

Doctors Care

Financial Statements

For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)



Doctors Care

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Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Doctors Care

Opinion

We have audited the accompanying financial statements of Doctors Care (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Doctors Care as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Doctors Care and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Doctors Care's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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.



Certified Public Accountants

Independent Auditor's Report

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 Doctors Care'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 Doctors Care'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of Doctors Care as of and for the year ended December 31, 2020, were audited by other auditors whose report dated March 31, 2021, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Olson, Reyes & Sauerwein, LLC
Centennial, Colorado
April 1, 2022

Doctors Care

Statements of Financial Position

December 31, 2021

(With Comparative Totals as of December 31, 2020)

	2021	2020
ASSETS		
Cash	\$ 1,017,863	\$ 1,403,187
Cash restricted for the Premium Assistance Program	43,324	115,648
Total Cash	1,061,187	1,518,835
Grants and contributions receivable	408,887	198,009
Accounts and other receivables	20,043	37,933
Prepaid and other	20,370	20,486
Investments	3,071,095	2,096,692
Beneficial interest in assets held by others	361,343	346,565
Property and equipment, net	2,415,933	2,475,735
TOTAL ASSETS	\$ 7,358,858	\$ 6,694,255
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 15,027	\$ 9,969
Accrued payroll liabilities	132,745	134,415
Tenant deposits	9,313	10,235
Property taxes payable	28,842	28,836
Total Liabilities	185,927	183,455
Net Assets		
Net assets without donor restrictions:		
Designated for capital and technology projects	200,000	200,000
Net investment in fixed assets	2,415,933	2,475,735
Undesignated	3,743,444	3,174,843
Total Net Assets Without Donor Restrictions	6,359,377	5,850,578
Total Net Assets With Donor Restrictions	813,554	660,222
Total Net Assets	7,172,931	6,510,800
TOTAL LIABILITIES AND NET ASSETS	\$ 7,358,858	\$ 6,694,255

See Notes to Financial Statements

Doctors Care

Statements of Activities

For the Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021	2020
Revenue and Support				
Patient care services	\$ 1,692,849	\$ -	\$ 1,692,849	\$ 1,294,213
Grants and contributions	572,807	408,887	981,694	881,499
Premium Assistance Program	-	-	-	208,868
Primary care fund	64,972	-	64,972	40,779
Gain on forgiveness of Payroll Protection Program loan	-	-	-	312,000
Other	212	-	212	530
In-kind contributions	642,479	-	642,479	528,365
Change in value of beneficial interest	-	30,844	30,844	38,170
Investment income, net	224,720	-	224,720	294,663
Net assets released from restrictions	286,399	(286,399)	-	-
	3,484,438	153,332	3,637,770	3,599,087
Rental income	159,798	-	159,798	164,297
Rental expense	(193,337)	-	(193,337)	(166,150)
Net rental activity	(33,539)	-	(33,539)	(1,853)
Total Revenue and Support	3,450,899	153,332	3,604,231	3,597,234
Expenses				
Program services	2,732,355	-	2,732,355	2,705,844
Support Services:				
Management and general	105,327	-	105,327	116,784
Fundraising	104,418	-	104,418	108,552
Total Support Services	209,745	-	209,745	225,336
Total Expenses	2,942,100	-	2,942,100	2,931,180
Change in Net Assets	508,799	153,332	662,131	666,054
Net Assets - Beginning of Year	5,850,578	660,222	6,510,800	5,844,746
NET ASSETS - END OF YEAR	\$ 6,359,377	\$ 813,554	\$ 7,172,931	\$ 6,510,800

