

# PEOPLE'S HEALTH CLINIC, INC.



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

*As of and for the Years Ended December 31, 2023 and 2022*



# PEOPLE'S HEALTH CLINIC, INC.

## Table of Contents

<b>Independent Auditor's Report</b> .....	2 - 3
<b>Financial Statements:</b>	
Statements of Financial Position.....	4
Statements of Activities .....	5 - 6
Statements of Functional Expenses .....	7 - 8
Statements of Cash Flows.....	9
<b>Notes to the Financial Statements</b> .....	10 - 17



## Independent Auditor's Report

To the Board of Trustees  
**People's Health Clinic, Inc.**

### **Opinion**

We have audited the accompanying financial statements of **People's Health Clinic, Inc.** (a nonprofit Clinic), which comprise the statements of financial position as of December 31, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **People's Health Clinic, Inc.** as of December 31, 2023 and 2022, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **People's Health Clinic, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **People's Health Clinic, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **People's Health Clinic, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **People's Health Clinic, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.



Salt Lake City, Utah  
August 30, 2024

# PEOPLE'S HEALTH CLINIC, INC.

Statements of Financial Position  
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 285,062	\$ 695,715
Contributions receivable	3,258	637
<b>Total current assets</b>	<b>288,320</b>	696,352
<b>Investments</b>	<b>6,720,269</b>	5,396,550
<b>Property and equipment, net</b>	<b>77,275</b>	83,876
<b>Total assets</b>	<b>\$ 7,085,864</b>	<b>\$ 6,176,778</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 7,181	\$ 16,372
Accrued expenses and other liabilities	55,126	60,072
Deferred revenue	-	5,114
<b>Total current liabilities</b>	<b>62,307</b>	81,558
<b>Total liabilities</b>	<b>62,307</b>	81,558
<b>Net assets:</b>		
Net assets without donor restrictions	6,722,027	5,774,398
Net assets with donor restrictions	301,530	320,822
<b>Total net assets</b>	<b>7,023,557</b>	6,095,220
<b>Total liabilities and net assets</b>	<b>\$ 7,085,864</b>	<b>\$ 6,176,778</b>

The accompanying notes to the financial statements  
are an integral part of these statements

# PEOPLE'S HEALTH CLINIC, INC.

## Statement of Activities

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, support, and gains:</b>			
Contracts and grants	\$ 321,163	\$ -	\$ 321,163
Patient donations	209,571	-	209,571
Private contributions	1,335,334	147,075	1,482,409
In-kind contributions	2,348,878	-	2,348,878
Other revenue	793	-	793
Net investment return	833,151	-	833,151
Special events revenue net of \$13,993 direct benefits to donors	109,700	-	109,700
	<b>5,158,590</b>	<b>147,075</b>	<b>5,305,665</b>
<b>Satisfaction of restrictions</b>	<b>166,367</b>	<b>(166,367)</b>	<b>-</b>
<b>Expenses:</b>			
Program services expenses	3,942,489	-	3,942,489
Supporting services expenses:			
Management and general	240,037	-	240,037
Fundraising and development	194,802	-	194,802
Total supporting services expenses	434,839	-	434,839
Total expenses	4,377,328	-	4,377,328
<b>Change in net assets</b>	<b>947,629</b>	<b>(19,292)</b>	<b>928,337</b>
<b>Net assets, beginning of year</b>	<b>5,774,398</b>	<b>320,822</b>	<b>6,095,220</b>
<b>Net assets, end of year</b>	<b>\$ 6,722,027</b>	<b>\$ 301,530</b>	<b>\$ 7,023,557</b>

The accompanying notes to the financial statements are an integral part of these statements

# PEOPLE'S HEALTH CLINIC, INC.

## Statement of Activities

For the Year Ended December 31, 2022

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, support, and gains:</b>			
Contracts and grants	\$ 234,856	\$ -	\$ 234,856
Patient donations	365,772	-	365,772
Private contributions	1,193,307	290,388	1,483,695
In-kind contributions	2,678,082	-	2,678,082
Other revenue	1,028	-	1,028
Net investment loss	(804,251)	-	(804,251)
Special events revenue net of \$1,675 direct benefits to donors	222,141	-	222,141
Total revenue, support, and gains	3,890,935	290,388	4,181,323
<b>Expenses:</b>			
Program services expenses	3,942,567	-	3,942,567
Supporting services expenses:			
Management and general	140,317	-	140,317
Fundraising and development	117,635	-	117,635
Total supporting services expenses	257,952	-	257,952
Total expenses	4,200,519	-	4,200,519
<b>Change in net assets</b>	(309,584)	290,388	(19,196)
<b>Net assets, beginning of year</b>	6,083,982	30,434	6,114,416
<b>Net assets, end of year</b>	\$ 5,774,398	\$ 320,822	\$ 6,095,220

