REQUEST FOR APPROPRIATION FROM THE TOWN OF MARSHFIELD

Name of organization: PEOPLE'S HEALTH + WELLNESS CLINIC

Address: 553 NORTH MAIN STREET, BARRE, VT 05641

Telephone number: 802-479-1229

Please provide brief details of services provided to the Town of Marshfield or Marshfield residents: SEE ATTACHED

Last year's appropriation request: $300.00

Last year's grant: $300.00

Explanation of any increase in this year's request (if applicable):

LEVEL FUNDING

Please include your most recent financial statement, and submit your request prior to December 1st. The Budget Committee will meet in December or January. Call for the meeting date (426-3305) or check the Town's website: http://town.marshfield.vt.us

Marshfield Narrative for 2017 Town Meeting Appropriation Request

People's Health & Wellness Clinic

Now in our 23rd year, the Mission of the People's Health & Wellness Clinic is to provide primary health care and wellness education to uninsured and underinsured central Vermont residents who could not otherwise afford these services.

Our services have always included primary medical care, mental health, body work and other complementary health, diet and nutrition, and vision care. The addition of oral health care to our services has been extremely well received, and the demand far outweighs our current capacity. We have been offering on site dental hygiene for over a year. Currently, we have one full day a week and part of a second day. The rest of that day, our oral health case manager works on referrals to a growing number of central Vermont dentists who generously donate their services for more serious oral health needs, including extractions, restorative work, and occasionally dentures. However, as with on site hygiene services, there is far more demand than current capacity, and we must triage these services.

9 separate Marshfield residents sought our services in 2015, requiring 27 separate patient interactions. They came for 8 full medical visits and 6 dental visits. We provided 6 case management interactions, performed or arranged for 22 diagnostic tests (labs, x-rays, etc.) and provided immunizations and pharmaceutical samples or vouchers 2 times, in addition to writing many more prescriptions. Our navigation services helped 2 individuals successfully enroll into health insurance and assistance programs. 6 Marshfield residents took advantage of our new oral health services, resulting in 5 full cleanings (prophylaxis), 1 x-ray, and 5 referrals to participating dentists for more advanced care.

Volunteer practitioners are the heart of our service model. In 2015, over 75 volunteers gave over $65,700 worth of their time serving our patients. Over $47,000 worth of pharmaceuticals and medical supplies were donated for our patients, and we paid $9,666 for diagnostic testing, and got another $6,696 of tests donated. Currently, one Marshfield resident serves on our Board of Trustees (Laura Backus Hall), and two nurses volunteer here.

We define our primary service area as all of Washington County, plus the Orange County towns of Orange, Washington, and Williamstown, but we do not restrict geographic access, and ended up serving people from 45 Vermont towns. To have been eligible for our services in 2015, one must not have health insurance (including Medicaid or Medicare), or have a health insurance deductible that is greater than 7.5% of household income, or need services offered by PHWC that are not covered by insurance, and have a household income of less than 400% of the Federal Poverty Level, which matches the limit of subsidies available under the Affordable Care Act. That said, 85% of our patients have incomes at or below 185% of the FPL.

We are a free clinic, and depend on grants and donations, including from our patients. For more information on our services, to make a donation, or to volunteer, please visit our website at phwcvt.org. Patients are seen by appointment only – call 802-479-1229, Monday through Thursday.

We are grateful to the voters of Marshfield for many years of support for the Clinic, and are very pleased to be able to provide these services to the community. Thank you.

Peter Youngbaer, Executive Director

PEOPLE'S HEALTH AND WELLNESS CLINIC

FINANCIAL STATEMENTS

December 31, 2015 and 2014

Osterman & Burke, PC
192 S. Main Street, PO Box 793
Barre, Vermont 05641

Member of the American Institute and the Vermont Society of CPAs

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Independent Accountant's Review Report

To the Directors,
People's Health and Wellness Clinic
Barre, Vermont 05641

We have reviewed the accompanying financial statements of Peoples Health and Wellness Clinic (a Vermont nonprofit organization), which comprise the statements of net assets – modified cash basis as of December 31, 2015 and 2014, and the related statements of changes in net assets – modified cash basis, cash flows – modified cash basis and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting.

Basis of Accounting

As described in Note 1, the Clinic's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to be presented in conformity with accounting principles generally accepted in the United States of America.