See Notes to Financial Statements

Doctors Care

Statements of Functional Expenses

For the Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	Program Services	Management and General	Fundraising	Total 2021	Total 2020
Salaries	\$ 1,345,680	\$ 59,646	\$ 49,463	\$ 1,454,789	\$ 1,554,516
Employee benefits	102,352	4,537	3,762	110,651	123,172
Payroll taxes	109,131	4,837	4,011	117,979	120,520
Total Personnel Expenses	1,557,163	69,020	57,236	1,683,419	1,798,208
Donated Goods and Services:					
Physicians	375,163	-	-	375,163	195,721
Medical staff services	102,805	-	-	102,805	176,595
Vaccines	156,734	-	-	156,734	142,579
Technology	7,777	-	-	7,777	13,470
Advertising and marketing	8,413	-	8,413	16,826	30,531
Contract services	89,926	3,986	3,305	97,217	48,623
Depreciation	166,733	7,390	6,129	180,252	171,759
Equipment	74,278	13,927	4,642	92,847	69,190
Insurance	6,123	2,826	471	9,420	9,261
Office expenses	29,262	5,487	1,829	36,578	28,563
Other expenses	7,238	1,357	452	9,047	6,187
Premium assistance claims	72,135	-	-	72,135	108,582
Professional services	-	-	21,496	21,496	20,788
Rental expense	193,336	-	-	193,336	166,150
Supplies - medical and dental	71,491	-	-	71,491	99,493
Telephone	7,114	1,334	445	8,893	11,630
Total Expenses by Function	2,925,691	105,327	104,418	3,135,436	3,097,330
Less: Expenses included with revenues on the Statements of Activities:					
Rental expense	(193,336)	-	-	(193,336)	(166,150)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENTS OF ACTIVITIES	\$ 2,732,355	\$ 105,327	\$ 104,418	\$ 2,942,100	\$ 2,931,180

Doctors Care

Statements of Cash Flows

For the Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 662,131	\$ 666,054
Adjustment to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	180,252	171,759
(Income) from beneficial interest in assets held by others	(30,844)	(38,170)
Realized and unrealized (gain) from investments, net	(109,251)	(246,921)
(Gain) on forgiveness of Payroll Protection Program loan	-	(312,000)
Change in Operating Assets and Liabilities		
(Increase) Decrease in:		
Grants and contributions receivable	(210,878)	(80,888)
Accounts and other receivables	17,890	61,975
Prepaid and other	116	1,757
Increase (Decrease) in:		
Accounts payable	5,058	(13,635)
Accrued payroll liabilities	(1,670)	43,022
Tenant deposits	(922)	(1,643)
Property taxes payable	6	1,715
Net Cash Flows from Operating Activities	511,888	253,025
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of property and equipment	(120,450)	(90,879)
Proceeds from beneficial interest in assets held by others	16,066	15,748
(Purchase) of investments	(1,053,505)	(462,211)
Proceeds from sale of investments	188,353	416,000
Net Cash Flows from Investing Activities	(969,536)	(121,342)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Payroll Protection Program loan	-	312,000
Net Cash Flows from Financing Activities	-	312,000
Net Increase (Decrease) in Cash	(457,648)	443,683
Cash - Beginning of Year	1,518,835	1,075,152
CASH - END OF YEAR	\$ 1,061,187	\$ 1,518,835

See Notes to Financial Statements

Doctors Care

Notes to the Financial Statements

Note 1 - Significant Accounting Policies

Nature of Organization

Doctors Care (the "Organization") is a nonprofit organization incorporated in the State of Colorado in December 1990. The Organization is dedicated to improving access to healthcare for low-income individuals in the South Metro Denver area. Doctors Care accomplishes this aim through its four core services: an integrated primary care clinic for individuals age 50 and under; Doctors Care Advantage, a community-based health access program that aims to improve access to care and resources for uninsured and Medicaid participants; Connection to Coverage, a program helping individuals shop and apply for subsidized insurance plans through Connect for Health Colorado and Medicaid; and Health Navigation, a program designed to address socioeconomic barriers to health and well-being. The Doctors Care model is built on a commitment to providing long-term solutions to access, which begins with coverage, extends to care, and ultimately leads to our clients' overall health and well-being. The Organization is supported primarily by program and service fees, grant income, and contributed medical services.

