

# **Doctors Care**

## **Financial Statements**

For the Year Ended December 31, 2024  
(With Comparative Totals for the Year Ended December 31, 2023)



# Doctors Care

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Certified Public Accountants

## **Independent Auditor's Report**

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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, 2024, 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, 2024, 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**

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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**

We have previously audited Doctors Care's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 27, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Olson, Reyes & Sauerwein, LLC  
Centennial, Colorado  
April 3, 2025

# Doctors Care

## Statements of Financial Position

December 31, 2024

(With Comparative Totals as of December 31, 2023)

	2024	2023
<b>ASSETS</b>		
Cash	\$ 765,365	\$ 555,422
Grants and contributions receivable	258,417	370,049
Accounts and other receivables	74,202	58,505
Prepaid and other assets	22,850	37,768
Investments	4,189,010	3,425,607
Property and equipment, net	2,726,073	2,291,764
Beneficial interest in assets held by others	303,128	298,049
<b>TOTAL ASSETS</b>	<b>\$ 8,339,045</b>	<b>\$ 7,037,164</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 154,243	\$ 35,622
Accrued payroll liabilities	75,244	135,902
Property taxes payable	28,939	27,062
Deferred tenant revenue and deposits	14,290	11,179
<b>Total Liabilities</b>	<b>272,716</b>	<b>209,765</b>
<b>Net Assets</b>		
Net assets without donor restrictions:		
Designated for capital and technology projects	200,000	200,000
Net investment in fixed assets	2,726,073	2,291,764
Undesignated	3,545,419	3,137,537
<b>Total Net Assets Without Donor Restrictions</b>	<b>6,471,492</b>	<b>5,629,301</b>
<b>Net Assets With Donor Restrictions</b>	<b>1,594,837</b>	<b>1,198,098</b>
<b>Total Net Assets</b>	<b>8,066,329</b>	<b>6,827,399</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,339,045</b>	<b>\$ 7,037,164</b>

See Notes to Financial Statements

# Doctors Care

## Statements of Activities

For the Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024	2023
<b>Revenue and Support</b>				
Patient care services	\$ 1,148,265	\$ -	\$ 1,148,265	\$ 1,383,358
Grants and contributions	1,296,395	1,288,078	2,584,473	1,331,355
Government grants	369,759	-	369,759	247,683
In-kind contributions	555,111	-	555,111	530,561
Change in value of beneficial interest	-	19,803	19,803	32,110
Investment income, net	304,783	4,603	309,386	340,080
Other income	3,257	-	3,257	199,473
Net assets released from restrictions	915,745	(915,745)	-	-
	4,593,315	396,739	4,990,054	4,064,620
Rental income	142,337	-	142,337	167,665
Rental expense	(245,623)	-	(245,623)	(370,940)
Net rental activity	(103,286)	-	(103,286)	(203,275)
<b>Total Revenue and Support</b>	4,490,029	396,739	4,886,768	3,861,345
<b>Expenses</b>				
Program services	3,169,461	-	3,169,461	2,929,948
Support services:				
Management and general	309,341	-	309,341	260,047
Fundraising	169,036	-	169,036	95,930
Total Support Services	478,377	-	478,377	355,977
<b>Total Expenses</b>	3,647,838	-	3,647,838	3,285,925
<b>Change in Net Assets</b>	842,191	396,739	1,238,930	575,420
<b>Net Assets - Beginning of Year</b>	5,629,301	1,198,098	6,827,399	6,251,979
<b>NET ASSETS - END OF YEAR</b>	\$ 6,471,492	\$ 1,594,837	\$ 8,066,329	\$ 6,827,399

