

**HEALTH FOR ALL, INC.**

**INDEPENDENT AUDITOR'S REPORT**

**AND**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Health for All, Inc.

### Opinion

We have audited the accompanying financial statements of Health for All, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 Health for All, Inc. as of June 30, 2024, and the changes in its 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 Health for All, Inc. 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 Health for All, Inc.'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 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 Health for All, 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 Health for All, 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Thompson, Derrig & Craig, PC*

**THOMPSON, DERRIG & CRAIG, PC**

June 13, 2025

**HEALTH FOR ALL, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

ASSETS

Current assets	
Cash and cash equivalents	\$ 314,551
Investments	17,539
Prepaid expenses	3,000
Total current assets	335,090
Fixed assets	
Office equipment	53,940
Clinic furniture and equipment	93,036
Electronic medical records system	10,418
Leasehold improvements	370,734
	528,128
Less accumulated depreciation	(230,118)
Total fixed assets	298,010
Other assets	
Operating lease right-of-use asset	310,066
Cash restricted for purchase of equipment	15,000
Community Foundation of Brazos Valley	28,150
Total other assets	353,216
TOTAL ASSETS	\$ 986,316

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and credit card	\$ 10,989
Accrued payroll and related	22,257
Current portion of operating lease liability	62,417
Total current liabilities	95,663
Noncurrent liabilities	
Operating lease liability, net of current portion	249,809
Total liabilities	345,472
Net assets	
With donor restrictions	40,901
Without donor restrictions	599,943
Total net assets	640,844
TOTAL LIABILITIES AND NET ASSETS	\$ 986,316

See independent auditor's report and notes to the financial statements.

**HEALTH FOR ALL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Contributions			
Donations and grants	\$ 540,401	\$ 15,000	\$ 555,401
Special events and fundraising	102,265	-	102,265
Contributed assets/services	1,432,493	-	1,432,493
Investment income and other	10,083	-	10,083
Employee retention credit	47,652	-	47,652
Net assets released from restrictions	8,012	(8,012)	-
Total support and revenue	<u>2,140,906</u>	<u>6,988</u>	<u>2,147,894</u>
<b>EXPENSES:</b>			
Program services	2,076,791	-	2,076,791
Management and general	86,209	-	86,209
Fundraising	162,172	-	162,172
Total expenses	<u>2,325,172</u>	<u>-</u>	<u>2,325,172</u>
Change in net assets from operations	(184,266)	6,988	(177,278)
Net assets at beginning of year	<u>784,209</u>	<u>33,913</u>	<u>818,122</u>
Net assets at end of year	<u>\$ 599,943</u>	<u>\$ 40,901</u>	<u>\$ 640,844</u>

See independent auditor's report and notes to the financial statements.

**HEALTH FOR ALL, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Management and General	Fundraising	Total
Contract services	\$ 426,641	\$ -	\$ 46,200	\$ 472,841
Dental services	23,045	-	-	23,045
Depreciation	14,169	1,574	-	15,743
Insurance	6,488	1,622	-	8,110
Lab fees	14,244	-	-	14,244
Medical supplies	37,542	-	-	37,542
Marketing and awareness	15,119	-	-	15,119
Medicines and vitamins	931,851	-	-	931,851
Miscellaneous	4,564	4,564	-	9,128
Office and related	11,664	2,916	-	14,580
Payroll and related	367,658	12,393	33,048	413,099
Professional fees	-	24,556	-	24,556
Radiology and ultrasound	29,313	-	-	29,313
Rent and related	65,066	3,424	-	68,490
Repairs and maintenance	38,616	2,032	-	40,648
Special events	-	-	82,924	82,924
Training, dues and volunteer	-	24,473	-	24,473
Technology and related	66,272	7,364	-	73,636
Utilities and related	24,539	1,291	-	25,830
	<u>\$ 2,076,791</u>	<u>\$ 86,209</u>	<u>\$ 162,172</u>	<u>\$ 2,325,172</u>

See independent auditor's report and notes to financial statements.

**HEALTH FOR ALL, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (177,278)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	15,743
Donated stock	(5,183)
Unrealized (gain) loss on investments	(1,909)
Change in:	
Prepaid expenses	4,553
Operating lease right-of-use asset	46,019
Operating lease liabilities	(43,859)
Accounts payable and credit card	1,455
Accrued payroll and related	13,908
Net cash provided (used) in operating activities	<u>(146,551)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of equipment	(10,972)
Community Foundation BV fund activity, net	<u>(11,697)</u>
Net cash provided (used) in investing activities	<u>(22,669)</u>
Net change in cash and cash equivalents	<u>(169,220)</u>
Cash at beginning of year	<u>498,771</u>
Cash at end of year	<u>\$ 329,551</u>

See independent auditor's report and notes to financial statements.

