

FEIN: 26-0064343

**LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
COMPILED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Lions Clinic of Texas, Inc.
dba Primary Care Clinic of North Texas
P.O. Box 703461
Dallas, TX 75370

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the accompanying financial statements of Lions Clinic of Texas, Inc., dba Primary Care Clinic of North Texas, (referred to as "the Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

REPORT ON THE FINANCIAL STATEMENTS

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

PURPOSE

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Ranjeet Koirala CPA PC". The signature is written in a cursive, flowing style.

Ranjeet Koirala CPA PC
Irving, Texas
January 12, 2023

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash And Cash Equivalents	\$ 772,133	\$ 595,053
Prepaid Expenses	13,022	10,012
Total Current Assets	785,155	605,065
Property And Equipment, Net	512,985	5,811
Security Deposits	35,424	33,024
Total Assets	1,333,564	643,900
<u>Liabilities & Net Assets</u>		
Current Liabilities		
Accounts Payable And Accrued Expenses	42,804	5,915
Current Portion of Notes Payable	16,053	87,409
Total Current Liabilities	58,857	93,324
Long Term Liabilities		
Notes Payable, Net of Current Portion	329,879	78,977
Total Liabilities	388,736	172,301
Net Assets		
Net Assets Without Donor Restrictions	944,828	471,599
Net Assets With Donor Restrictions	-	-
Total Net Assets	944,828	471,599
Total Liabilities & Net Assets	\$ 1,333,564	\$ 643,900

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

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support						
Contributions and grants	\$ 404,513	\$ -	\$ 404,513	\$ 75,562	\$ -	\$ 75,562
Patient Charges	1,080,761		1,080,761	989,731		989,731
Other Services	4,873		4,873	3,289		3,289
In-Kind Contributions	-		-	1,302		1,302
Total Contributions	1,490,147	-	1,490,147	1,069,884	-	1,069,884
Rental Income	14,406		14,406	-	-	-
Interest And Other	237		237	724		724
PPP Loan Forgiven	166,386		166,386	-		-
Net Assets Released From Restriction	-		-	-		-
Total Revenues, Gains And Other Support	1,671,176	-	1,671,176	1,070,608	-	1,070,608
Expenses						
Program Services	955,114	-	955,114	909,184	-	909,184
Management and General	242,833		242,833	228,196		228,196
Fundraising Expenses	-		-	-		-
Total Expenses	1,197,947	-	1,197,947	1,137,380	-	1,137,380
Change In Net Assets	473,229	-	473,229	(66,772)	-	(66,772)
Net Assets- Beginning Of Year	471,599	-	471,599	538,371	-	538,371
Net Assets- End Of Year	\$ 944,828	\$ -	\$ 944,828	\$ 471,599	\$ -	\$ 471,599

The accompanying notes are an integral part of these financial statements

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021

Description	2022				2021			
	Program	Management and General	Fund Raising	Total	Program	Management and General	Fund Raising	Total
Salaries and wages	\$ 310,165	\$ 77,541	\$ -	\$ 387,706	\$ 359,834	\$ 89,959	\$ -	\$ 449,793
Consultation-Nurses	198,934	49,734	-	248,668	153,829	38,457	-	192,286
Laboratory fees	176,638	44,160	-	220,798	129,874	32,468	-	162,342
Occupancy	115,589	28,897	-	144,486	122,787	30,697	-	153,484
Office expenses	51,911	12,978	-	64,889	46,959	11,740	-	58,699
Consultation-Doctors	50,930	12,733	-	63,663	44,155	11,039	-	55,194
Payroll taxes	23,838	5,959	-	29,797	27,622	6,905	-	34,527
Insurance	8,705	2,176	-	10,881	11,560	2,890	-	14,450
Medical Supplies	12,270	3,067	-	15,337	7,089	2,672	-	9,761
Accounting	2,400	600	-	3,000	3,600	900	-	4,500
Interest Expenses	-	4,054	-	4,054	-	-	-	-
Depreciation and Amortization	3,734	934	-	4,668	1,875	469	-	2,344
Total Expenses	\$ 955,114	\$ 242,833	\$ -	\$ 1,197,947	\$ 909,184	\$ 228,196	\$ -	\$ 1,137,380

