

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2021 AND 2020



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NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
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YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Neighborhood Health Clinic, Inc. and Subsidiary
Naples, Florida

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Neighborhood Health Clinic, Inc. and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the supplementary schedules is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, Neighborhood Health Clinic, Inc. and Subsidiary adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 2014-09, *Revenue from Contracts with Customers*. The new accounting standard clarifies how revenue is to be recognized and requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Naples, Florida
August 1, 2022

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020**

ASSETS	2021	2020
Cash and Cash Equivalents	\$ 5,333,794	\$ 3,698,181
Investments, Unrestricted	6,270,472	5,298,812
Unconditional Promises to Give, Net	608,156	944,857
Inventory and Other Assets	148,474	90,177
Assets Held Under Split-Interest Agreements, Net	115,900	185,401
Property and Equipment, Net	12,175,761	12,648,012
Construction in Process	6,171,558	3,237,272
Cash Surrender Value of Life Insurance	735,486	584,010
Cash and Investments, Endowment	18,038,684	15,401,697
Total Assets	\$ 49,598,285	\$ 42,088,419
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 446,344	\$ 242,132
PPP Loan Payable	-	238,135
Total Liabilities	446,344	480,267
NET ASSETS		
Without Donor Restrictions:		
Undesignated	11,532,004	8,064,681
Invested in Property and Equipment	12,175,761	12,648,012
Total Without Donor Restrictions	23,707,765	20,712,693
With Donor Restrictions for Time or Purpose	13,723,906	9,175,189
With Donor Restrictions in Perpetuity	11,720,270	11,720,270
Total Net Assets	49,151,941	41,608,152
Total Liabilities and Net Assets	\$ 49,598,285	\$ 42,088,419

See accompanying Notes to Consolidated Financial Statements.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restriction	With Donor Restrictions for Time or Purpose	With Donor Restrictions in Perpetuity	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ 2,457,479	\$ 2,230,257	\$ -	\$ 4,687,736
Contributed Services and Supplies	4,639,526	-	-	4,639,526
Special Events Income	\$ 927,302			
Less: Direct Expenses	(21,025)	906,277	-	906,277
Rental Income	775,729	-	-	775,729
Other Income	16,369	-	-	16,369
Forgiveness of Paycheck Protection Program Loan	238,135	-	-	238,135
Investment Return	667,837	3,673,968	-	4,341,805
Total Support and Revenues	9,701,352	5,904,225	-	15,605,577
Net Assets Released from Restrictions	1,286,006	(1,286,006)	-	-
Total Support, Revenues, and Reclassifications	10,987,358	4,618,219	-	15,605,577
EXPENSES				
Program Services	7,501,596	-	-	7,501,596
Management and General	277,128	-	-	277,128
Fundraising	213,563	-	-	213,563
Total Expenses	7,992,287	-	-	7,992,287
Change in Value of Split-Interest Agreement	-	(69,502)	-	(69,502)
Total Expenses and Losses	7,992,287	69,502	-	8,061,789
CHANGE IN NET ASSETS	2,995,072	4,548,717	-	7,543,789
Net Assets - Beginning of Year	20,712,693	9,175,189	11,720,270	41,608,152
NET ASSETS - END OF YEAR	\$ 23,707,765	\$ 13,723,906	\$ 11,720,270	\$ 49,151,941

See accompanying Notes to Consolidated Financial Statements.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Unrestricted	With Donor Restrictions for Time or Purpose	With Donor Restrictions in Perpetuity	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ 1,785,639	\$ 564,727	\$ -	\$ 2,350,366
Contributed Services and Supplies	4,678,002	-	-	4,678,002
Special Events Income	\$ 998,492			
Less: Direct Expenses	<u>(136,775)</u>	861,717	-	861,717
Rental Income	812,321	-	-	812,321
Other Income	246,279	-	-	246,279
Investment Return	400,265	1,682,651	-	2,082,916
Total Support and Revenues	<u>8,784,223</u>	<u>2,247,378</u>	<u>-</u>	<u>11,031,601</u>
Net Assets Released from Restrictions	<u>1,157,630</u>	<u>(1,157,630)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues, and Reclassifications	9,941,853	1,089,748	-	11,031,601
EXPENSES				
Program Services	7,556,165	-	-	7,556,165
Management and General	342,874	-	-	342,874
Fundraising	174,045	-	-	174,045
Total Expenses	<u>8,073,084</u>	<u>-</u>	<u>-</u>	<u>8,073,084</u>
Change in Value of Split-Interest Agreement	<u>-</u>	<u>17,938</u>	<u>-</u>	<u>17,938</u>
Total Expenses and Losses	<u>8,073,084</u>	<u>(17,938)</u>	<u>-</u>	<u>8,055,146</u>
CHANGE IN NET ASSETS	1,868,770	1,107,686	-	2,976,456
Net Assets - Beginning of Year	<u>18,843,923</u>	<u>8,067,503</u>	<u>11,720,270</u>	<u>38,631,696</u>
NET ASSETS - END OF YEAR	<u>\$ 20,712,693</u>	<u>\$ 9,175,189</u>	<u>\$ 11,720,270</u>	<u>\$ 41,608,152</u>