The accompanying notes to the financial statements are an integral part of these statements

# PEOPLE'S HEALTH CLINIC, INC.

Statement of Functional Expenses  
For the Year Ended December 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Payroll and related costs	\$ 1,394,912	\$ 127,645	\$ 109,902	\$ 1,632,459
Lab and diagnostic services	1,610,928	-	-	1,610,928
Professional medical services	314,740	-	-	314,740
Professional services	-	73,394	-	73,394
Medical supplies and medicines	419,247	-	-	419,247
Occupancy costs	110,413	12,268	-	122,681
Office	5,581	620	-	6,201
Printing and postage	270	270	-	540
Telephone and internet	5,479	609	-	6,088
Meals and events costs	558	62	-	620
Insurance	16,732	4,011	-	20,743
Community outreach	-	-	98,893	98,893
Other	36,427	18,136	-	54,563
Depreciation	27,202	3,022	-	30,224
Total functional expenses	<u>3,942,489</u>	<u>240,037</u>	<u>208,795</u>	<u>4,391,321</u>
Less expenses included with revenues on the statement of activities:				
Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>(13,993)</u>	<u>(13,993)</u>
Total expenses included in the expenses section on the statement of activities	<u>\$ 3,942,489</u>	<u>\$ 240,037</u>	<u>\$ 194,802</u>	<u>\$ 4,377,328</u>

The accompanying notes to the financial statements  
are an integral part of these statements



# PEOPLE'S HEALTH CLINIC, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Payroll and related costs	\$ 1,110,484	\$ 32,638	\$ 2,245	\$ 1,145,367
Lab and diagnostic services	1,353,757	-	-	1,353,757
Professional medical services	255,370	-	-	255,370
Professional services	-	42,984	-	42,984
Medical supplies and medicines	927,138	-	-	927,138
Occupancy costs	111,863	12,429	-	124,292
Office	5,410	601	-	6,011
Printing and postage	288	288	-	576
Telephone and internet	1,875	208	-	2,083
Meals and events costs	129,393	49	-	129,442
Insurance	11,793	2,153	-	13,946
Community outreach	-	-	117,065	117,065
Other	22,914	47,602	-	70,516
Depreciation	12,282	1,365	-	13,647
Total functional expenses	3,942,567	140,317	119,310	4,202,194
Less expenses included with revenues on the statement of activities:				
Cost of direct benefits to donors	-	-	(1,675)	(1,675)
Total expenses included in the expenses section on the statement of activities	<u>\$ 3,942,567</u>	<u>\$ 140,317</u>	<u>\$ 117,635</u>	<u>\$ 4,200,519</u>

The accompanying notes to the financial statements  
are an integral part of these statements

**PEOPLE'S HEALTH CLINIC, INC.**  
 Statements of Cash Flows  
 For the Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 928,337	\$ (19,196)
<b>Adjustments to reconcile change in net assets to cash flows from operating activities:</b>		
Depreciation	30,224	13,645
Net investment (return)/loss	(824,219)	897,531
<b>(Increase) decrease in operating assets:</b>		
Contributions receivable	(2,621)	(509)
<b>Increase (decrease) in operating liabilities:</b>		
Accounts payable	(9,191)	13,758
Accrued expenses and other liabilities	(4,946)	7,916
Deferred revenue	(5,114)	5,114
<b>Net cash flows from operating activities</b>	<b>112,470</b>	<b>918,259</b>
<b>Cash flows from investing activities:</b>		
Cash paid for purchase of property and equipment	(23,623)	(75,012)
Proceeds from sale of investments	500	772,112
Cash paid for purchase of investments	(500,000)	(1,273,068)
<b>Net cash flows from investing activities</b>	<b>(523,123)</b>	<b>(575,968)</b>
<b>Net change in cash and cash equivalents</b>	<b>(410,653)</b>	<b>342,291</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>695,715</b>	<b>353,424</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 285,062</b>	<b>\$ 695,715</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of these statements

# PEOPLE'S HEALTH CLINIC, INC.

Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Description of Organization

**People's Health Clinic, Inc.** (the Clinic) is a nonprofit Clinic established in 1999 to provide quality non-emergency health care to uninsured residents of Summit and Wasatch Counties of Utah. The Clinic operates a health care facility which provides primary care and multiple specialty care services.

