

FINANCIAL STATEMENTS
as of
June 30, 2019 and 2018

Lions Clinic of Texas, Inc.
P.O. Box 703461
Dallas, TX 75370-3461

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Andy D. Plagens, L.L.C.
Certified Public Accountant

To the Board of Trustees of
Lions Clinic of Texas, Inc.

I have audited the accompanying financial statements of Lions Clinic of Texas, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lions Clinic of Texas, Inc. as of June 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.



Andy D. Plagens, L.L.C.

Dallas, Texas
September 27, 2019

Lions Clinic of Texas, Inc.
 Statements of Financial Position
 As of June 30, 2019 and 2018

Assets

	2019	2018
Current Assets		
Petty Cash	\$ 310.78	\$ 400.00
Wells Fargo - Checking	60,870.37	99,594.02
Wells Fargo - Savings	85,432.20	200,166.51
Capitol One - Checking	118,187.83	170,073.78
Capitol One - Savings	201,425.20	-
In-Kind Clearing Account	1,733.78	-
Accounts Receivable	8,909.70	16,956.13
Allowance for Doubtful Accounts	(8,046.89)	(11,946.14)
Prepaid Insurance	5,740.00	2,508.99
Undeposited Funds	4,676.96	130.96
Prepaid Expense	2,514.37	-
	<u>481,754.30</u>	<u>477,884.25</u>
Property and Equipment		
Office Equipment	15,781.86	12,785.48
Furniture and Equipment	2,046.82	2,046.82
Medical Equipment	17,092.34	17,092.34
Miscellaneous Equipment	3,378.38	3,378.38
Less Accumulated Depreciation	(32,147.51)	(30,267.20)
	<u>6,151.89</u>	<u>5,035.82</u>
Non Current Assets		
Deposits - Rental - Plano	4,600.00	4,600.00
Deposits - Rental - Lewisville	2,000.00	2,000.00
Deposits - Rental - Dallas	3,424.08	2,989.00
	<u>10,024.08</u>	<u>9,589.00</u>
Total Assets	<u>\$ 497,930.27</u>	<u>\$ 492,509.07</u>

Lions Clinic of Texas, Inc.
 Statements of Financial Position
 As of June 30, 2019 and 2018

Liabilities and Net Assets

	2019	2018
Current Liabilities		
Accounts Payable	\$ -	\$ 21,796.60
Payroll Liab - State Unemployment Taxes	137.37	126.69
Credit Card - Visa #6315	<u>19,181.92</u>	<u>(0.09)</u>
Total Current Liabilities	<u>19,319.29</u>	<u>21,923.20</u>
Total Liabilities	<u>19,319.29</u>	<u>21,923.20</u>
Net Assets		
Net Assets Without Donor Restrictions	<u>478,610.98</u>	<u>470,585.87</u>
Total Net Assets Without Donor Restrictions	<u>478,610.98</u>	<u>470,585.87</u>
Total Liabilities and Net Assets	<u>\$ 497,930.27</u>	<u>\$ 492,509.07</u>

Lions Clinic of Texas, Inc.
 Statements of Activities
 For the Years Ended June 30, 2019 and 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions		
Revenues		
Donations	\$ 109,363.43	\$ 107,509.27
Patient Charges	1,037,004.96	1,047,559.08
Other	16,471.95	10,765.27
Interest	1,513.05	112.08
Total Revenues	<u>1,164,353.39</u>	<u>1,165,945.70</u>
Operating Expenses		
Clinical Care	1,016,077.63	942,794.40
Management & General	130,880.07	121,391.59
Fund Raising	9,370.58	9,172.67
Total Operating Expenses	<u>1,156,328.28</u>	<u>1,073,358.66</u>
Net Increase (Decrease) In Net Assets	<u>8,025.11</u>	<u>92,587.04</u>
Net Assets, Beginning of Year	<u>470,585.87</u>	<u>377,998.83</u>
Net Assets, End of Year	<u>\$ 478,610.98</u>	<u>\$ 470,585.87</u>