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

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows From Operating Activities</u>		
Change In Net Assets	\$ 473,229	\$ (66,772)
Adjustments To Reconcile Net Increase/(Decrease) In Net Assets		
Depreciation and Amortization	4,668	2,344
Decrease (Increase) in Operating Assets & Liabilities		
Prepaid Expenses	(3,010)	(1,279)
Security Deposit	(2,400)	2,000
Accounts Payable And Accrued Expenses	36,889	(17,820)
Cash Provided by (Used In) Operating Activities	509,376	(81,527)
<u>Cash Flows From Investing Activities</u>		
Acquisition of Property Plant & Equipment	(511,842)	(1,302)
Cash Used In Investing Activities	(511,842)	(1,302)
<u>Cash Flows From Financing Activities</u>		
Notes Payable	179,546	85,987
Cash Provided By Financing Activities	179,546	85,987
Change In Cash And Cash Equivalents	177,080	3,158
Cash And Cash Equivalents, Beginning	595,053	591,895
Cash And Cash Equivalents, Ending	\$ 772,133	\$ 595,053

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

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Incorporation

Lions Clinic of Texas, Inc. dba Primary Care Clinic of North Texas (“the Organization”) was founded in 2003, pursuant to the incorporation laws of the State of Texas to establish and operate a corporation as a non-profit organization under section 501(c)(3) of the Internal Revenue Code.

Principal Activity

The mission of Primary Care Clinic of North Texas is to provide quality medical care at an affordable cost to uninsured adults without regard to income, residency, or background. Primary Care Clinic of North Texas seeks to be a solution by providing quality medical care and building connections with patients, expanding its service model to address the growing needs of the working poor and underinsured, for whom high deductibles and copayments present access barriers to basic healthcare.

A) Form of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles the (U.S. GAAP). The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support, and expenses during the reporting periods. Significant estimates made in preparing the financial statements include allocation of functional expenses. Accordingly, actual results may vary from management's estimates.

Revenues and gains are recognized when earned, and expenditures and losses are recognized when incurred.

B) Classification and Reporting of Net Assets

Net assets, revenues and expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

i. Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations. Net assets received and expended within the reporting period are reported in the Statement of Activities as unrestricted support and revenue.

ii. Net Assets with Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Net assets with donor restrictions whose restrictions are satisfied in the same year of receipt are treated as net assets without donor restrictions.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C) Contributions, Gains and Other Support

Contributions are recognized when received from the donor. Contributions not restricted by donors are reported as increases in net assets not restricted by donors in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets restricted by donors depending on the nature of the restrictions. When a restriction expires, donor restricted assets are reclassified to net assets without donor restriction. Unconditional promises to give by donors are recorded as pledges receivable and contribution revenue when promises are made, or donated items are received and are immediately available for use without restriction unless specifically restricted by the donor. Unconditional promises expected to be collected within one year are recorded at net realizable value. Unconditional promises expected to be collected in future years are recorded at their fair values.

Conditional promises to give are recognized when the conditions on which such promises depend are substantially met.

The Organization records interest and dividends on its marketable securities when earned. Gains or losses are recorded when realized. Unrealized gains or losses are recorded based upon changes in the fair value of investments held.

D) Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include highly liquid assets with an original maturity of three months or less. Cash and Cash Equivalents consist of cash on hand, checking, savings, and money market accounts.

E) Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in these financial statements. Accordingly, certain costs have been allocated between program services, management, and general.

F) Concentrations of Credit Risk

The Organization maintains its cash balances at various local financial Institutions. Accounts at these Organizations are insured by the Federal Deposit Insurance Corporation up to the legal limits of \$250,000 per financial Organization.

G) Inventory

Organization has a policy of expending all supply items.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H) Property and Equipment

Property and Equipment are stated at cost, net of accumulated depreciation. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation and amortization are computed on the straight-line method over the estimated useful asset lives.

I) Advertising Costs

Advertising costs, except for direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are to be received. There were no direct-response advertising costs for the current fiscal year.

J) Use of 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 of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

K) Concentration of Economic Dependency

The Organization derives a portion of its revenue from corporate grants and individual donors.