Osterman & Burke, PC

Barre, Vermont
March 1, 2016
Vt. License No. 92-0000338

PEOPLE'S HEALTH AND WELLNESS CLINIC

Statements of Net Assets
Modified Cash Basis
December 31, 2015 and 2014

	2015	2014
Assets:		
Current assets:		
Cash	$ 56,547	$ 33,547
Cash at People's United Securities	9,703	2,163
Total current assets	66,250	35,710
Other assets:		
Corporate Bonds	21,433	22,096
Corportate Equities	-	6,232
Notes receivable - VCLF	30,325	30,273
Total other assets	51,758	58,601
Fixed assets:		
Leasehold improvements	41,102	41,102
Office equipment	4,607	4,607
Dental equipment	11,835	11,835
Less accumulated depreciation	(17,523)	(12,754)
Net fixed assets	40,021	44,790
Total assets	$ 158,029	$ 139,101
Liabilities:		
Current Liabilities:		
Payroll withholdings	$ 989	$ 4,941
Current portion of long-term debt	5,093	5,043
Total current liabilities	6,082	9,984
Long-term Liabilities:		
VEDA loan (net of current portion)	2,473	7,565
Total liabilities	8,555	17,549
Net Assets:		
Unrestricted	145,987	119,699
Temporarily restricted	3,487	1,853
Total net assets	149,474	121,552
Total liabilities and net assets	$ 158,029	$ 139,101

See independent accountants' review report and notes to financial statements.

PEOPLE'S HEALTH AND WELLNESS CLINIC

Statements of Changes in Net Assets
Modified Cash Basis
December 31, 2015 and 2014

	2015	2014
Changes in Unrestricted Net Assets		
SUPPORT:		
Grants	$ 152,979	$ 174,212
Contributions	130,401	125,516
Donated services, supplies, and pharmaceuticals	115,881	237,607
Release of restrictions on temporarily restricted net assets	13,366	16,877
Total support and revenue	412,627	554,212
FUNCTIONAL EXPENSES:		
Salaries - administration and case manager	157,417	183,792
Payroll taxes and benefits	16,048	19,871
Building and occupancy	42,756	41,363
Clinic services	17,675	13,299
General and administrative	40,032	39,170
Donated services, supplies, and pharmaceuticals used	115,881	237,608
Total expenses	389,809	535,103
EXCESS (DEFICIENCY) OF SUPPORT OVER EXPENSES	22,818	19,109
OTHER INCOME:		
Investment income	867	2,663
Rents, fees, and other income	2,603	1,888
Total other income	3,470	4,551
Total increase (decrease) in unrestricted net assets	26,288	23,660
Unrestricted Net Assets - beginning of year	119,699	96,039
Unrestricted Net Assets - end of year	145,987	$ 119,699
Changes in Temporarily Restricted Net Assets		
Temporarily restricted grant revenue (Note 6)	15,000	-
Reclassification of temporarily restricted net assets	(13,366)	(16,877)
Total increase (decrease) in temporarily restricted net assets	1,634	(16,877)
Temporarily Restricted Net Assets - beginning of year	1,853	18,730
Temporarily Restricted Net Assets - end of year	3,487	1,853
Total net assets - end of year	$ 149,474	$ 121,552

See independent accountants' review report and notes to financial statements.

PEOPLE'S HEALTH AND WELLNESS CLINIC
STATEMENTS OF CASH ACTIVITY - MODIFIED CASH BASIS
December 31, 2015 and 2014

	2015	2014
Cash flow from operating activities:		
Net increase in unrestricted and restricted net assets	$ 27,922	$ 6,783
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,769	4,474
(Increase) decrease in other assets	6,843	(1,364)
Increase (decrease) in accrued liabilities	(3,952)	(1,434)
Total adjustments	7,660	1,676
Net cash provided (used) by operating activities	35,582	8,459
Cash flow from investing activities:		
Cash payments for the purchase of property	0	(11,835)
Net cash provided (used) by investing activities	0	(11,835)
Cash flow from financing activities:		
Cash increase from borrowing on line of credit	0	6,000
Principal payments on long-term debt	(5,042)	(11,008)
Net cash provided (used) by financing activities	(5,042)	(5,008)
Net increase (decrease) in cash and equivalents	30,540	(8,384)
Cash and equivalents, beginning of year	35,710	44,094
Cash and equivalents, end of year	$ 66,250	$ 35,710
Interest expense (flood loan and line of credit)	$ 103	$ 138

See independent accountants' review report and notes to financial statements

Note 1: Significant Accounting Policies

The People's Health and Wellness Clinic (PHWC) is one of ten free health care clinics operating in the State of Vermont. PHWC is dedicated to providing health care to uninsured or underinsured persons whose household income falls below 300% of the federal poverty level. During 2015, PHWC provided 1,664 patient interactions to 478 individual patients, including 177 patients new to the Clinic. During 2014, PHWC provided 3,004 patient interactions to 726 individuals. The patient base is approximately 4,000 individuals in Central Vermont, but PHWC does not restrict geographic access and has served people from 49 Vermont towns. PHWC is supported by local fund raising, patient donations, contributed services of health care professionals, contributed supplies and pharmaceuticals from the health care industry, and grants from the State of Vermont and other donors.