Lions Clinic of Texas, Inc.
 Statements of Cash Flows
 For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Net Increase (Decrease) In Net Assets	\$ 8,025.11	\$ 92,587.04
Adjustments to reconcile net assets (loss) to net cash provided by (used in) operating activities:		
Depreciation and Amortization	1,880.31	1,741.55
Bad Debts	2,625.82	6,525.07
Decrease (Increase) in Operating Assets:		
Accounts Receivable	1,521.37	(2,060.44)
Prepaid Expenses	(5,745.38)	781.88
Other	(435.08)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(21,796.60)	(554.97)
Other	19,192.69	(59.95)
Total Adjustments	<u>(2,756.87)</u>	<u>6,373.14</u>
Net Cash Provided By (Used In) Operating Activities	<u>5,268.24</u>	<u>98,960.18</u>
Cash Flows from Investing Activities		
Capital Expenditures	<u>(2,996.38)</u>	<u>-</u>
Net Cash Provided By (Used In) Investing Activities	<u>(2,996.38)</u>	<u>-</u>
Cash Flows from Financing Activities		
Net Cash Provided By (Used In) Financing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) In Cash and Cash Equivalents	2,271.86	98,960.18
Beginning Cash and Cash Equivalents	<u>470,365.27</u>	<u>371,405.09</u>
Ending Cash and Cash Equivalents	<u>\$ 472,637.12</u>	<u>\$ 470,365.27</u>
Interest Paid	<u>NONE</u>	<u>NONE</u>
Income Taxes Paid	<u>NONE</u>	<u>NONE</u>

LIONS CLINIC OF TEXAS, INC.
(D/B/A PRIMARY CARE CLINIC OF NORTH TEXAS)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The following is a summary of the significant accounting policies followed by the Lions Clinic of Texas, Inc., ("Clinic"). The Clinic is a Texas non-profit corporation that incorporated on April 7, 2003 (Charter #0800192327) to provide quality medical care at an affordable cost to medically uninsured patients. The Clinic receives no federal or state aid. The accompanying financial statements are presented on the accrual basis of accounting.

Cash and Cash Equivalents

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

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Clinic 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 depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Clinic generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Clinic, but these services do not meet the criteria for recognition as contributed services. The Clinic receives more than 1,000 volunteer hours per year.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. For the years ending June 30, 2019 and June 30, 2018, there were no restrictions on contributions received.

Property and Equipment

Property and equipment are recorded at cost. The Clinic's policy is to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Depreciation is provided using accelerated and straight-line methods over the estimated useful life of the asset.

Security Deposits

The Clinic deposited funds with landlords to be used in the event the Clinic does not perform under its lease or utility obligations. These amounts have been reported as security deposits. Total security deposits as of June 30, 2019 were \$13,013 and June 30, 2018 was \$10,024.

Income Tax Status

The Clinic is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

LIONS CLINIC OF TEXAS, INC.
(D/B/A PRIMARY CARE CLINIC OF NORTH TEXAS)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cost Allocation

The Schedule of Functional Expenses shown in NOTE F, contains certain categories of expenses that are attributable to more than the Clinic's one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated based on estimates of time spent.

Significant Accounting Policies

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU No. 2016-14 amends the requirements for financial statements and notes in Topic 958 to require a not-for-profit entity, ("NFP"), to present on the face of the statement of financial position amounts for two classes of net assets at the end of the period rather than the three classes currently required, and on the face of the statement of activities the amount of the change in each of the two classes of net assets. An NFP will now report amounts for net assets with donor restrictions and net assets without donor restrictions. In addition, an NFP will be required to present the amounts of expenses by both their natural classification and the functional classification. Additional qualitative and quantitative disclosure information on the NFP's liquidity and availability of the NFP's financial assets will be required, as well as the elimination of the requirement to present or disclose the indirect method (reconciliation) if the NFP uses the direct method for presentation of the statement of cash flows. ASU No. 2016-14 is effective for annual financial statements issued for the fiscal years beginning after December 31, 2017 and for interim periods within fiscal years beginning after December 31, 2018, with early application permitted, applied on a retrospective basis in the year adopted.

NOTE B—RESTRICTIONS ON NET ASSETS

The Clinic has no restrictions on any of its net assets as of June 30, 2019 and 2018.

NOTE C—PROMISES TO GIVE

The Clinic has no unconditional promises to give as of June 30, 2019 and 2018.

NOTE D—COMMITMENTS

The Clinic leases its facilities as follows:

<u>Location</u>	<u>Base Rent</u>	
	<u>Per Month</u>	<u>Expires</u>
Dallas, Texas	\$2,989	6/30/24
Lewisville, Texas	\$2,100	3/31/08 - now month to month
Plano, Texas	\$4,884	3/31/21

The Clinic also enters into various contracts for services (such as medical waste disposal, and these contracts are generally cancelable by either party with 30 days-notice.

NOTE E—EVALUATION OF SUBSEQUENT EVENTS

**LIONS CLINIC OF TEXAS, INC.
(D/B/A PRIMARY CARE CLINIC OF NORTH TEXAS)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

The Clinic has evaluated subsequent events through September 27, 2019, the date which the financial statements were available to be issued.