See Notes to Financial Statements

# Doctors Care

## Statements of Functional Expenses

For the Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	Program Services	Management and General	Fundraising	Total 2024	Total 2023
Salaries	\$ 1,666,353	\$ 137,431	\$ 104,982	\$ 1,908,766	\$ 1,808,918
Employee benefits	100,411	8,281	6,326	115,018	103,042
Payroll taxes	137,827	11,367	8,683	157,877	149,727
<b>Total Personnel Expenses</b>	<b>1,904,591</b>	<b>157,079</b>	<b>119,991</b>	<b>2,181,661</b>	<b>2,061,687</b>
Advertising and marketing	23,414	-	23,414	46,828	40,704
Computer and software expense	133,527	11,013	8,412	152,952	110,078
Contract services	146,615	87,077	-	233,692	115,542
Insurance	9,996	4,613	769	15,378	15,183
Office expenses	43,145	2,569	1,962	47,676	34,456
Other expenses	29,867	2,464	1,884	34,215	20,852
Professional services	-	28,026	-	28,026	26,107
Rental expenses	214,429	17,685	13,509	245,623	370,940
Clinic expenses	123,135	-	-	123,135	100,732
<b>Total Cash Expenses</b>	<b>2,628,719</b>	<b>310,526</b>	<b>169,941</b>	<b>3,109,186</b>	<b>2,896,281</b>
Donated Goods and Services:					
Physicians	309,105	-	-	309,105	313,385
Medical staff services	93,072	-	-	93,072	72,669
Technology	14,170	-	-	14,170	15,042
Vaccines	138,764	-	-	138,764	129,465
Depreciation	200,060	16,500	12,604	229,164	230,023
<b>Total Noncash Expenses</b>	<b>755,171</b>	<b>16,500</b>	<b>12,604</b>	<b>784,275</b>	<b>760,584</b>
<b>Total Expenses by Function</b>	<b>3,383,890</b>	<b>327,026</b>	<b>182,545</b>	<b>3,893,461</b>	<b>3,656,865</b>
Less: Expenses included with revenues on the Statements of Activities:					
Rental expense	(214,429)	(17,685)	(13,509)	(245,623)	(370,940)
<b>TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENTS OF ACTIVITIES</b>	<b>\$ 3,169,461</b>	<b>\$ 309,341</b>	<b>\$ 169,036</b>	<b>\$ 3,647,838</b>	<b>\$ 3,285,925</b>

# Doctors Care

## Statements of Cash Flows

For the Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,238,930	\$ 575,420
<b>Adjustment to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities</b>		
Depreciation	229,164	230,023
(Income) from beneficial interest in assets held by others	(19,803)	(32,110)
Investment income, net	(309,386)	(340,080)
(Decrease) in reserve for building repairs	-	(50,000)
<b>Change in Operating Assets and Liabilities</b>		
<b>(Increase) Decrease in:</b>		
Grants and contributions receivable	111,632	(133,575)
Accounts and other receivables	(15,697)	(39,977)
Prepaid and other	14,918	(18,399)
<b>Increase (Decrease) in:</b>		
Accounts payable	118,621	(2,628)
Accrued payroll liabilities	(60,658)	2,626
Property taxes payable	1,877	(2,693)
Deferred tenant revenue and deposits	3,111	(5,986)
<b>Net Cash Flows from Operating Activities</b>	<b>1,312,709</b>	<b>182,621</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) of property and equipment	(666,389)	(89,367)
Proceeds from beneficial interest in assets held by others	14,724	16,506
(Purchase) of investments	(2,336,629)	(1,166,599)
Proceeds from sale of investments	1,885,528	716,599
<b>Net Cash Flows from Investing Activities</b>	<b>(1,102,766)</b>	<b>(522,861)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>209,943</b>	<b>(340,240)</b>
<b>Cash - Beginning of Year</b>	<b>555,422</b>	<b>895,662</b>
<b>CASH - END OF YEAR</b>	<b>\$ 765,365</b>	<b>\$ 555,422</b>

See Notes to Financial Statements

# Doctors Care

## Notes to the Financial Statements

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### 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

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### 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, 2024 and 2023.

The Organization applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain, therefore, no amounts have been recognized as of December 31, 2024.

#### **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, 2023, from which the summarized information was derived.

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

The Organization's financial instruments include cash, receivables, and accounts payable. The fair values of these financial instruments approximate their carrying amounts based on current market indicators, such as prevailing interest rates and their nearness to maturity.

#### **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.

#### **Accounts and Other Receivables**

Accounts and other receivables are uncollateralized amounts due primarily from Medicaid and from tenants. The carrying value of accounts receivable is recorded net of an allowance for credit losses. Credit losses are estimated based on management's evaluation of historical losses, current conditions of individual accounts and reasonable and supportable forecasts. For the years ended December 31, 2024 and 2023, no allowance for estimated credit losses was necessary.

# Doctors Care

## Notes to the Financial Statements

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### Note 1 - Significant Accounting Policies (continued)

#### 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, 2024 and 2023, management deemed all grants and contributions receivable to be fully collectible; accordingly, no allowance for uncollectible grants and contributions receivable was required.

The Organization has been awarded government grants that are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant or contract provisions. At December 31, 2024, \$171,232 of the grants had not been recorded because the qualifying expenditures have not been incurred.

#### Investments

The Organization carries investments in marketable securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the Statement of Activities. The Organization's beneficial interest in assets held by others is valued as reported by the entity holding the funds which is based on values of the underlying assets in active markets.

#### 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 useful 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.

#### Long-Lived Assets

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, 2024 and 2023.