PHWC is a not-for-profit organization, exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The following is a summary of the more significant accounting policies:

Basis of Accounting

The statements of the People's Health and Wellness Clinic were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, income is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Modifications to this are that a liability is recognized for payroll taxes and withholdings due within one month after year-end and deferred revenue is recognized for unexpended funds, when on hand, for funded fee for service activities. Also, expenses over $3,000 are considered for capitalization and depreciation.

Since grant funds are expended in full each year, there are usually no significant temporarily or permanently restricted net assets that require disclosure under FAS ASC 958-210-45-9, 10. However, donations with time and purpose restrictions are recognized as temporarily restricted net assets if they are not fully spent by year end.

Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Advertising costs are expensed when incurred and not carried over to future periods.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Donated Services and Supplies

According to professional standards (FAS ASC 958-605-25-16), contributions of services and supplies should be recognized in the financial statements if: (1) PHWC typically would need to purchase the services and supplies if they had not been provided by contribution, (2) the services require special skills, and (3) the services are provided by persons with those special skills. A substantial number of medical professionals donate significant amounts of their time to PHWC each year. For the year ended December 31, 2015, donated services that meet the criteria for recognition totaled $68,871 and donated supplies and pharmaceuticals totaled $47,010. PHWC gratefully received additional office support valued at $3,525 in 2015 and $8,917 in 2014 that did not meet the criteria to include a dollar value in the financial statements. Donated professional services that meet the criteria for recognition in the year ended December 31, 2014 were $118,990 and donated supplies and pharmaceuticals totaled $118,617.

Note 1: Significant Accounting Policies (continued)

Cash

For purposes of the statement of cash activity – modified cash basis, checking and money market accounts are considered to be cash.

Property and Equipment

Purchased property and equipment are capitalized at cost, including all of the costs necessary to place those assets into service. Donated property and equipment are recorded as contributions in the period received at fair value. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. All property, plant and equipment costing more than $3,000, with an estimated life of more than one year are capitalized. The assets are being depreciated on the straight-line method over their estimated useful lives of 15 to 29 year for leasehold improvements, 3 years for office equipment and 10 years for dental equipment.

Employee Benefits

Employee benefits include retirement and health insurance to all eligible employees. The retirement benefit is a simplified employee pension (SEP) available to all employees who have worked for two years, regardless of the number of hours worked. The board determines the retirement benefit annually as a set percentage of gross wage. PHWC is not obligated to make a contribution each year, and employees do not contribute to the retirement plan. Retirement expenses were $2,651 and $3,341 in 2015 and 2014, respectively.

As of January 1, 2014, all eligible employees (permanent employees working 30 or more hours per week) were required to go to the state health exchange for health insurance coverage. An amount was added to each qualifying employee's gross pay to help with this coverage in an attempt to make the health benefit similar to what was previously offered.

Compensated absences are not accrued because they are not payable upon termination. No more than 5 days of unused vacation time can roll-over for each employee. Unused vacation time is usually expensed each year, and PHWC's policy is to recognize the cost when it is actually paid.

Note 2: Contingencies and Commitments

PHWC is committed to an annual lease agreement for rental of office space through June 30, 2016. The lease specifies annual rent increases of the greater of the current CPI or 2.5%, but not more than 5% per year. Rent was $2,000 per month for the first 6 months of 2014, $2050 per month from 7/1/14 to 6/30/15 and $2,100 from 7/1/15 until the end of the lease as of 6/30/16. Management expects to continue leasing under similar terms after this lease expires, but there is expected to be a new building owner by then. Minimum lease commitment on the office space is $12,600 through June 30, 2016.

PHWC has an operating lease on a Toshiba E-Studio 305 Copier payable through September 2016. Under the terms of this lease, minimum lease payments are $1,560 for 2014 and 2015 and $1,040 for 2016.

PHWC relies on contributions and state funding as its primary sources of revenue. This funding could be reduced or eliminated in future years.