See accompanying Notes to Consolidated Financial Statements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021**

	Program Services	Management and General	Fundraising	Total
Advertising and Promotion	\$ -	\$ -	\$ -	\$ -
Depreciation	435,956	22,684	13,611	472,251
Donated Services and Goods	4,790,918	-	-	4,790,918
Dues and Subscriptions	977	11	3,794	4,782
Fundraising Expenses	24,389	-	33,050	57,439
Insurance	112,167	2,978	859	116,004
Office Supplies	75	283	5,614	5,972
Other Expenses	481,318	27,290	8,922	517,530
Professional Fees	76,369	38,093	98,378	212,840
Repair and Maintenance	48,006	39,998	574	88,578
Salaries and Benefits	1,474,202	142,848	68,020	1,685,070
Telephone	11,749	563	338	12,650
Travel and Entertainment	1,670	-	-	1,670
Utilities	43,800	2,380	1,428	47,608
Less: Special Event Expenses Presented in Net Special Event Revenue	-	-	(21,025)	(21,025)
Total Expenses	\$ 7,501,596	\$ 277,128	\$ 213,563	\$ 7,992,287

See accompanying Notes to Consolidated Financial Statements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020**

	Program Services	Management and General	Fundraising	Total
Advertising and Promotion	\$ -	\$ -	\$ -	\$ -
Depreciation	467,176	25,390	15,234	507,800
Donated Services and Goods	4,788,972	-	-	4,788,972
Dues and Subscriptions	5,187	3,236	970	9,393
Fundraising Expenses	-	-	217,213	217,213
Insurance	59,864	24,682	1,532	86,078
Bank Fees	-	8,808	-	8,808
Medical and Pharmacy Supplies	22,907	-	-	22,907
Office Supplies	54,033	3,961	5,304	63,298
Other Expenses	244,572	108,335	259	353,166
Postage and Shipping	3,780	205	123	4,108
Professional Fees	218,234	18,329	-	236,563
Rent Expense	54,002	-	-	54,002
Repair and Maintenance	194,733	8,174	5,277	208,184
Salaries and Benefits	1,365,586	135,454	60,710	1,561,750
Telephone	10,976	597	2,079	13,652
Travel and Entertainment	1,196	2,173	-	3,369
Utilities	64,947	3,530	2,119	70,596
Less: Special Event Expenses Presented in Net Special Event Revenue	-	-	(136,775)	(136,775)
Total Expenses	\$ 7,556,165	\$ 342,874	\$ 174,045	\$ 8,073,084

See accompanying Notes to Consolidated Financial Statements.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 7,543,789	\$ 2,976,456
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Value of Split-Interest Agreement	69,501	(17,938)
Depreciation	472,251	507,800
Paycheck Protection Program Loan Forgiveness	(238,135)	-
Change in Cash Surrender Value	(151,476)	(352,348)
Realized Gains on Investments	(1,647,009)	(714,178)
Unrealized Gains on Investments	(2,353,580)	(1,043,880)
(Increase) Decrease in Assets:		
Inventory and Other Assets	(58,297)	12,881
Unconditional Promises to Give and Grant Receivable	336,701	344,892
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	204,212	127,474
Net Cash Provided by Operating Activities	4,177,957	1,841,159
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	4,590,903	8,465,528
Purchase of Investments	(4,198,961)	(7,834,801)
Purchase of Property and Equipment	(2,934,286)	(3,020,304)
Net Cash Used by Investing Activities	(2,542,344)	(2,389,577)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of PPP Loan	-	238,135
Transfer of Cash Restricted for Long-Term Purposes	-	(308,629)
Net Cash Used by Financing Activities	-	(70,494)
CHANGE IN CASH AND CASH EQUIVALENTS	1,635,613	(618,912)
Cash and Cash Equivalents - Beginning of Year	3,698,181	4,317,093
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,333,794	\$ 3,698,181
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Income Taxes	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Neighborhood Health Clinic, Inc. and Subsidiary (the Organization) is a Florida nonprofit corporation organized in 1999. Its purpose is to deliver quality medical care to low-income, working, but uninsured people of Collier County, using primarily volunteer professional staff. The Organization is supported primarily through donations, patient contributions, special events, and grants. The Organization does not accept any government funding or support.

