

FEIN: 26-0064343

**LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
COMPILED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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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, 2023 and 2022, 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, or 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
November 12, 2023

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 511,479	\$ 772,133
Certificate of Deposit	100,489	-
Prepaid Expenses	14,509	13,022
Total Current Assets	626,477	785,155
Property And Equipment, Net	499,848	512,985
Right of Use (ROU) Asset, Net	346,091	-
Security Deposits	20,799	35,424
Total Assets	1,493,215	1,333,564
<u>Liabilities & Net Assets</u>		
Current Liabilities		
Accounts Payable And Accrued Expenses	51,396	42,804
Current Portion of Notes Payable	17,879	16,053
Current Portion of Lease Liability	107,993	-
Total Current Liabilities	177,268	58,857
Long Term Liabilities		
Notes Payable, Net of Current Portion	311,345	329,879
Lease Liability, Net of Current Portion	238,098	-
Total Long Term Liabilities	549,443	329,879
Total Liabilities	726,711	388,736
Net Assets		
Net Assets Without Donor Restrictions	766,504	944,828
Net Assets With Donor Restrictions	-	-
Total Net Assets	766,504	944,828
Total Liabilities & Net Assets	\$ 1,493,215	\$ 1,333,564

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

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support						
Contributions and grants	\$ 118,019	-	118,019	\$ 404,513	\$ -	\$ 404,513
Patient Charges	1,131,825	-	1,131,825	1,080,761	-	1,080,761
Other Services	5,017	-	5,017	4,873	-	4,873
In-Kind Contributions	-	-	-	-	-	-
Total Contributions	1,254,861	-	1,254,861	1,490,147	-	1,490,147
Rental Income	-	-	-	14,406	-	14,406
Interest And Other	875	-	875	237	-	237
PPP Loan Forgiven	-	-	-	166,386	-	166,386
Net Assets Released From Restriction	-	-	-	-	-	-
Total Revenues, Gains And Other Support	1,255,736	-	1,255,736	1,671,176	-	1,671,176
Expenses						
Program Services	1,134,624	-	1,134,624	955,114	-	955,114
Management and General	299,436	-	299,436	242,833	-	242,833
Fundraising Expenses	-	-	-	-	-	-
Total Expenses	1,434,060	-	1,434,060	1,197,947	-	1,197,947
Change In Net Assets	(178,324)	-	(178,324)	473,229	-	473,229
Net Assets- Beginning Of Year	944,828	-	944,828	471,599	-	471,599
Net Assets- End Of Year	\$ 766,504	-	\$ 766,504	\$ 944,828	\$ -	\$ 944,828

The accompanying notes are an integral part of these financial statements

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

Description	2023				2022			
	Program	Management and General	Fund Raising	Total	Program	Management and General	Fund Raising	Total
Salaries and wages	\$ 367,923	91,981	-	459,904	\$ 310,165	\$ 77,541	\$ -	\$ 387,706
Consultation-Nurses	265,614	66,403	-	332,017	198,934	49,734	-	248,668
Laboratory fees	165,297	41,324	-	206,621	176,638	44,160	-	220,798
Occupancy	182,721	45,680	-	228,401	115,589	28,897	-	144,486
Office expenses	75,678	18,920	-	94,598	51,911	12,978	-	64,889
Consultation-Doctors	11,824	2,956	-	14,780	50,930	12,733	-	63,663
Payroll taxes	28,478	7,119	-	35,597	23,838	5,959	-	29,797
Insurance	9,285	2,321	-	11,606	8,705	2,176	-	10,881
Medical Supplies	11,415	2,854	-	14,269	12,270	3,067	-	15,337
Accounting	5,880	1,470	-	7,350	2,400	600	-	3,000
Interest Expenses	-	15,781	-	15,781	-	4,054	-	4,054
Depreciation and Amortization	10,509	2,627	-	13,136	3,734	934	-	4,668
Total Expenses	\$ 1,134,624	299,436	-	1,434,060	\$ 955,114	\$ 242,833	\$ -	\$ 1,197,947

