and care givers meet with healthcare professionals, vendors, nutritionists and others to help develop a solid base of knowledge on how to treat diabetes on a day to day basis

Accounting Method

HADC uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, HADC considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Tax Exempt Status

HADC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to HADC's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2019, there was no unrelated business income.

HELP A DIABETIC CHILD, INC.
Notes to the Financial Statements, (Continued)
December 31st 2019

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. The net assets of HADC are reported in each of the following three classes: (a) With Donor Restrictions and (b) Without Donor Restrictions. Accordingly, net assets are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Board designated or appropriated amounts are legally unrestricted and therefore reported as part of the unrestricted class.

With Donor Restrictions - Net assets from contributions subject to donor-imposed stipulations, which are permanent or temporary in nature, prohibiting expenditure of the assets pledged or donated. Typically, the income earned on invested balances of permanently restricted net assets is reported as part of unrestricted net assets unless the donor specifically limits the use of such income.

Revenue Recognition

Grants and contributions received are recorded as Without Donor restrictions or With Donor Restrictions support, depending on the existence and/or nature of any donor restrictions. Grants and contributions are recognized as revenue at the earlier of when they are received or unconditionally pledged.

Donor Restricted Funds

All donor-restricted support is reported as an increase in With Donor Restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), With Donor Restricted net assets are reclassified to Without Donor Restricted net assets and reported on the Statements of Activities as net assets released from restrictions.

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

HELP A DIABETIC CHILD, INC.
Notes to the Financial Statements, (Continued)
December 31st 2019

NOTE 2 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject to concentrations of credit risk include cash deposits with commercial banks. HADC's cash management policies limit its exposure to concentrations of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits may, however, exceed the FDIC insurable limits at times throughout the year. Management does not consider this a significant concentration of credit risk.

NOTE 3 WITH DONOR RESTRICTED NET ASSETS

At the end of 2019 HADC had a balance of \$142,455 of Donor Restricted Net Assets.

NOTE 4 SUBSEQUENT EVENTS

HADC has evaluated subsequent events for potential required disclosure through May 28, 2020, which is the date financial statements were available to be issued.



HELP A DIABETIC CHILD
FOUNDATION
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MANAGEMENT REPRESENTATION LETTER

HELP A DIABETIC CHILD INC.

June 30, 2020

Hakim & Zafar CPA and Advisory Services
4900 SW 74th Court
Miami, Florida 33155

We are providing this letter in connection with your audit of the financial statements of Help A Diabetic Child Inc. as of December 31st, 2019 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Help A Diabetic Child Inc in conformity with generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of June 30th, 2019 the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with generally accepted accounting principles. We provided to you the following:
 - a. Financial records and related data. We are not aware of any accounts, transactions or material agreements not fairly described and properly recorded in the financial and accounting records underlying the financial statement.

- b. Minutes of the meetings of directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - 2. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - 3. There has been no:
 - a. Fraud involving management or employees who have significant roles in internal control.
 - b. Fraud involving others that could have a material effect on the financial statements.
 - 4. The organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 - 5. The following have been properly recorded or disclosed in the financial statements:
 - a. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the company is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, "Disclosure of Significant Risks and Uncertainties."
 - 6. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, "Accounting for Contingencies."
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
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7. 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.
8. The Organization has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

To the best of our knowledge and belief, no events have occurred subsequent to the balance-sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

A handwritten signature in cursive script, reading "Tami Balavage".

Tami Balavage, Chief Executive Officer