During the year ended September 30, 2014, the Organization formed a new entity, 12th and Goodlette, LLC, a single member LLC with the Organization as the only member. The new entity was formed to purchase and hold property for future clinic expansion.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Neighborhood Health Clinic, Inc. (the Clinic) and 12th and Goodlette, LLC (together, the Organization), after elimination of intercompany accounts and transactions.

Basis of Accounting

The accounts of the Organization are maintained, and the accompanying consolidated financial statements have been prepared, on the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on 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 (or certain grantor) 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 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, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all bank and similar deposits, demand accounts, money market funds, and short-term investments with an original maturity of three months or less to be cash equivalents. The Organization maintains bank accounts with balances, which, at times, may exceed federally insured limits.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

Inventory

Inventory consists primarily of pharmaceuticals and medical supplies and is stated at lower of cost or net realizable value.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is to be received. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Additionally, the Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Revenue Recognition

All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Contributions and grants received with donor and grantor stipulations that limit the use of donated assets are treated as net assets with donor restrictions. When the purpose of the restriction is accomplished, the donor-restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as Net Assets Released from Restrictions. All donor-restricted contributions and grants whose restrictions are met in the same fiscal year as the donation is received are recorded as support without restriction.

Contributions subject to donor-imposed restrictions that they must be maintained permanently are treated as net assets with donor restrictions. The donor of those assets permits the use of income earned on related investments for general purposes.

Grants or contributions restricted for the purpose of acquiring or constructing long-lived assets are recorded net assets with donor restrictions until the long-lived asset is acquired or constructed; at such time the net assets are released from the restriction and reclassified to net assets without restriction. Absent donor restrictions as to how long long-lived assets must be maintained, expirations of donor restrictions are reported when donated or acquired long-lived assets are placed in service.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets, or require specialized skills, and are provided by individuals possessing such specialized skills and the services would have been purchased if not donated. Contributed services consisting principally of physician, nursing, and other medical personnel totaled \$4,639,526 and \$4,678,002 during the years ended September 30, 2021 and 2020, respectively, and has been reflected in the accompanying consolidated financial statements. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, fundraising activities, and various committee assignments; however, no amounts have been reflected in the consolidated financial statements, as these services do not meet the criteria for recognition.

The Organization provides substantially all of their patients' medications through drug manufacturer patient assistance programs. As allowed by current accounting standards, the Organization chooses not to record these contributions or the ensuing liability to the ultimate beneficiary. Although not recorded, the value of the medication dispensed during the years ended September 30, 2021 and 2020, was estimated to be \$5,061,212 and \$5,578,353, respectively.

The Organization recognizes rental revenues as the rental service is provided. The rental agreements are comprised of an exchange element based on the equipment or space rented.

Investments

Investments are originally recorded at cost if purchased or, if donated, at fair market value on the date received. The Organization carries investments at fair value determined by quoted market prices. Investment income may be either with or without donor-restricted resources when earned, determined according to the donor's imposed restrictions. Realized and unrealized gains and losses are recognized in the period in which they occur in the consolidated statement of activities.

Fair Value Measurement

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

The fair value hierarchy consists of three levels of inputs used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices in active markets for identical assets or liabilities that the fund has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The Organization also follows the fair value option for financial assets and liabilities standard. This standard allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. The Organization has not elected to measure any newly acquired financial instruments at fair value at September 30, 2021 and 2020, as permitted. However, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

Property and Equipment

The Organization records equipment at cost when purchased, or at fair market value when donated. Donated assets are reported as contributions without restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor use restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization capitalizes expenditures for personal property and betterments over \$5,000 and uses the straight-line method of depreciation calculated over the estimated useful life of the asset, ranging from three to seven years for furniture and equipment, and 40 years for buildings and improvements.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Held Under Split-Interest Agreement

The Organization is the beneficiary of a charitable remainder trust being held by a financial institution. Under the trust agreement, specified amounts or percentages of funds invested are payable to the donor or the donor's designee, for life. Upon the death of the lifetime beneficiary, 50% of the balance of the investment is to be paid to the Organization. The Organization has recorded as assets the present value of its estimated beneficial interest in this gift. The present value of expected future cash inflows under this agreement is calculated using a discount rate of 2.4% at September 30, 2021. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the value of split-interest agreements in the statements of activities. The present value of the split-interest agreement receivable totaled \$115,900 and \$185,401 at September 30, 2021 and 2020, respectively.