# Doctors Care

## Notes to the Financial Statements

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### Note 1 - Significant Accounting Policies (continued)

#### Deferred Rent and Tenant Deposits

Deferred rent and tenant deposits consists of security deposits and prepaid rent received from tenants. Rent payments collected prior to the period for which the rents are due are included in deferred rent 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.

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.

# Doctors Care

## Notes to the Financial Statements

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### Note 1 - Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

*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.

#### In-Kind Contributions

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.

#### 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 reports 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 office and building expenses are allocated based upon time spent, utilization and square feet.

# Doctors Care

## Notes to the Financial Statements

### Note 1 - Significant Accounting Policies (continued)

#### Advertising and Marketing

Costs associated with advertising and marketing are expensed in the period incurred. Advertising and marketing related costs expensed totaled \$46,828 and \$40,704, for the years ended December 31, 2024 and 2023, respectively.

#### Subsequent Events

In preparing its financial statements, the Organization has evaluated subsequent events through April 3, 2025, 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.

### 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 Statement of Financial Position date, comprise the following as of December 31, 2024 and 2023:

<i>As of December 31,</i>	2024	2023
Cash	\$ 765,365	\$ 555,422
Grants and contributions receivable	258,417	370,049
Accounts and other receivables	74,202	58,505
Investments	4,189,010	3,425,607
Total Financial Assets	5,286,994	4,409,583
Less: restricted contributions included in cash	-	(530,000)
Less: restricted contributions included in investments	(1,033,292)	-
Less: Board designations - amount set aside for capital improvements	(200,000)	(200,000)
<b>Total Financial Assets Available for General Expenditure</b>	<b>\$ 5,086,994</b>	<b>\$ 3,679,583</b>

The Organization has board-designated funds totaling \$200,000 for capital and technology projects as of December 31, 2024 and 2023. 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 short term investments for approximately four to six months of operating expenses and also invests in marketable securities based on an allocation methodology approved by the Board.

# Doctors Care

## Notes to the Financial Statements

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### 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 associated with grants and contributions receivable is limited due to the number and creditworthiness of the entities from which the amounts are due. At December 31, 2024 and 2023, 62% and 43%, respectively, of the Organization's receivables were due from two organizations.

The Organization receives substantially all of its revenue from public support and Medicaid. A significant reduction in the level of support or Medicaid revenue, if this were to occur, may have an adverse effect on the Organization's programs and activities.

### Note 4 - Investments

Investments consist of the following at December 31, 2024 and 2023:

<i>As of December 31,</i>	2024	2023
Equity mutual funds	\$ 1,295,857	\$ 1,091,125
Bond mutual funds	1,068,009	1,092,743
International mutual funds	164,676	150,966
Stocks	590,648	537,740
Money market mutual funds	1,069,820	553,033
<b>Total</b>	<b>\$ 4,189,010</b>	<b>\$ 3,425,607</b>

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.

# Doctors Care

## Notes to the Financial Statements

### Note 5 - Beneficial Interest in Assets Held by Others

The Organization has entered into an agreement with Colorado Gives Foundation (the "Foundation") to establish the Doctors Care Endowment Fund (the "Fund") to be held by the Foundation. The Fund is used for general operating needs. The Organization follows the investment strategy and spending policies adopted by the Foundation 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. The Organization granted variance power to the Foundation. Should the Organization were to cease to exist, the Foundation would have the right to distribute the funds or combine the funds with an existing fund of the Foundation.

Changes in the net assets of the Fund were as follows for the years ended December 31, 2024 and 2023:

Balance, December 31, 2022	\$ 282,445
Investment income, net of expenses	32,110
Withdrawals	(16,506)
Balance, December 31, 2023	298,049
Investment income, net of expenses	19,803
Withdrawals	(14,724)
Balance, December 31, 2024	\$ 303,128

### Note 6 - 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.

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.

# Doctors Care

## Notes to the Financial Statements

### Note 6 - Fair Value Measurements (continued)

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, 2024 and 2023.