**HEALTH FOR ALL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 1 – Overview of Organization**

Health for All, Inc. (HFA or the Organization) is a not-for-profit corporation chartered by the State of Texas in 1990. HFA's mission is to provide and expand access to free, high-quality, and comprehensive, primary and preventive health care for low-income, medically uninsured individuals in the Brazos Valley. HFA is funded through contributions, government and civic grants and private foundations and is governed by a volunteer board of directors.

**Note 2 – Significant Accounting Policies**

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net Assets With Donor Restrictions* - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

See independent auditor's report.

**HEALTH FOR ALL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 2 – Significant Accounting Policies (continued)**

Cash and Cash Equivalents

For purposes of the statement of cash flows, HFA considers all highly liquid investments with an initial maturity of twelve months or less to be cash equivalents. Restricted cash is limited in use, by donors, to the purchase of medical equipment as discussed in Note 5.

Cash and cash equivalents	\$ 314,551
Cash restricted for purchase of equipment	<u>15,000</u>
	<u>\$ 329,551</u>

Contributions

Contributions, including unconditional promises to give and grants, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. If the donor restrictions are met in the same period as received, the amount is reported as an increase in net assets without donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Fixed Assets and Depreciation

HFA capitalizes purchased or donated property and equipment with a cost or value of \$1,000 or more. Property and equipment are recorded at cost at the purchase date or at fair market value at the date of donation. Depreciation is calculated and recorded using the straight-line method over the useful lives of the assets, generally ten to forty years for leasehold improvements and three to seven years for furniture, equipment and software. The cost of maintenance and repairs is charged to expense as paid.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) required specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Volunteers also provide clerical and fundraising services throughout the year that are not recognized as contributions because these services do not meet the criteria for recognition.

Fair Value of Financial Instruments

The carrying amounts of cash equivalents, accounts receivable and current liabilities approximate fair value because of the short maturity of those instruments.

See independent auditor's report.

**HEALTH FOR ALL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 2 – Significant Accounting Policies (continued)**

Use of Estimates

Management of HFA has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Tax Status

HFA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been made in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes as well as all other expenses that cannot be directly identified are allocated using management's estimated percentage of the portions related to either program or supporting activity.

When new space or programs are added, the bases on which costs are allocated are evaluated. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Operating Lease Right-of-Use Assets and Liabilities

HFA determines if an arrangement is a lease, or contains a lease, at the inception of a contract and when the terms of an existing contract are changed. HFA recognizes a right-of-use (ROU) asset and a lease liability at the commencement date of the lease. The ROU asset and lease liability is initially and subsequently recognized based on the present value of lease payments over the lease term. Lease agreements are evaluated to identify lease and non-lease components. Non-lease components, such as common area maintenance, are recorded separately from lease components and expensed as incurred. The discount rate represents the risk-free rate using a period comparable with that of the individual lease term on the commencement date of the lease. The lease cost for lease payments is recognized on a straight-line basis over the lease term. Short-term leases with a term of 12 or fewer months are not reflected on the balance sheet, and costs are expensed as incurred.

See independent auditor's report.

**HEALTH FOR ALL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 3 – Liquidity and Availability**

The following reflects HFA’s financial assets, reduced by amounts not available for general use because of donor-imposed restrictions, available to meet future cash needs within one year of statement of financial position date:

Cash and cash equivalents	\$ 314,551
Cash restricted for purchase of equipment	15,000
Less financial assets held to meet donor imposed restrictions	<u>(48,913)</u>
Amount available for general expenditures within one year	<u>\$ 280,638</u>

As part of its liquidity management, the Organization structures its financial assets to be available as general expenditures, liabilities and other obligations become due. Excess funds are held in interest-bearing money market accounts or certificates of deposit and are set aside to be used as deemed prudent and necessary to meet liquidity needs.

**Note 4 – Net Assets with Donor Restrictions**

As of June 30, 2024, net assets with donor restrictions was comprised of \$15,000 for medical equipment and \$25,901 for mammograms.