Functional Expenses

The cost of providing program and support services has been summarized on a functional basis. The expenses are charged directly to program, supporting and administrative, and fundraising categories based on specific identification. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective (i.e., depreciation, personnel administration, and accounting). Indirect costs have been allocated based upon square footage or full-time equivalents by function.

Income Taxes

The Internal Revenue Service has determined that the Organization is a nonprofit organization that is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and is treated as other than a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for income taxes has been made in these consolidated financial statements.

The Organization follows the income tax standard regarding the recognition and measurement of uncertain tax positions. This guidance clarifies the accounting for uncertainly in income taxes recognized in an organization's financial statements. This standard has no impact on the Organization's consolidated financial statements. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes. An Exempt Organization Business Income Tax Return (Form 990) is filed annually by the Organization. 12th and Goodlette, LLC is a single member LLC and is a disregarded entity for tax purposes. The activities of 12th and Goodlette, LLC are consolidated with the Organization for tax purposes.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 1, 2022, the date the consolidated financial statements were available to be issued.

Change in Accounting Principle

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Network expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract.

ASU 2014-09 requires organizations to exercise more judgment and recognize revenue using a five-step process. The Organization adopted ASU 2014-09 using the modified retrospective method for all contracts effective June 1, 2020 and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue. In addition, retrospective application of ASU 2014-09 would not have resulted in a change in revenue as previously presented.

The adoption of ASU 2014-09 has no impact on the Organization's accounts receivable as it was historically recorded net of allowance for doubtful accounts and contractual adjustments. The adoption of ASU 2014-09 did not have a significant impact on the Organization's consolidated statements of activities for the years ended December 31, 2021 and 2020.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 2 INVESTMENTS

Investments consist of the following at September 30:

	2021	
	Cost	Fair Value
Domestic Equities	\$ 5,541,210	\$ 11,672,307
International Equities	395,161	701,995
Mutual Fund - Domestic Equities	1,548,196	2,034,514
Mutual Fund - International Equities	997,244	1,163,530
Corporate Bonds	584,044	589,377
Mutual Fund - Fixed Income - Domestic	5,487,801	5,521,328
Mutual Fund - Fixed Income - International	162,616	188,085
Real Assets	421,863	434,854
Alternative - Mutual Funds	402,576	510,869
Municipal Bonds	542,427	553,747
U.S. Treasury Obligations	296,587	300,060
Mortgage Backed Securities	164,125	146,226
Inflation Protected Securities	71,741	75,720
Total	<u>\$ 16,615,591</u>	<u>\$ 23,892,612</u>

	2020	
	Cost	Fair Value
Domestic Equities	\$ 5,236,768	\$ 9,573,797
International Equities	274,987	270,013
Mutual Fund - Domestic Equities	1,313,397	1,593,411
Mutual Fund - International Equities	951,520	938,384
Corporate Bonds	404,828	401,789
Mutual Fund - Fixed Income - Domestic	4,970,595	5,168,702
Mutual Fund - Fixed Income - International	154,616	168,940
Real Assets	493,636	540,492
Alternative - Mutual Funds	402,576	432,017
Municipal Bonds	640,304	650,584
U.S. Treasury Obligations	359,935	372,192
Mortgage Backed Securities	194,774	194,854
Total	<u>\$ 15,397,936</u>	<u>\$ 20,305,176</u>

Investments are included in the accompanying statements of financial position as follows:

	2021	2020
Investments, Unrestricted	\$ 6,270,472	\$ 5,298,812
Cash and Investments, Endowment	18,038,684	15,401,697
Cash Included in Cash and Investments, Endowment	(416,544)	(395,333)
Total	<u>\$ 23,892,612</u>	<u>\$ 20,305,176</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 2 INVESTMENTS (CONTINUED)

Investment return consists of the following:

	2021	2020
Interest and Dividends	\$ 451,922	\$ 414,018
Realized Investment Gains	1,647,009	714,178
Change in Unrealized Gains	2,353,580	1,043,880
Investment Fees	(110,706)	(89,160)
Total	<u>\$ 4,341,805</u>	<u>\$ 2,082,916</u>