Basis of Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Classification of Net Assets

Net assets and revenues, expenses, 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:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions: Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, or other events specified by the donor. Other explicit donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from the estimates.

Doctors Care

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and the Colorado Income Tax Act of 1964 (as amended), and qualifies for the charitable contribution deduction. However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization incurred no unrelated business income tax during the years ended December 31, 2021 and 2020.

Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. The prior year presentation does not include sufficient detail to constitute presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, excluding amounts held as part of an investment portfolio.

Restricted Cash

Restricted cash consists of funds set aside to pay claims and operating expenses for the Premium Assistance Program, a program funded with grants from Centura Health. At December 31, 2021 and 2020, restricted cash totals were \$43,324 and \$115,648, respectively.

Grants and Contributions Receivable

Grants and contributions receivable are unconditional promises to give in future periods. These unconditional promises represent written or oral agreements to contribute cash or other assets to the Organization. At December 31, 2021 and 2020, management deemed all grants and contributions receivable to be fully collectible; accordingly, no allowance for uncollectible grants and contributions receivable was required.

Accounts and Other Receivables

Accounts and other receivables are uncollateralized amounts due primarily from Medicaid and tenants. Management continually evaluates the need for an allowance for uncollectible accounts. Management reviewed the receivable balances as of December 31, 2021 and 2020, and determined that an allowance was not necessary.

Doctors Care

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Investments

The Organization carries investments in marketable securities with readily determinable fair values at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the Statements of Activities. The Organization's beneficial interest in assets held by others is valued as reported by the entity holding the funds.

Property and Equipment

Property and equipment is stated at cost or fair market value at the date of contribution, if donated. Maintenance items of a routine nature are expensed as incurred, whereas those which improve or extend the lives of existing assets are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Depreciation is provided on the straight line method over the estimated useful lives of the assets which range from 5-30 years.

GAAP requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment, which is determined based upon the estimated fair value of the asset, is recorded when estimated undiscounted cash flows expected to be generated by the asset are insufficient to recover its net carrying value. Management has determined that no impairment of its long-lived assets is deemed necessary at December 31, 2021 and 2020.

Tenant Deposits

Tenant deposits consist of security deposits and prepaid rent payments. Rent payments collected prior to the period for which the rents are due are included in tenant deposits and recognized in the month to which the rents relate.

Revenue Recognition

Contribution Revenue

Contributions are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Doctors Care

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Revenue Recognition (continued)

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when awarded.

Unconditional or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards that are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards that are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control over the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Donated Materials and Services

The Organization records the value of donated materials or services when there is an objective basis available to measure their value. The Organization recognizes the estimated fair value of contributed services that meet the following criteria:

- The services rendered either create or enhance nonfinancial assets.
- The services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.

A substantial number of volunteers have donated significant amounts of time to the Organization, some of which do not meet the criteria above.

Doctors Care

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Patient Care Services

Patient care service revenues are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others, and include variable consideration for retroactive revenue adjustments due to settlements of audits, reviews, and investigations. The Organization receives approximately 95 percent of its patient care service revenues from Medicaid. Revenue is recognized over time as performance obligations are satisfied and services are provided. Performance obligations are determined based on the nature of the services provided by the Organization.

Functional Expense Allocation

The statement of functional expenses report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries, payroll taxes and benefits are allocated based upon estimations of time. Indirect costs such as occupancy and office related expenses are allocated based upon time spent, utilization and square feet.

Advertising and Marketing

Costs associated with marketing are expensed in the period incurred. Marketing and promotion related costs expensed totaled \$16,826 and \$30,531, for the years ended December 31, 2021 and 2020, respectively.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards board (FASB) issued Accounting Standards Update (ASU) No 2016-02, *Leases* (Topic 842), which requires lessees to recognize on the balance sheet a right-of-use asset and a lease liability for most lease arrangements with a term greater than one year. The new standard also requires new disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from the leases. ASU 2016-02 is effective for nonpublic companies for fiscal years beginning after December 15, 2021. Early adoption is permitted. The amendments in this update should be applied using a modified retrospective approach. The Organization is evaluating the impact of the provisions of this ASU.