### Basis of Presentation

The Clinic prepares its financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States for nonprofit organizations and reports information regarding its financial position and activities according to two classes of net assets, with donor restrictions and without donor restrictions, based upon the following criteria:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Clinic. These net assets may be used at the discretion of the Clinic's management and the designation of the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Clinic's or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

### 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Accordingly, actual amounts could differ from these estimates.

### Concentrations of Credit Risk

The Clinic manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions it believes to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Clinic has not experienced losses in any of these accounts. Investment performance is monitored by the Clinic and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Clinic and the Finance Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Clinic.

# PEOPLE'S HEALTH CLINIC, INC.

Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

## 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Fair Value of Financial Instruments**

The Clinic's financial instruments, including cash and cash equivalents, contributions receivable, accounts payable, and accrued expenses and other liabilities are carried at cost, which approximates fair value because of the short-term nature of these assets and liabilities.

### **Cash and Cash Equivalents**

The Clinic considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

### **Contributions Receivable**

Contributions receivable are stated net of an allowance for credit losses. The Clinic estimates the allowance based on its historical experience and on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. An account is written off when it is determined that all collection efforts have been exhausted. As of December 31, 2023 and 2022, no allowance was recorded by the Clinic and all amounts are expected to be collected within one year. No bad debt expense was recognized for the years ended December 31, 2023 and 2022.

### **Investments**

The Clinic records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

### **Fair Value of Investments**

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 inputs are quoted prices for identical assets and liabilities in active markets.

Level 2 inputs are observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3 inputs are unobservable inputs that reflect the Clinic's own assumptions, consistent with reasonably available assumptions made by other market participants.

Subsequent to initial recognition, the Clinic may remeasure the carrying value of investments measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain investments are impaired. Such investments are written down from their carrying amounts to their fair value.

**PEOPLE'S HEALTH CLINIC, INC.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

Property and equipment additions over \$500 are recorded at cost, or if donated, at fair value on the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to fifteen years, or in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Clinic reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

**Contributions and Donor Imposed Restrictions**

The Clinic recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Clinic's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

The Clinic reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the statements of activities as net assets released from restrictions.

**Donated Services and In-kind Contributions**

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP. Contributed goods are recorded at fair value at the date of donation. The Clinic records donated professional services at the respective fair values of the services received.

# PEOPLE'S HEALTH CLINIC, INC.

Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

## 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Revenue Recognition**

The Clinic recognizes revenue under the core principle of depicting the transfer of promised goods and services to its customers in an amount that reflects the consideration to which it expects to be entitled. In order to achieve that core principle, the Clinic applies the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

Revenue is generally recognized when services have been provided or costs have been incurred, depending on the nature of the contract. Program service fees received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, and depreciation, which are allocated on a square footage basis, as well as salaries and related costs, office, telephone and internet, and other expenses, which are allocated on the basis of estimates of time and effort.

### **Income Taxes**

The Clinic is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vii), and has been determined not to be a private foundation under Section 509(a)(1). The Clinic is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Clinic is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Clinic has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Clinic believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Clinic would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

# PEOPLE'S HEALTH CLINIC, INC.

Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Recently Issued Accounting Pronouncements

In June of 2016, the FASB issued Accounting Standards Update 2016-13, Financial Instruments Credit Losses, which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This requirement eliminates the probable initial recognition threshold in current GAAP which has delayed recognition of credit losses until the loss was probable. Instead, the new treatment will better reflect an entity's current estimate of all expected credit losses. In addition, the new guidance requires that any credit losses on available-for-sale debt securities to be presented as an allowance rather than as a write-down. Initial allowance for credit losses is added to the purchase price rather than reported as a credit loss expense. Subsequent changes in the allowance for credit losses are recorded in credit loss expense. This will allow entities to also record reversals of credit losses in current period net income, whereas the current GAAP prohibits reflecting these improvements in current period earnings. The Clinic adopted this new guidance as of December 31, 2023. The adoption of this guidance did not have any material impact to the Clinic's financial statements as a whole.

## 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statements of financial position, comprise the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 285,062	\$ 695,715
Contributions receivable	<u>3,258</u>	<u>637</u>
<b>Total financial assets</b>	<b>288,320</b>	696,352
Less contractual or donor-imposed funds:		
Other donor restrictions	<u>(301,530)</u>	<u>(320,822)</u>
<b>Financial assets available for general expenditures within one year</b>	<b><u>\$ (13,210)</u></b>	<b><u>\$ 375,530</u></b>

The other donor restrictions in the table above excludes time restrictions of contributions receivable that are expected to be available for use within one year of the date of the statements of financial position.