The Organization's corporate, municipal bonds, mortgage-backed securities, and U.S. Treasury obligations consist of the following at September 30:

2021				
Face Value	Maturity Date	Interest Rate	Cost	Market Value
\$ 15,000	2021	3%	\$ 15,003	\$ 15,014
335,729	2022	.25-5.5%	335,908	339,786
333,934	2023	.31-6.5%	347,910	356,503
470,747	2024	.56-6.5%	481,923	488,728
305,719	2025	.38-5.5%	309,824	310,113
36,221	2026	4.00%	38,069	38,328
19,942	2027	6.00%	21,702	22,369
17,639	2028	4.50%	18,844	18,569
<u>\$ 1,534,931</u>			<u>\$ 1,569,183</u>	<u>\$ 1,589,410</u>

2020				
Face Value	Maturity Date	Interest Rate	Cost	Market Value
\$ 50,200	2020	2.10 - 6%	\$ 50,174	\$ 50,237
369,528	2021	1.125 - 5-5%	376,939	374,461
224,456	2022	2.25-5.50%	224,736	230,320
361,296	2023	2.24-6.50%	370,168	379,180
264,169	2024	2.5-6.5%	275,376	280,344
234,298	2025	1.18 - 5.5%	240,550	242,373
29,115	2027	6.00%	31,674	32,491
28,301	2028	4.50%	30,224	30,013
<u>\$ 1,561,363</u>			<u>\$ 1,599,841</u>	<u>\$ 1,619,420</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 3 FAIR VALUE MEASUREMENT

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1 – Summary of Significant Accounting Policies. The following tables present the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of September 30:

	2021			Total
	Level 1	Level 2	Level 3	
Domestic Equities	\$ 11,672,307	\$ -	\$ -	\$ 11,672,307
International Equities	701,995	-	-	701,995
Mutual Funds - Domestic	2,034,514	-	-	2,034,514
Mutual Funds - International	1,163,530	-	-	1,163,530
Corporate Bonds	-	589,377	-	589,377
Mutual Funds - Fixed Income	5,521,328	-	-	5,521,328
Mutual Funds - Fixed Income -	188,085	-	-	188,085
Real Assets	434,854	-	-	434,854
Alternative - Mutual Funds	510,869	-	-	510,869
Municipal Bonds	-	553,747	-	553,747
U.S. Treasury Obligations	300,060	-	-	300,060
Mortgage Backed Securities	146,226	-	-	146,226
Inflation Protected Securities	75,720	-	-	75,720
Assets Held Under Split- Interest Agreements	-	-	115,900	115,900
Total	<u>\$ 22,749,488</u>	<u>\$ 1,143,124</u>	<u>\$ 115,900</u>	<u>\$ 24,008,512</u>

	2020			Total
	Level 1	Level 2	Level 3	
Domestic Equities	\$ 9,573,797	\$ -	\$ -	\$ 9,573,797
International Equities	270,013	-	-	270,013
Mutual Funds - Domestic	1,593,411	-	-	1,593,411
Mutual Funds - International	938,384	-	-	938,384
Corporate Bonds	-	401,789	-	401,789
Mutual Funds - Fixed Income	5,168,702	-	-	5,168,702
Mutual Funds - Fixed Income -	168,940	-	-	168,940
Real Assets	540,492	-	-	540,492
Alternative - Mutual Funds	432,017	-	-	432,017
Municipal Bonds	-	650,584	-	650,584
U.S. Treasury Obligations	372,192	-	-	372,192
Mortgage Backed Securities	194,854	-	-	194,854
Assets Held Under Split- Interest Agreements	-	-	185,401	185,401
Total	<u>\$ 19,252,802</u>	<u>\$ 1,052,373</u>	<u>\$ 185,401</u>	<u>\$ 20,490,577</u>

Municipal bonds and U.S. Treasury obligations are measured at fair value utilizing market prices at the close of the last business day for the statement period, provided by the investment advisors.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 3 FAIR VALUE MEASUREMENT (CONTINUED)

Assets held under split-interest agreements are measured at fair value utilizing estimates of split-interest agreement assets utilizing market prices at the close of the last business day for the statement period, in addition to information provided by the agreement trustee.