L) Uncertain Tax Positions

Under US GAAP, an organization must recognize the tax benefit associated with the tax position taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. For the year ended June 30, 2022 and 2021, there were no interest or penalties recorded or included in the statement of activities. The Organization is subject to routine audits by a taxing authority, but as of June 30, 2022 and 2021, there were no examinations in progress.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M) Fair Value Measurement

The Organization reports its qualified assets and liabilities in accordance with the Fair Value Measurements and Disclosure Standards and accounting principles generally accepted in the United States. These standards define fair value, establish a framework for measuring fair value, and expand disclosures about fair value measurements. This policy establishes a Fair Value framework that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value hierarchy and a description of the valuation techniques used for instruments measured at fair value are as follows:

- Level 1- Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.
- Level 2- Pricing inputs other than quoted prices included in Level 1, which are either directly observable or that can be derived or supported from observable data as of the reporting date.
- Level 3- Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed techniques that result in management's best estimate of fair value.

A qualifying asset or liabilities level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The Organization's qualifying assets or liabilities are recorded at fair value using Level 1 inputs.

N) Subsequent Events

The Organization evaluates subsequent events through January 12, 2023, the date of this report.

O) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2: CONTRIBUTIONS RECEIVABLE

The Organization maintains receivables due from various contributors. The organization has established an allowance for doubtful accounts through a provision for bad debts, charged to expense, and represents management's best estimate of possible losses that may occur within the pledge receivable portfolio. There were no estimated losses charged to bad debt expenses during the years ended June 30, 2022 and 2021, and no allowance for doubtful accounts was required. As of June 30, 2022 and 2021, the contributions receivable was \$0. .

NOTE 3: PROPERTY AND EQUIPMENT

Physical property and equipment are stated on the statement of financial position at cost at date of acquisition or, in the case of gifts, fair market value at date of donation. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Useful lives of fixed assets ranges from three to thirty nine years.

Disposal/ Retirement

Upon retirement or sale, the cost of assets disposed of, and the related accumulated depreciation, are removed from the accounts and any resulting gain or loss is recorded as other income.

Classification

The major classification of property and equipment as of June 30, 2022 and 2021 are as follows:

	2022	2021
Building	\$ 464,776	\$ -
Land	47,066	-
Office equipment	18,944	18,944
Furniture & Equipment	5,425	5,425
Medical Equipment	18,092	18,092
Gross Property & Equipment	554,303	42,461
Less: Accumulated Depreciation & Amortization	(41,318)	(36,650)
Property & Equipment, Net	512,985	5,811
Depreciation & Amortization	\$ 4,668	\$ 2,344

Capitalization

Expenditures for maintenance and repairs are charged to expenses, whereas major betterments are capitalized. The Organization capitalizes property and equipment with useful life of greater than one year for costs in excess of \$1,000.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses balances as of June 30, 2022 and 2021 as detailed below:

	<u>2022</u>	<u>2021</u>
Customer Payable	\$ 33,939	\$ 4,926
Credit Card Liabilities	330	-
Payroll Liabilities	8,535	989
	<u>\$ 42,804</u>	<u>\$ 5,915</u>

NOTE 5: NET ASSETS

The Organization's net assets as of June 30, 2022 and 2021, were as follows:

	<u>Net Assets as of June 30, 2022</u>		
	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, Beginning	\$471,599		\$471,599
Revenues, gains and other support	1,671,176	-	1,671,176
Functional Expenses	(1,197,947)	-	(1,197,947)
Released during the year	-	-	-
Net Assets, Ending	\$944,828	-	\$944,828

	<u>Net Assets as of June 30, 2021</u>		
	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, Beginning	\$538,371		\$538,371
Revenues, gains and other support	1,070,608	-	1,070,608
Functional Expenses	(1,137,380)	-	(1,137,380)
Released during the year	-	-	-
Net Assets, Ending	\$471,599	-	\$471,599

LIONS CLINIC OF TEXAS, INC.
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6: NOTES PAYABLE

The Organization had the following notes payable outstanding as of June 30, 2022 as detailed below:

Description	2022		
	Short Term	Long Term	Total
Lions Clinic of Texas, Inc received commercial contract financing from Veritex Community Bank principal amount of \$350,000.00 with interest rate of 4. 6% monthly installment of \$2,707 beginning April 30, 2022 with total payments of 83 installments.	\$16,053	\$329,879	\$345,932

Future maturities of notes payable as of June 30, 2022 are as follows:

Year	Short Term	Long Term	Amount
2023	\$ 16,053	-	\$ 16,053
2024		18,289	18,289
2025		19,136	19,136
2026		20,023	20,023
2027		20,950	20,950
Thereafter		251,481	251,481
	<u>\$ 16,053</u>	<u>329,879</u>	<u>\$ 345,932</u>

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6: NOTES PAYABLE (PAYCHECK PROTECTION PROGRAM)

During the fiscal years ended June 30, 2021 and 2020 the Organization entered into an unsecured loan (PPP Loan) in the aggregate amount as detailed below with a bank pursuant to the Paycheck Protection Program (PPP), which is sponsored by the Small Business Administration (SBA), and is part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as amended by the Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act). The PPP provides for loans to qualifying businesses, the proceeds of which may only be used for payroll costs, rent, utilities, mortgage interest, and interest on other pre-existing indebtedness (Permissible Expenses). The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties. The PPP Loan, and accrued interest, may be forgiven partially or in full, if certain conditions are met. The most significant of the conditions are:

- Only amounts expended for Permissible Expenses during the eight-week or 24-week period, as elected by The Institution, following the Covered Period are eligible for loan forgiveness. The Organization has elected a 24-week Covered Period;
- Of the total amount of Permissible Expenses for which forgiveness can be granted, at least 60% must be for payroll costs, or a proportionate reduction of the maximum loan forgiveness amount will occur; and
- If employee headcount is reduced, or employee compensation is reduced by more than 25%, during the Covered Period, a further reduction of the maximum loan forgiveness amount will occur, subject to certain safe harbors added by the Flexibility Act.

In order to obtain forgiveness of the PPP Loan, in whole or in part, The Institution must request forgiveness and provide satisfactory documentation in accordance with applicable SBA guidelines. Any portion of the PPP Loan that is not forgiven, together with accrued interest, will be repaid based on the terms and conditions of the PPP Loan and in accordance with the PPP as amended by the Flexibility Act.

First Disbursement

Date: May 7, 2020

Amount \$80,399

Forgiven date: September 15, 2021

Second Disbursement

Date: April 15, 2021

Amount \$85,987

Forgiven date: May 12, 2022

Forgiveness

The Organization applied and received forgiveness of the above PPP loans under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). Forgiven PPP loan amounts have been recognized as income and reported under "PPP Loan Forgiven" under the statements of Activities.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7: OPERATING LEASE

The Organization leases its office facilities under an agreement as listed below:

Landlord	Location	Period	Security Deposit
JBA Portfolio, LLC	4001 McEwen Rd, Dallas TX 75244	07-01-2018 to 06-30-2024	3,424
Wells Asset Management (AMC)	3900 American Dr., Suite 201, Plano Texas 75075	02-01-2016 to 03-31-2027	4,600
560 Main, LTD	2016 Justin Rd, Suite#300, Lewisville TX 75057	08-01-2020 to 08-01-2027	25,000
SG W Main MOB LLC Took over 560 Main LTD from Oct 2021	560 W Main Street, Lewisville, TX 75057	08/01/2020 to 07/31/2027	-
Franklin D Perry, MD and Linda M. Perry dba MS Mgmt.	570 Edmonds Lane-Suite#111, Lewisville, TX 75067	Month to Month Basis	-
Prince Paul and Aleyamma G Paul	7070 Knights Court, Unit#1001 Missouri city TX 77459	05-01-2022 to 04-30-2023	2,400
Total			<u>\$35,424</u>

Occupancy expenses during the fiscal year ended June 30, 2022 and 2021 was as detailed below.