Subsequent Events

In preparing its financial statements, the Organization has evaluated subsequent events through April 1, 2022, which is the date the financial statements were available to be issued. Management of the Organization has not identified any material subsequent events that require reporting or disclosure.

Doctors Care

Notes to the Financial Statements

Note 2 - Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, comprise the following as of December 31, 2021 and 2020:

<i>As of December 31,</i>	2021	2020
Cash	\$ 1,017,863	\$ 1,403,187
Grants receivable	408,887	198,009
Accounts receivable	20,043	37,933
Investments	3,071,095	2,096,692
Total Financial Assets	4,517,888	3,735,821
Less: Board designations - amount set aside for capital and technology products	(200,000)	(200,000)
Total Financial Assets Available for General Expenditure	\$ 4,317,888	\$ 3,535,821

The Organization had board-designated funds totaling \$200,000 for capital and technology projects as of December 31, 2021 and 2020. Although the Organization does not intend to spend from the board-designated funds other than for the designated purpose, these amounts could be made available if necessary.

The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents for approximately four to six months of operating expenses.

Note 3 - Concentration of Credit Risk

Since the Organization periodically places cash in individual financial institutions in excess of FDIC insured limits, the Organization periodically reviews the financial condition of the financial institutions to reduce the Organization's credit risk associated with cash. Additionally, the Organization places its cash with high credit quality financial institutions.

Credit risk relating to receivables is limited due to the number and creditworthiness of the entities from which the amounts are due.

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Notes to the Financial Statements

Note 4 - Investments

Investments consist of the following at December 31, 2021 and 2020:

<i>As of December 31,</i>	2021	2020
Growth and income mutual funds	\$ 1,080,676	\$ 1,003,636
Bond mutual funds	1,052,164	522,747
International mutual funds	428,242	373,910
Stocks	264,649	-
Money market funds	245,364	196,399
Total	\$ 3,071,095	\$ 2,096,692

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment income consists of the following for the years ended December 31, 2021 and 2020:

<i>Year Ended December 31,</i>	2021	2020
Interest and dividends	\$ 115,469	\$ 47,742
Realized and unrealized gains	109,251	246,921
Investment Income - Net	\$ 224,720	\$ 294,663

Note 5 - Fair Value Measurements

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority level; Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1); and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no Organization assets requiring the use of Level 3 inputs for the periods presented.

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Notes to the Financial Statements

Note 5 - Fair Value Measurements (continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used as of December 31, 2021 and 2020.

Money market funds: measured using \$1 as the net asset value per unit.

Stocks and mutual funds: fair value based on quoted prices in an active market.

Beneficial interest in assets held by others: fair value determined by the organization holding the funds.

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2021 and 2020. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

<i>December 31, 2021</i>	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,561,082	\$ -	\$ -	\$ 2,561,082
Stocks	264,649	-	-	264,649
Money market funds	-	245,364	-	245,364
Beneficial interest in assets held by others	-	-	361,343	361,343
	\$ 2,825,731	\$ 245,364	\$ 361,343	\$ 3,432,438

<i>December 31, 2020</i>	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,900,293	\$ -	\$ -	\$ 1,900,293
Money market funds	-	196,399	-	196,399
Beneficial interest in assets held by others	-	-	346,565	346,565
	\$ 1,900,293	\$ 196,399	\$ 346,565	\$ 2,443,257

Doctors Care

Notes to the Financial Statements

Note 5 - Fair Value Measurements (continued)

Changes in fair value of the Organization's Level 3 assets are as follows:

	Level 3
Balance as of December 31, 2019	\$ 324,143
Investment income	6,646
Realized (losses), net	(1,945)
Unrealized gains (losses), net	36,620
Management fees	(3,151)
Disbursements	(15,748)
Balance as of December 31, 2020	346,565
Investment income	7,625
Realized gains, net	43,348
Unrealized gains, net	(16,562)
Management fees	(3,567)
Disbursements	(16,066)
Balance as of December 31, 2021	\$ 361,343

Note 6 - Endowment

The Organization has established an endowment fund (the "Fund") that is held and managed by Community First Foundation (CFF). The Fund is used for general operating needs. The Organization follows the investment strategy and spending policies adopted by CFF to achieve its long-term investment return objectives which are attained through capital appreciation and interest and dividends. Distributions from the Fund are limited to five percent of the average of the net fair market value of the three preceding calendar years.

Changes in the endowment net assets were as follows for the years ended December 31, 2021 and 2020:

Balance January 1, 2020	\$ 324,143
Investment income, net of investment expenses of \$3,151	38,170
Appropriation of endowment assets for expenditures	(15,748)
Balance, December 31, 2020	346,565
Investment income, net of investment expenses of \$3,567	30,844
Appropriation of endowment assets for expenditures	(16,066)
Balance, December 31, 2021	\$ 361,343

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Notes to the Financial Statements

Note 6 - Endowment (continued)

Interpretation of Relevant Law

The Board of Directors acknowledges that donors to an endowment fund intend that the principal of the endowment fund shall be preserved in perpetuity. The Board has interpreted Colorado's Uniform Prudent Management of Institutional Funds Act (UPMIFA) to allow, subject to the specific intent of a donor, for the appropriation or accumulation of so much of an endowment fund that the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making a determination to appropriate or accumulate, the Organization shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.

Appropriations may take place even though an endowment is "underwater" (i.e., the market value of the fund is less than the historical dollar value (HDV) of the fund). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law and is not required to utilize other resources to bring the value of the endowment fund up to HDV. There were no such deficiencies at December 31, 2021 and 2020.

Note 7 - Property and Equipment

Property and equipment, net of accumulated depreciation, consisted of the following at December 31, 2021 and 2020,

<i>As of December 31,</i>	2021	2020
Building improvements	\$ 2,285,059	\$ 2,285,059
Leasehold improvements	1,012,714	969,670
Office equipment	264,828	194,119
Machinery and equipment - production	171,738	165,041
	3,734,339	3,613,889
Less: accumulated depreciation	(1,318,406)	(1,138,154)
	\$ 2,415,933	\$ 2,475,735

For the years ended December 31, 2021 and 2020, depreciation expense was \$180,252 and \$171,759, respectively.

Doctors Care

Notes to the Financial Statements

Note 8 - CARES Act- Loan Forgiveness

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act created and funded the Small Business Administration (SBA) Paycheck Protection Program (PPP) to provide loans designated to help small organizations cover their near-term operating expenses and provide an incentive to retain their employees during the COVID-19 pandemic. The Organization applied for and received a PPP loan of \$312,000 under this program. The Organization applied for full loan forgiveness and received forgiveness notification from the SBA that the loan was fully forgiven in December 2020. As such, the loan forgiveness income is being recognized on the 2020 financial statements in accordance with ASC 470.

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2021 and 2020:

<i>As of December 31,</i>	2021	2020
Subject to expenditure for specified purpose:		
Cash restricted for the Premium Assistance Program	\$ 43,324	\$ 115,648
Subject to passage of time		
Grants and contribution receivable	408,887	198,009
Endowment:		
Community First Foundation Fund	293,750	293,750
Accumulated earnings on the endowment	67,593	52,815
Total Net Assets with Donor Restrictions	\$ 813,554	\$ 660,222

Note 10 - In-Kind Contributions

Donated materials and services are important to the Organization's operations and, accordingly, are reflected as contributions in the accompanying Statements of Activities at their estimated fair values when the donated materials and services meet the criteria for recognition under GAAP.