NOTE 4 UNCONDITIONAL PROMISES TO GIVE AND GRANTS RECEIVABLE, NET

Unconditional promises to give and grants receivable consist of the following at September 30:

	2021	2020
Unconditional Promises to Give	\$ 622,939	\$ 982,386
Less: Discount to Net Present Value	(6,783)	(29,529)
Less: Allowance for Uncollectible Accounts	(8,000)	(8,000)
Total	<u>\$ 608,156</u>	<u>\$ 944,857</u>

Unconditional promises to give are scheduled to be received as follows:

	2021	2020
1 Year or Less	\$ 461,355	\$ 394,206
2 to 5 Years	161,584	588,180
Total	<u>\$ 622,939</u>	<u>\$ 982,386</u>

NOTE 5 ASSETS HELD UNDER SPLIT-INTEREST AGREEMENT

Assets held under split-interest agreement consist of the following as of September 30:

	2021	2020
Assets Held Under Split-Interest Agreement	\$ 415,931	\$ 415,931
Less: Valuation Allowance	(300,031)	(230,530)
Total	<u>\$ 115,900</u>	<u>\$ 185,401</u>

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Buildings	\$ 8,843,787	\$ 8,843,787
Land	2,303,509	2,303,509
Furniture and Equipment	3,199,128	3,199,128
Building Improvements	128,319	128,319
Computer Hardware and Software	384,773	384,773
Total	<u>14,859,516</u>	<u>14,859,516</u>
Less: Accumulated Depreciation	<u>(2,683,755)</u>	<u>(2,211,504)</u>
Total	<u>\$ 12,175,761</u>	<u>\$ 12,648,012</u>

Depreciation expense for the years ended September 30, 2021 and 2020 totaled \$472,251 and \$507,800, respectively.

NOTE 7 NET ASSETS

As of September 30, 2021 and 2020, the Organization had net assets with donor restrictions for the following purposes:

	<u>2021</u>	<u>2020</u>
Capital Campaign - Construction	\$ 6,171,557	\$ 4,086,983
Unconditional Promise to Give	608,156	871,610
Unappropriated Endowment Earnings	6,828,293	4,031,195
Split-Interest Agreement Receivable	115,900	185,401
Total	<u>\$ 13,723,906</u>	<u>\$ 9,175,189</u>

NOTE 8 BENEFIT PLAN

The Organization has a 401(k) plan for the benefit of its employees. The plan became effective as of January 1, 2015. Employees were eligible to participate upon hire, and could elect to defer between 1% and 100% of eligible compensation. The Organization must match at least 100% on the first 4% of eligible compensation that employees defer. For the years ended September 30, 2021 and 2020, the Organization contributed \$36,235 and \$33,307, respectively, to the 401(k) plan.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 9 ENDOWMENT

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment is donor restricted and its income is to be used for operations and other administrative costs. Annually, the board can transfer up to 5% of the market value of the account to be used for operations, as discussed below in "Investment Policies." There is no board-designated endowment.

Interpretation of Relevant Law

The board of directors has interpreted the relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by us in a manner consistent with the standard of prudence prescribed by the relevant law. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, as of September 30, 2021 and 2020, deficiencies of this nature that are reported in net assets without restriction were \$-0-.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 9 ENDOWMENT (CONTINUED)

Investment Policies

The Organization has established an investment policy to determine investment or reinvestment of the assets in accordance with such guidelines, policies, and procedures that are authorized by the board. These guidelines, policies, and procedures shall attempt to provide a predictable stream of funding to programs supported by the endowment funds. The endowment investment policy allows the board of directors to distribute up to 5% of the value of the endowment for operations each year. However, if the board elects not to distribute any earnings, those funds remain in the endowment. The annual decision is noncumulative; consequently, no greater than 5% of the value of the endowment can be distributed in any given year. During the year ended September 30, 2021, the board elected to make this decision and distributed \$876,870 from the endowment for operations. The board had made distributions of \$739,491 during the year ended September 30, 2020.

	With Donor Restrictions		
	Purpose	In Perpetuity	
	Restricted	Restricted	Total
Endowment Net Assets - September 30, 2019	\$ 3,088,035	\$ 11,720,270	\$ 14,808,305
Contributions	-	-	-
Cash Collected on Existing Receivable	-	-	-
Investment Return :			
Investment Income	272,343	-	272,343
Investment Expenses	(66,398)	-	(66,398)
Increase/Decrease in Value	1,476,706	-	1,476,706
Total Investment Return	<u>1,682,651</u>	-	<u>1,682,651</u>
Amounts Appropriated for Expenditure	<u>(739,491)</u>	-	<u>(739,491)</u>
Endowment Net Assets - September 30, 2020	4,031,195	11,720,270	15,751,465
Contributions	-	-	-
Cash Collected on Existing Receivable	-	-	-
Investment Return :			
Investment Income	299,697	-	299,697
Investment Expenses	(81,695)	-	(81,695)
Increase/Decrease in Value	3,455,966	-	3,455,966
Total Investment Return	<u>3,673,968</u>	-	<u>3,673,968</u>
Amounts Appropriated for Expenditure	<u>(876,870)</u>	-	<u>(876,870)</u>
Endowment Net Assets - September 30, 2021	<u>\$ 6,828,293</u>	<u>\$ 11,720,270</u>	<u>\$ 18,548,563</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 10 RELATED PARTY TRANSACTIONS