	<u>2022</u>	<u>2021</u>
Rent	\$ 137,351	\$ 144,034
Utilities	133	1,063
Repair & Maintenance	7,002	8,387
Total	<u>\$ 144,486</u>	<u>\$ 153,484</u>

Future minimum lease payments as of June 30, 2022 was as details below:

Fiscal Year Ending June 30,	Amount
<u>2023</u>	<u>188,855</u>
2024	160,105
2025	128,934
2026	109,098
2027	<u>130,227</u>

LIONS CLINIC OF TEXAS, INC.
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NOTES TO THE FINANCIAL STATEMENTS
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Total \$ 717,219

NOTE 8: REVENUE CONCENTRATION

The organization received substantial revenue during the fiscal years ended June 30, 2022 and 2021 from laboratory and other services provided. For the fiscal years ended June 30, 2022 and 2021, this accounts for 72.7% and 92.6% respectively of total revenue. Should these services be reduced or eliminated in future, this would adversely affect the organization's financial position.

NOTE 9: INCOME TAXES

Lions Clinic of Texas, Inc. is a non-profit entity formed for charitable purposes and is exempt from income tax under Federal and State Income Taxes under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Lions Clinic of Texas, Inc. has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Lions Clinic of Texas, Inc. has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Donors may deduct contributions made to the Organization within Internal Revenue Code Regulations.

NOTE 10: RELATED PARTY TRANSACTIONS

The Organization had no related party transactions during the fiscal years ended June 30, 2022 and 2021 .

NOTE 11: IN-KIND CONTRIBUTIONS

The Organization receives in-kind donations (principally of services), which are reflected in the statement of activities at their estimated values at the date of receipt. The values of these donations are based on the fair market value for similar items. The values of these items have been reflected in the financial statements as they do meet the criteria for recognition under ASC 605-10 Accounting for Contributions Received and Contributions made.

The organization received in-kind contributions of \$0 and \$1,302 during the fiscal years ended June 30, 2022 and 2021, respectively.

LIONS CLINIC OF TEXAS, INC.
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 12: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has adopted the ASU 2016-14 standards for identifying the Liquidity required to meet the expected expenses within the next twelve months, after the date of these reports. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2022</u>	<u>2021</u>
<u>Financial Assets at year end</u>		
Cash and Cash Equivalents	\$ 772,133	\$ 595,053
Contributions Receivable	-	-
	<u>772,133</u>	<u>595,053</u>
	<u>\$ 772,133</u>	<u>\$ 595,053</u>

This information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13: NET ASSETS, ACID TEST RATIO, TANGIBLE NET ASSETS

Change in Net Assets

The Organization's profitability for the current and previous year was as follows:

Description	2022	2021
Gross Income	\$ 1,671,176	\$ 1,070,608
Total Expenses (excluding Taxes)	(1,197,947)	(1,137,380)
Profit before Tax	473,229	(66,772)
Tax Expenses	-	-
Net Profit After Taxes	<u>\$ 473,229</u>	<u>\$ (66,772)</u>

Acid Test Ratio

As of June 30, 2022 and 2021 the Organization's acid test ratio was as follows

Description	2022	2021
Quick Assets*	\$ 785,155	\$ 605,065
Current Liabilities	58,857	93,324
Acid Test Ratio	<u>13.34:1</u>	<u>6.48:1</u>

** Includes cash and cash equivalents, and accounts receivables*

Tangible Net Assets

The Tangible net worth of the Organization as of June 30, 2022 and 2021 are detailed as below:

Description	2022	2021
Total Assets	\$ 1,333,564	\$ 643,900
Less: Total Liabilities	(388,736)	(172,301)
Equity	944,828	471,599
Less: Unsecured Related Party Receivables	-	-
Tangible Net Worth	<u>\$ 944,828</u>	<u>\$ 471,599</u>

This information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE:14 NEW ACCOUNTING PRONOUNCEMENTS

Leases

On February 25, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. This ASU codifies FASB Accounting Standards Codification (ASC) 842, Leases, and makes conforming amendments to other FASB ASC topics. Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. ASU No. 2016-02, as amended by ASU No. 2020-05, is effective for nonpublic entities for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Management is currently evaluating this standard and plans to implement an effective fiscal year ending June 30, 2023 .

Revenue Recognition

On May 28, 2014, the FASB completed its Revenue Recognition project by issuing Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). The new guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The entity applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019.