- Money market mutual 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 Organization's investment assets at fair value as of December 31, 2024 and 2023. 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, 2024</i>	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,528,542	\$ -	\$ -	\$ 2,528,542
Stocks	590,648	-	-	590,648
Money market mutual funds	-	1,069,820	-	1,069,820
Beneficial interest in assets held by others	-	-	303,128	303,128
	\$ 3,119,190	\$ 1,069,820	\$ 303,128	\$ 4,492,138

<i>December 31, 2023</i>	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,334,834	\$ -	\$ -	\$ 2,334,834
Stocks	537,740	-	-	537,740
Money market funds	-	553,033	-	553,033
Beneficial interest in assets held by others	-	-	298,049	298,049
	\$ 2,872,574	\$ 553,033	\$ 298,049	\$ 3,723,656

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

	Level 3
Balance as of December 31, 2022	\$ 282,445
Investment income, net	32,859
Management fees	(749)
Disbursements	(16,506)
Balance as of December 31, 2023	298,049
Investment income, net	23,071
Management fees	(3,268)
Disbursements	(14,724)
Balance as of December 31, 2024	\$ 303,128

# Doctors Care

## Notes to the Financial Statements

### Note 7 - Property and Equipment

Property and equipment, net of accumulated depreciation, consisted of the following at December 31, 2024 and 2023,

<i>As of December 31,</i>	2024	2023
Buildings	\$ 3,376,177	\$ 2,286,209
Building improvements	529,934	1,011,564
Medical and office equipment	782,558	727,423
	4,688,669	4,025,196
Less: accumulated depreciation	(1,962,596)	(1,733,432)
<b>Property and Equipment, Net</b>	<b>\$ 2,726,073</b>	<b>\$ 2,291,764</b>

For the years ended December 31, 2024 and 2023, depreciation expense was \$229,164 and \$230,023, respectively.

### Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2024 and 2023:

	2024	2023
<b>Subject to expenditure for specified purpose:</b>		
Capital Improvements	\$ -	\$ 530,000
Medical personnel	1,033,292	-
<b>Subject to passage of time</b>		
Grants and contributions receivable	258,417	370,049
Beneficial interest in assets held by others	303,128	298,049
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 1,594,837</b>	<b>\$ 1,198,098</b>

# Doctors Care

## Notes to the Financial Statements

### Note 9 - In-Kind Contributions

Donated materials and services are important to the Organization's operations and, accordingly, are reflected as contributions in the accompanying Statement 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, 2024 and 2023:

<i>Year Ended December 31,</i>	2024	2023
Physicians	\$ 309,105	\$ 313,385
Medical staff services	93,072	72,669
Technology	14,170	15,042
Vaccines	138,764	129,465
<b>Total In-Kind Contributions</b>	<b>\$ 555,111</b>	<b>\$ 530,561</b>

Donated physician, technology and medical staff services are valued based on the standard industry pricing for similar services. Donated vaccines are valued based on the estimated fair market value to purchase the vaccines, which is determined by the organization who donates the vaccines.

During the year ended December 31, 2024, the Organization also received donations of publicly traded common stock valued at \$1,050,948 which is included in grants and contributions on the Statement of Activities. The donated stock was valued at its fair value at the time of donation and was immediately sold by the Organization.

### Note 10 - Rental Income and Expenses

#### Rental Income

The Organization is the lessor of office space within their building. The leases range from month-to-month to five years. Rental income for the years ended December 31, 2024 and 2023, totaled \$142,337 and \$167,665, respectively.

The following table presents future rental income due under the leases for the years ended December 31:

	December 31,
2025	\$ 139,745
2026	42,487
2027	10,362
	<b>\$ 192,594</b>

# Doctors Care

## Notes to the Financial Statements

### Note 10 - Rental Income and Expenses (continued)

#### Rental Expense

Rental expenses directly associated with the production of the rental income consists of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Property management	\$ 17,398	\$ 17,658
Utilities	38,105	49,512
Operating and maintenance	151,338	159,668
Taxes and insurance	35,888	33,730
Depreciation	2,894	6,067
	<u>\$ 245,623</u>	<u>\$ 266,635</u>

### Note 11 - Retirement Plan

The Organization has established a defined contribution pension plan. Employee contributions are matched up to 3% of gross salary. The Organization contributed \$45,274 and \$36,487 to the plan for the years ended December 31, 2024 and 2023, respectively.

### Note 12 - 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.

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, 2024 and 2023, the Organization was awarded \$369,759 and \$247,683, respectively, from the Primary Care Fund. Management of the Organization considers the risk of repayment of the funds as remote.

# Doctors Care

## Notes to the Financial Statements

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### **Note 12 - Contingencies (continued)**

#### 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 13 - Flood Damage and Insurance Payments**

In 2022, a water line broke in the building owned by the Organization which resulted in damage to the Organization's office and medical space. The Organization filed an insurance claim for the damages and business disruption. During the year ended December 31, 2023, the Organization repaired the damage and incurred costs of approximately \$167,000; of which, \$13,370 was recorded as property and equipment and the remainder was expensed. During the year ended December 31, 2023, the Organization received \$199,473 of proceeds from the insurance company to cover the cost of repairs and business disruption.