At September 30, 2021 and 2020, the Organization had unconditional promises to give due from board members totaling \$404,431 and \$626,765, respectively.

In addition, during the years ending September 30, 2021 and 2020, the Organization received contribution income from board members totaling \$546,445 and \$748,782, respectively.

NOTE 11 OPERATING LEASES

The Organization has certain noncancellable operating leases. Future rental income from these operating leases totals \$135,594 to be received in the year ending September 30, 2022.

NOTE 12 LIQUIDITY

The Organization routinely monitors liquidity to meet its operating needs. The Organization considers all expenditures related to its ongoing activities. In addition to financial assets available to meet general expenditures, the Organization operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of September 30, 2021, the following financial assets could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 5,333,794	\$ 3,698,181
Investments	24,309,156	20,700,509
Unconditional Promises to Give, Net	608,156	944,857
Assets Held Under Split-Interest Agreements, Net	115,900	185,401
Total	<u>30,367,006</u>	<u>25,528,948</u>
Less:		
Net Assets with Donor Restrictions for Purpose	(13,723,906)	(9,175,189)
Net Assets with Donor Restrictions in Perpetuity	(11,720,270)	(11,720,270)
Total	<u>\$ 4,922,830</u>	<u>\$ 4,633,489</u>

NOTE 13 LIFE INSURANCE ARRANGEMENT

During the year ended September 30, 2019, the Organization established a nonqualified arrangement for the chief executive officer that is funded by a life insurance policy for which the Organization is the beneficiary. The policy has a death benefit of \$6,670,043. During the years ended September 30, 2021 and 2020, the Organization paid a premium of \$150,000 and \$474,109, respectively, and had cash surrender value of the policy as of September 30, 2021 and 2020 of \$735,486 and \$584,010, respectively.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 14 PPP LOAN PAYABLE