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. Additionally, the board of directors and management has identified the entity's investments totaling **\$6,720,269** and \$5,396,550 as of December 31, 2023 and 2022 for long-term purposes and accordingly, these assets are not reflected in the table above but could be repurposed by the board of directors.

**PEOPLE'S HEALTH CLINIC, INC.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**3. INVESTMENTS**

The Clinic's investments measured at fair value consisted of the following as of December 31, 2023 and 2022:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>December 31, 2023</b>				
Cash and equivalents	\$ 409,068	\$ 409,068	\$ -	\$ -
Equities	3,156,152	3,156,152		
Fixed income	3,155,049	3,155,049	-	-
<b>Total</b>	<b>\$ 6,720,269</b>	<b>\$ 6,720,269</b>	<b>\$ -</b>	<b>\$ -</b>
<b>December 31, 2022</b>				
Cash and equivalents	\$ 42,360	\$ -	\$ -	\$ -
Equities	2,503,947	2,503,947		
Fixed income	2,850,243	2,850,243	-	-
<b>Total</b>	<b>\$ 5,396,550</b>	<b>\$ 5,354,190</b>	<b>\$ -</b>	<b>\$ -</b>

**4. PROPERTY AND EQUIPMENT**

The cost and related accumulated depreciation and amortization of property and equipment as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 86,944	\$ 86,944
Medical equipment	246,319	230,220
Office equipment	157,321	149,797
Total cost of property and equipment	490,584	466,961
Accumulated depreciation and amortization	(413,309)	(383,085)
<b>Total property and equipment, net</b>	<b>\$ 77,275</b>	<b>\$ 83,876</b>

Depreciation and amortization expense was \$30,224 and \$13,646 for the years ended December 31, 2023 and 2022, respectively.



**PEOPLE'S HEALTH CLINIC, INC.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Restricted for a specified purpose:		
Dental equipment	\$ 40,434	\$ 40,434
Mental health program	220,692	259,098
Other	40,404	21,290
<b>Total net assets with donor restrictions</b>	<b>\$ 301,530</b>	<b>\$ 320,822</b>

**6. DONATED PROFESSIONAL SERVICES AND MATERIALS**

The Clinic received donated professional services and materials as follows during the years ended December 31, 2023 and 2022.

	<b>2023</b>	<b>2022</b>	<b>Utilization in Programs or Other Activities</b>	<b>Donor Restrictions</b>	<b>Valuation Techniques and Inputs</b>
Professional in-kind services	\$ 314,740	\$ 255,370	Program Services	None	Contributed professional services are valued at estimated fair value based on bill rate of the type of specialist and the number of appointments from that type of specialist. Laboratory in-kind services are valued at fair market value based on actual billing rates for laboratory services. Occupancy costs are valued at estimated fair value based on estimated market rental value in a prior period. Medical supplies are valued at fair value based on vendor billing amounts per unit and units donated. Other in-kind is valued at fair value based on vendor invoices and amounts.
Laboratory in-kind services	1,610,928	1,353,757	Program Services	None	
Occupancy costs	80,500	80,500	Program Services and Management and General	None	
Medical supplies	326,305	970,000	Program Services	None	
Other in-kind	16,405	18,455	Program Services	None	
Total	<b>\$ 2,348,878</b>	<b>\$ 2,678,082</b>			

# PEOPLE'S HEALTH CLINIC, INC.

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

## 7. **SHORT-TERM LEASES**

The Clinic has leased its professional and office space from Summit County since December 2009 and the current lease ends in 2047. The Clinic has the option to terminate the lease at any time without penalty, as such the lease is accounted for on a month to month basis due to uncertainty surrounding the future provision of the leased space. The lease requires that the Clinic pay \$1 per year to lease the space and the lease requires the Clinic to pay its share of operating and maintenance costs for the building. Donated rent totaling **\$80,500** was recorded during the years ended December 31, 2023 and 2022. The Clinic may terminate the lease upon six months prior written notice.

## 8. **EMPLOYEE BENEFIT PLAN**

The Clinic maintains a Simple IRA, which is a defined contribution retirement plan (the Plan), for the benefit of its employees. Under the Plan, the Clinic will match up to 3% of an employees' contributions on a dollar-for-dollar basis. An employee must meet certain eligibility requirements in order to participate in the Plan. The Clinic made contributions to the Plan totaling **\$11,478** and \$10,721 for the years ended December 31, 2023 and 2022, respectively.

## 9. **SUBSEQUENT EVENTS**

The Clinic has evaluated subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued. There were no items that require additional disclosure within these financial statements.