Note 3: Changes in Property and Equipment

A summary of changes in property and equipment follows:

	12/31/2013	Additions	12/31/2014	Additions	12/31/2015
Leasehold improvements	$ 41,102	$ -	$ 41,102	$ -	$ 41,102
Office equipment	4,607	-	4,607	-	4,607
Dental equipment	-	11,835	11,835	-	11,835
Subtotal	45,709	11,835	57,544	-	57,544
Accumulated depreciation	(8,280)	(4,474)	(12,754)	(4,769)	(17,523)
Net Value	$ 37,429	$ 7,361	$ 44,790	$ (4,769)	$ 40,021

Note 4: Line of Credit

PHWC maintains a line of credit in the amount of $15,000 with People's United Bank. The variable interest rate is set at the Wall Street Journal prime plus 1.5% and has been secured by equity and bond securities held at People's Securities, Inc. In November, 2014 PHWC borrowed $6,000 on the line of credit and repaid the loan in the same month. Interest expense was $3. There were no borrowings on the line of credit in 2015. Management intends to renew the line of credit annually to keep the option open for cash flow needs.

Note 5: Emergency Flood Loan

PHWC was flooded on May 26, 2011 and was closed from May 27 through August 30, 2011 for flood related repairs. PHWC took out a $25,000 emergency flood loan from the Vermont Economic Development Authority (VEDA) and began repaying the loan in August 2012. The loan is for 60 months and matures on June 22, 2017. Interest is 1% and monthly payments are $429.

Maturity of long-term debt is as follows:

	Principal	Interest
Balance on December 31, 2015	$7,566	
2016 payments	-5,093	52
2017 payments	-2,473	7
	$0	$59

Note 6: Other Assets - Investments

Under FAS ASC 958-320-35-1, investments in marketable securities are valued using level 1 inputs based on unadjusted quoted market values. Investments in certificates of deposit and notes receivable are reported at their fair values in the statement of financial position subsequent to their initial measurement based on the income earned. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as non-operating increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Management intends to hold its investments until they are fully mature and books them at their current fair market value.

Note 6: Other Assets – Investments (continued)

Other Assets - Investments	12/31/2015 Investment Cost	12/31/2015 Fair Value	12/31/2014 Investment Cost	12/31/2014 Fair Value
Investments held at People's United Bank Securities				
Donated stock (Cost is fair value at time of contribution)	$ -	$ -	$ 4,063	$ 6,232
Pitney Bowes Inc Global, 4.75% if held to 5/15/18	5,156	5,234	5,156	5,324
General Electric Corp CAP, 5.625% if held to 5/1/18	10,468	10,906	10,468	11,252
Wachovia Corp N, 5.75% if held to 6/15/17	5,394	5,293	5,394	5,520
Total investmetns held at People's United Bank Securities	21,018	21,433	25,081	28,328
Notes receivable - VT Community Loan Fund				
Note L-7012	10,000	10,325	10,000	10,273
Note L-0852	20,000	20,000	20,000	20,000
Total notes receivable - VT Community Loan Fund	30,000	30,325	30,000	30,273
Total Other Assets - Investments	$ 51,018	$ 51,758	$ 55,081	$ 58,601

Securities held at People's United Bank are guaranteed the interest rates listed above if PHWC holds them through their listed maturity dates.

In 2010 PHWC invested an additional $30,000 in notes receivable from the Vermont Community Loan Fund (VCLF). $10,000 was invested in VCLF Note L-7012, an open-ended social investment account with no set termination or maturity date. Interest is paid at a variable rate semi-annually and re-invested into the social investment account. The remaining $20,000 was invested in a promissory note that matures annually on June 15th and is renewed automatically unless PHWC terminates the agreement. The promissory note pays 1.5% per annum and is paid quarterly to PHWC. Earnings on the social investment account were $51 and interest on the promissory note was $200 for each year.

	12/31/2015	12/31/2014
Other Assets - Investments, Beginning of Year	$ 58,601	$ 57,237
Dividends and interest earned	1,105	1,111
Sales proceeds	(6,436)	-
Realized gain	204	-
Earnings and cash transferred into operating funds	(1,054)	(1,111)
Market value adjustment	(662)	1,364
Total Other Assets - Investments	$ 51,758	$ 58,601

Note 7: Net Assets

During 2015 an additional $10,000 grant was given to help with wages for a dental hygienist to work for an additional day per week. As of December 31, 2015, the balance of temporarily restricted net assets is $3,487. As of December 31, 2014, the balance of temporarily restricted net assets was $1,853.

Note 8: Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through the date of the accompanying review report which is also the date the financial statements were available to be issued.