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

LIONS CLINIC OF TEXAS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows From Operating Activities</u>		
Change In Net Assets	\$ (178,324)	\$ 473,229
Adjustments To Reconcile Net Increase/(Decrease) In Net Assets		
<hr/>		
Depreciation and Amortization	13,137	4,668
Decrease (Increase) in Operating Assets & Liabilities		
<hr/>		
Accounts Receivable	-	-
Prepaid Expenses	(1,487)	(3,010)
Security Deposit	14,625	(2,400)
Accounts Payable And Accrued Expenses	8,592	36,889
Cash Provided by (Used In) Operating Activities	(143,457)	509,376
<u>Cash Flows From Investing Activities</u>		
Acquisition of Property Plant & Equipment	-	(511,842)
Investments	(100,489)	-
Cash Used In Investing Activities	(100,489)	(511,842)
<u>Cash Flows From Financing Activities</u>		
Notes Payable	(16,708)	179,546
Cash (Used In) Provided By Financing Activities	(16,708)	179,546
Change In Cash And Cash Equivalents	(260,654)	177,080
Cash And Cash Equivalents, Beginning	772,133	595,053
Cash And Cash Equivalents, Ending	\$ 511,479	\$ 772,133
Supplemental Information		
<u>Cash Paid For</u>		
-Interest Expenses	\$ 15,781	\$ 4,054

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, 2023 AND 2022

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 the 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.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

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.

C) 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.

D) 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.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

E) 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.

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 expensing all supply items.

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) Leases

Leases are defined by the Organization as the right to use an underlying asset. The Organization recognizes a lease liability and an intangible right-of-use asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. The Organization calculates the amortization of the discount rate on the lease liability and reports that amount as an outflow of resources. Payments are allocated first to accrued interest liability and then to the lease liability.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

J) 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.

K) 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.

L) Concentration of Economic Dependency

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

M) 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 AND 2022

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

N) 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 liability's 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.

O) Subsequent Events

The Organization evaluates subsequent events through the date of this report.

P) Reclassification

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

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022, and no allowances for doubtful accounts was required. As of June 30, 2023 and 2022, the contributions receivable were \$ 0 .

NOTE 3: CERTIFICATE OF DEPOSIT

The Organisation had Certificate of deposit of \$ 100,000 with Veritex Community Bank on May 26, 2023 ,with interest rate of 5.01% for a period of six (6) months with maturity date of November 26, 2023.As of June 30, 2023, the certificate of deposit balance was \$100,489.

NOTE 4: PREPAID EXPENSES

Prepaid expenses represent expenses that have been paid by the Organization before the providing of the services. As of June 30, 2023 and 2022, the Organization's prepaid expenses included prepaid insurance expenses amounting \$14,509 and \$13,022 respectively.

NOTE 5: 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 the 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 range 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, 2023 and 2022 are as follows:

	2023	2022
Building	\$ 464,776	\$ 464,776
Land	47,066	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	554,303
Less: Accumulated Depreciation & Amortization	(54,455)	(41,318)
Property & Equipment, Net	499,848	512,985
Depreciation & Amortization	\$ 13,136	\$ 4,668

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6: PROPERTY AND EQUIPMENT(CONT.)

Capitalization

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

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses balances as of June 30, 2023 and 2022 as detailed below:

	<u>2023</u>	<u>2022</u>
Customer Payable	\$ 26,972	\$ 33,939
Credit Card Liabilities	20,709	330
Payroll Liabilities	3,715	8,535
	<u>\$ 51,396</u>	<u>\$ 42,804</u>

NOTE 8: NET ASSETS

The Organization's net assets as of June 30, 2023 and 2022, were as follows:

	<u>Net Assets as of June 30, 2023</u>			<u>Net Assets as of June 30, 2022</u>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, Beginning	\$944,828	-	944,828	\$471,599		\$471,599
Revenues, gains and other support	1,255,736	-	1,255,736	1,671,176	-	1,671,176
Functional Expenses	(1,434,060)	-	(1,434,060)	(1,197,947)	-	(1,197,947)
Released during the year	-	-	-	-	-	-
Net Assets, Ending	<u>\$766,504</u>	-	<u>766,504</u>	<u>\$944,828</u>	-	<u>\$944,828</u>

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9: NOTES PAYABLE

The Organization had the following notes payable outstanding as of June 30, 2023 as detailed below:

Description	2023		
	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.	\$17,879	\$311,345	\$329,224

Future maturities of notes payable as of June 30, 2023 are as follows:

Year	Short Term	Long Term	Amount
2024	\$ 17,879	\$ -	\$ 17,879
2025		\$ 18,708	\$ 18,708
2026		\$ 19,574	\$ 19,574
2027		\$ 20,481	\$ 20,481
2028		\$ 21,430	\$ 21,430
Thereafter		\$ 231,152	\$ 231,152
	\$ 17,879	\$ 311,345	\$ 329,224

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10: 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 Organization, 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 Organization 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, 2023 AND 2022

NOTE 11: 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
SG W Main MOB LLC Took over from 560 Main LTD from Oct 2021	560 W Main Street, Lewisville, TX 75057	08-01-2020 to 08-01-2027	10,375
Prince Paul and Aleyamma G Paul	7070 Knights Court, Unit#1001 Missouri City TX 77459	05-01-2022 to 04-30-2023 & now month to month basis	2,400
Total			\$ 20,799

Occupancy expenses during the fiscal year ended June 30, 2023 and 2022 were as detailed below.

	<u>2023</u>	<u>2022</u>
Rent	\$ 199,778	\$ 137,351
Utilities	8,359	133
Repair & Maintenance	10,521	7,002
Property Taxes	9,743	-
Total	\$ <u>228,401</u>	\$ <u>144,486</u>

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 12: OPERATING LEASE(CONTD.)

Future minimum lease payments as of June 30, 2023 as details below:

June 30,	Amount
2024	\$137,220
2025	94,024
2026	86,209
2027	87,512
Total	\$404,965

Right of Use (ROU)

As of June 30, 2023, Right of Use (ROU) consisted of the following:

Right of Use (ROU)-Office Space	\$ 621,628
Less: Accumulated Amortization	(275,537)
	\$ 346,091

Lease Liability

Lease liability as of June 30, 2023 was \$346,091 comprising \$107,993 current portion and \$238,098 long term portion respectively.

Security Deposit

As of June 30, 2023 the Institution had a security deposit of \$ 20,799 with the landlords for the current premises.

NOTE 13: 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.

LIONS CLINIC OF TEXAS, INC.
DBA PRIMARY CARE CLINIC OF NORTH TEXAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14: REVENUE CONCENTRATION

The organization received substantial revenue during the fiscal years ended June 30, 2023 and 2022 from laboratory and other services provided. For the fiscal years ended June 30, 2023 and 2022, this accounts for 90.2 % and 72.7% respectively of total revenue. Should these services be reduced or eliminated in the future, this would adversely affect the organization’s financial position.

NOTE 15: RELATED PARTY TRANSACTIONS

The Organization had no related party transactions during the fiscal years ended June 30, 2023 and 2022.

NOTE 16: 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 no in-kind contributions during the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE 17: 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>2023</u>		<u>2022</u>
<u>Financial Assets at year end</u>				
Cash and Cash Equivalents	\$	511,479	\$	772,133
Contributions Receivable		-		-
		<u>511,479</u>		<u>772,133</u>

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

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NOTE 18: NET ASSETS, ACID TEST RATIO, TANGIBLE NET ASSETS

Change in Net Assets

The Organization's profitability for the current and previous years were as follows:

Description	2023	2022
Gross Income	\$ 1,255,736	1,671,176
Total Expenses (excluding Taxes)	(1,434,060)	(1,197,947)
Profit before Tax	(178,324)	473,229
Tax Expenses	-	-
Net Profit After Taxes	\$ (178,324)	473,229

Acid Test Ratio

As of June 30, 2023 and 2022 the Organization's acid test ratio were as follows

Description	2023	2022
Quick Assets*	\$ 511,479	785,155
Current Liabilities**	177,268	58,857
Acid Test Ratio	2.89:1	13.34:1

* Includes cash and cash equivalents, and accounts receivables

** Includes Current portion of lease liabilities

Tangible Net Assets

The tangible net worth of the Organization as of June 30, 2023 and 2022 were detailed as below:

Description	2023	2022
Total Assets	\$ 1,493,215	1,333,564
Less: Total Liabilities	(726,711)	(388,736)
Equity	766,504	944,828
Less: Unsecured Related Party Receivables	-	-
Tangible Net Worth	\$ 766,504	944,828

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

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NOTE:19 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 has adopted this standard and implemented 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.