**Note 5 – Investments**

HFA holds donated stock held in a Truist Investment Services brokerage account. The stock is a Level 1 investment based on quoted prices in active markets. As of and for the year ended June 30, 2024, the fair market value of the stock was \$17,539 and investment income was comprised of \$1,909 of unrealized gains, respectively.

**Note 6 – Community Foundation of the Brazos Valley**

The Organization has invested funds held in an account by the Community Foundation of the Brazos Valley (the Foundation). The funds are reported as other assets on the accompanying statement of financial position and are considered Level 1 financial instruments given the funds are stated at fair market value based on quoted market prices as provided by the Foundation. Investment decisions are made by the Foundation. Distributions of the accounts will be made in accordance with a payout rate established by the trustees of the Foundation or as requested by HFA and shall be used for support of the mission and purpose of the Organization.

As of June 30, 2024, the reported value of the funds held with the Foundation was \$28,150. For the year ended June 30, 2024, HFA invested an additional \$8,882 of cash with the Foundation and recorded \$2,815 of net investment appreciation, which is included in other income in the accompanying statement of activities and is considered an unrestricted increase in net assets.

See independent auditor’s report.

**HEALTH FOR ALL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 7 – Leases**

HFA leases its clinic and office space. Management signed an amendment to extend the original lease agreement for an additional 60 months through July 2029. The monthly payments increase 3% annually beginning in August 2024. The lease agreement contains a non-lease component, common area maintenance (CAM), that is expensed monthly as incurred. For the year ending June 30, 2024, CAM expense was \$20,332. Additionally, HFA leases storage space under a month-to-month agreement. For the year ended June 30, 2024, the lease expense associated with the storage space was \$3,300. CAM, storage and lease rent expense are all recorded as rent and related expense on the accompanying statement of functional expenses.

Following is a summary of the right-of-use asset and liability and associated information for the clinic and office space lease:

Asset:	
Operating right-of-use asset	\$ 310,066
Current liability	
Operating lease liability	\$ 62,417
Long-term liability	
Operating lease liability	\$ 249,809
Weighted average remaining lease term	5
Weighted average discount rate	1.26%
Operating lease expenses included in rent expense	\$ 65,190

Future maturities of lease liabilities are as follows as of June 30, 2024:

2025	\$ 62,417
2026	63,572
2027	64,748
2028	65,946
2029	67,166
2030	5,606
	<u>\$ 329,455</u>
Less imputed interest	<u>(17,229)</u>
	<u>\$ 312,226</u>

See independent auditor's report.

**HEALTH FOR ALL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 8 – Donated Materials and Services**

For the year ended June 30, 2024, the value of donated services and materials included as contributions and the corresponding expenses or asset accounts were the following:

Contracted services	\$	426,641
Medical supplies		19,313
Marketing and awareness		11,367
Medicines and vitamins		908,146
Miscellaneous		2,364
Radiology and ultrasound		11,774
Special events		13,105
Technology and related		34,600
	\$	<u>1,427,310</u>

HFA also receives donated medicines from various pharmaceutical companies. Patients who meet the eligibility guidelines are enrolled in the Medication Assistance Program and receive free prescription medications, which are delivered to and dispensed by HFA personnel under the direction of a volunteer licensed pharmacist. The value of these medicines is not reflected in the accompanying financial statements since they do not meet the criteria for recognition. For the year ended June 30, 2024, the estimated value of these medications was \$97,808.

The Organization also received \$5,183 of donated stock during the year ended June 30, 2024.

**Note 9 – Retirement Plan**

HFA has a Simple IRA plan for its employees covering eligible employees. Eligible employees are those who have earned at least \$5,000 in the current year. HFA contributes 2% of eligible employees' pay to the plan. For the year ended June 30, 2024, HFA contributed \$6,358, which is included in payroll and related expenses in the accompanying statement of activities.

**Note 10 – Employee Retention Credit (ERC)**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, eligible employers may apply for a refundable tax credit, referred to as the Employee Retention Credit (ERC), against the employer's share of social security taxes, subject to certain criteria. During the year ended June 30, 2024, the Organization received ERC funds in the amount of \$47,652 as reflected on the statement of activities. The Organization has applied for additional amounts of ERC. However, as the additional funds have not been received as of the date of this report and any future amounts and collectability are deemed to be uncertain and unable to be estimated with a reasonable degree of accuracy, no amounts have been accrued in the financial statements.

See independent auditor's report.

**HEALTH FOR ALL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 10 – Subsequent Events**

HFA has evaluated subsequent events through June 13, 2025, which is the date the financial statements were available to be issued.

See independent auditor's report.