Donated materials and services consist of the following for the years ended December 31, 2021 and 2020:

<i>Year Ended December 31,</i>	2021	2020
Physicians	\$ 375,163	\$ 195,721
Vaccines	156,734	142,579
Technology	7,777	13,470
Medical staff services	102,805	176,595
	\$ 642,479	\$ 528,365

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Notes to the Financial Statements

Note 10 - In-Kind Contributions (continued)

No amounts have been reflected in the statements for donated non-professional volunteer services because the criteria for recognition under generally accepted accounting principles have not been satisfied. However, a substantial number of volunteers have donated significant amounts of their time to develop the Organization's programs. During the years ended December 31, 2021 and 2020, the Organization received 1,252 and 1,190 volunteer hours estimated to be valued at \$35,739 and \$30,898, respectively, that are not recorded in the financial statements as they did not meet the criteria for recording.

Note 11 - Rental Income and Expenses

Rental Income

The Organization is the lessor of office space within their building. The leases range from one to five years. Rental income for the years ended December 31, 2021 and 2020, totaled \$159,798 and \$164,297, respectively.

The following is a schedule of expected future minimum rental income on the leases:

	December 31
2022	\$ 87,375
2023	39,702
2024	2,434
	\$ 129,511

Rental Expense

Rental expenses directly associated with the production of the rental income consists of the following for the years ended December 31, 2021 and 2020:

<i>Year Ended December 31,</i>	2021	2020
Property management	\$ 18,000	\$ 18,000
Utilities	41,641	37,274
Operating and maintenance	96,590	74,945
Taxes and insurance	34,310	34,110
Depreciation	2,796	1,821
	\$ 193,337	\$ 166,150

Doctors Care

Notes to the Financial Statements

Note 12 - Operating Lease Commitments

The Organization leases certain office equipment under a noncancellable operating lease expiring in September 2026. Future commitments under the operating lease are as follows for the years ending December 31:

	December 31
2022	\$ 3,576
2023	3,576
2024	3,576
2025	3,576
2026	2,682
	<hr/> <hr/> \$ 16,986

Note 13 - Retirement Plan

The Organization has established a defined contribution pension plan. Employee contributions are matched up to 3% of gross salary. The Organization contributed \$37,452 and \$38,165 to the plan for the years ended December 31, 2021 and 2020, respectively.

Note 14 - Premium Assistance Program

The Organization has received grants totaling \$906,399 from Centura Health to administer and implement the Premium Assistance Program (the "Program"). The Program is a pilot program intended to pay the insurance premiums for select low-income people who are eligible to purchase health insurance on Connect for Health Colorado, and who qualify for an Advanced Premium Tax Credit. The goal of the program is to improve the health and well-being of program participants through the reduction of their health care expenses and health navigation support. During the years ended December 31, 2021 and 2020, the Organization paid out \$72,135 and \$108,582, respectively in premium assistance claims.

Note 15 - Contingencies

Primary Care Fund

The Department of Health Care Policy and Financing (HCPF) awards funds from the Primary Care Fund to qualifying health care clinics. The Primary Care Fund was established with proceeds from the Amendment 35 Tobacco Tax. Award payments are based on the percentage of medically indigent patients served by an individual provider in proportion to the total number of medically indigent patients served by all health care providers who qualify for moneys from this fund.

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Notes to the Financial Statements

Note 15 - Contingencies (continued)

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In that event, the Organization may be required to refund amounts to the grantor. During the years ended December 31, 2021 and 2020, the Organization was awarded \$64,972 and \$40,779, respectively, from the Primary Care Fund. Management of the Organization considers the risk of repayment of the funds as remote.

Health Care Industry

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for services previously provided.

Note 16 - Reclassifications

Certain prior year amounts were reclassified to conform to the current year presentation.