On April 14, 2020, the Organization received a loan from a financial institution in the amount of \$238,135 to fund payroll, rent, and utilities through the Paycheck Protection Program Flexibility Act of 2020 (the PPP Loan). The PPP Loan could be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers as outlined in the loan agreement and the CARES Act. The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position. On April 14, 2021, the SBA has formally forgiven the entire portion of the Organization's obligation under this PPP Loan. Therefore, the Organization recognized \$238,135 in revenue for the year ended September 30, 2021.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
ASSETS				
Cash and Cash Equivalents	\$ 5,333,794	\$ -	\$ -	\$ 5,333,794
Investments, Unrestricted	6,270,472	-	-	6,270,472
Investment in Subsidiary	1,567,832	-	(1,567,832)	-
Unconditional Promises to Give, Net and Grant Receivable	608,156	-	-	608,156
Inventory and Other Assets	148,465	9	-	148,474
Assets Held Under Split-Interest Agreements, Net	115,900	-	-	115,900
Property and Equipment, Net	10,704,261	1,471,500	-	12,175,761
Construction in Process	6,054,851	116,707	-	6,171,558
Cash Surrender Value of Life Insurance	735,486	-	-	735,486
Cash and Investments, Endowment	18,038,684	-	-	18,038,684
	<u>\$ 49,577,901</u>	<u>\$ 1,588,216</u>	<u>\$ (1,567,832)</u>	<u>\$ 49,598,285</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 446,344	\$ -	\$ -	\$ 446,344
Due to (from) Related Party	(20,384)	20,384	-	-
Total Liabilities	425,960	20,384	-	446,344
NET ASSETS				
Without Donor Restrictions:				
Undesignated	13,003,504	96,332	(1,567,832)	11,532,004
Invested in Property and Equipment	10,704,261	1,471,500	-	12,175,761
Total Without Donor Restrictions	23,707,765	1,567,832	(1,567,832)	23,707,765
With Donor Restrictions:				
Subject to Expenditure for Specific Purposes or Passage of Time				
	13,723,906	-	-	13,723,906
Held in Perpetuity	11,720,270	-	-	11,720,270
Total With Donor Restrictions	25,444,176	-	-	25,444,176
Total Net Assets	49,151,941	1,567,832	(1,567,832)	49,151,941
Total Liabilities and Net Assets	<u>\$ 49,577,901</u>	<u>\$ 1,588,216</u>	<u>\$ (1,567,832)</u>	<u>\$ 49,598,285</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES – WITHOUT DONOR RESTRICTIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ 2,457,479	\$ -	\$ -	\$ 2,457,479
Contributed Services and Supplies	4,639,526	-	-	4,639,526
Special Events Income	\$ 927,302			
Less: Direct Expenses	<u>(21,025)</u>	906,277	-	906,277
Rental Income		775,729	-	775,729
(Loss) on Investment in Subsidiary		(18,564)	18,564	-
Other Income		16,369	-	16,369
Forgiveness of Paycheck Protection Program Loan		238,135		
Investment Return		<u>667,837</u>	-	<u>667,837</u>
 Total Support and Revenues		9,682,788	18,564	9,463,217
 Net Assets Released from Restrictions		<u>1,286,006</u>	-	<u>1,286,006</u>
 Total Support, Revenues, and Reclassifications		10,968,794	18,564	10,987,358
EXPENSES				
Program Services		7,483,032	18,564	7,501,596
Management and General		277,128	-	277,128
Fundraising		213,563	-	213,563
Total Expenses		<u>7,973,723</u>	18,564	<u>7,992,287</u>
 Change in Value of Split-Interest Agreement		-	-	-
 Loss on Disposal of Fixed Assets		-	-	-
 Total Expenses and Losses		<u>7,973,723</u>	18,564	<u>7,992,287</u>
 CHANGE IN NET ASSETS		2,995,072	(18,564)	2,995,072
 Net Assets - Beginning of Year		<u>20,712,693</u>	<u>1,586,396</u>	<u>20,712,693</u>
 NET ASSETS - END OF YEAR		<u>\$ 23,707,765</u>	<u>\$ (1,567,832)</u>	<u>\$ 23,707,765</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES – WITH DONOR RESTRICTIONS
FOR TIME OR PURPOSE
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ 2,230,257	\$ -	\$ -	\$ 2,230,257
Contributed Services and Supplies	-	-	-	-
Special Events Income	\$ -	-	-	-
Less: Direct Expenses	-	-	-	-
Rental Income	-	-	-	-
Gain on Investment in Subsidiary	-	-	-	-
Other Income	-	-	-	-
Investment Return	3,673,968	-	-	3,673,968
Total Support and Revenues	<u>5,904,225</u>	<u>-</u>	<u>-</u>	<u>5,904,225</u>
Net Assets Released from Restrictions	<u>(1,286,006)</u>	<u>-</u>	<u>-</u>	<u>(1,286,006)</u>
Total Support, Revenues, and Reclassifications	4,618,219	-	-	4,618,219
EXPENSES				
Program Services	-	-	-	-
Management and General	-	-	-	-
Fundraising	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Value of Split-Interest Agreement	(69,502)	-	-	(69,502)
Loss on Disposal of Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses and Losses	<u>(69,502)</u>	<u>-</u>	<u>-</u>	<u>(69,502)</u>
CHANGE IN NET ASSETS	4,548,717	-	-	4,548,717
Net Assets - Beginning of Year	<u>9,175,189</u>	<u>-</u>	<u>-</u>	<u>9,175,189</u>
NET ASSETS - END OF YEAR	<u><u>\$ 13,723,906</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,723,906</u></u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES – WITH DONOR RESTRICTIONS IN PERPETUITY
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ -	\$ -	\$ -	\$ -
Contributed Services and Supplies	-	-	-	-
Special Events Income	\$ -			
Less: Direct Expenses	<u>-</u>	-	-	-
Rental Income	-	-	-	-
Other Income	-	-	-	-
Investment Return	-	-	-	-
Total Support and Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support, Revenues, and Reclassifications	-	-	-	-
EXPENSES				
Program Services	-	-	-	-
Management and General	-	-	-	-
Fundraising	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Value of Split-Interest Agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	-	-	-	-
Net Assets - Beginning of Year	<u>11,720,270</u>	<u>-</u>	<u>-</u>	<u>11,720,270</u>
NET ASSETS - END OF YEAR	<u><u>\$ 11,720,270</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,720,270</u></u>