

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2020 AND 2019



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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, 2020 and 2019, 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, 2020 and 2019, 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 consolidated financial statements, Neighborhood Health Clinic, Inc. adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 2018-08 *Not-for-Profit-Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions made* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Naples, Florida
June 30, 2021

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019**

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 3,698,181	\$ 4,317,092
Investments, Unrestricted	5,298,812	4,993,915
Unconditional Promises to Give, Net	944,857	1,289,749
Inventory and Other Assets	90,177	103,058
Assets Held Under Split-Interest Agreements, Net	185,401	167,463
Property and Equipment, Net	12,648,012	13,121,204
Construction in Process	3,237,272	251,576
Cash Surrender Value of Life Insurance	584,010	231,662
Cash and Investments, Endowment	15,401,697	14,270,635
Total Assets	\$ 42,088,419	\$ 38,746,354
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 242,132	\$ 114,658
PPP Loan Payable	238,135	-
Total Liabilities	480,267	114,658
NET ASSETS		
Without Donor Restrictions:		
Undesignated	8,064,681	5,722,719
Invested in Property and Equipment	12,648,012	13,121,204
Total Without Donor Restrictions	20,712,693	18,843,923
With Donor Restrictions for Time or Purpose	9,175,189	8,067,503
With Donor Restrictions in Perpetuity	11,720,270	11,720,270
Total Net Assets	41,608,152	38,631,696
Total Liabilities and Net Assets	\$ 42,088,419	\$ 38,746,354

See accompanying Notes to Consolidated Financial Statements.

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

	Without Donor Restriction	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	(136,775)	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	8,784,223	2,247,378	-	11,031,601
Net Assets Released from Restrictions	1,157,630	(1,157,630)	-	-
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	8,073,084	-	-	8,073,084
Change in Value of Split-Interest Agreement	-	17,938	-	17,938
Total Expenses and Losses	8,073,084	(17,938)	-	8,055,146
CHANGE IN NET ASSETS	1,868,770	1,107,686	-	2,976,456
Net Assets - Beginning of Year	18,843,923	8,067,503	11,720,270	38,631,696
NET ASSETS - END OF YEAR	\$ 20,712,693	\$ 9,175,189	\$ 11,720,270	\$ 41,608,152

See accompanying Notes to Consolidated Financial Statements.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

	Unrestricted	With Donor Restrictions for Time or Purpose	With Donor Restrictions in Perpetuity	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ 1,571,697	\$ 4,213,658	\$ 509,000	\$ 6,294,355
Contributed Services and Supplies	5,027,258	-	-	5,027,258
Special Events Income	\$ 1,101,876			
Less: Direct Expenses	<u>(165,494)</u>	936,382	-	936,382
Rental Income	392,344	-	-	392,344
Other Income	13,363	-	-	13,363
Investment Return	196,888	708,528	-	905,416
Total Support and Revenues	<u>8,137,932</u>	<u>4,922,186</u>	<u>509,000</u>	<u>13,569,118</u>
Net Assets Released from Restrictions	<u>4,557,803</u>	<u>(4,557,803)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues, and Reclassifications	12,695,735	364,383	509,000	13,569,118
EXPENSES				
Program Services	7,597,871	-	-	7,597,871
Management and General	608,501	-	-	608,501
Fundraising	262,397	-	-	262,397
Total Expenses	<u>8,468,769</u>	<u>-</u>	<u>-</u>	<u>8,468,769</u>
Change in Value of Split-Interest Agreement	<u>-</u>	<u>(37,508)</u>	<u>-</u>	<u>(37,508)</u>
Total Expenses and Losses	<u>8,468,769</u>	<u>37,508</u>	<u>-</u>	<u>8,506,277</u>
CHANGE IN NET ASSETS	4,226,967	326,875	509,000	5,062,842
Net Assets - Beginning of Year	<u>14,616,956</u>	<u>7,740,628</u>	<u>11,211,270</u>	<u>33,568,854</u>
NET ASSETS - END OF YEAR	<u>\$ 18,843,923</u>	<u>\$ 8,067,503</u>	<u>\$ 11,720,270</u>	<u>\$ 38,631,696</u>

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	86,079
Information Technology Expenses	-	8,808	-	8,808
Medical and Pharmacy Supplies	22,907	-	-	22,907
Office Supplies	54,033	3,961	5,304	63,299
Other Expenses	244,572	108,335	259	353,166
Postage and Shipping	3,780	205	123	4,109
Professional Fees	218,234	18,329	-	236,562
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	1,561,751
Telephone	10,976	597	2,079	13,652
Travel and Entertainment	1,196	2,173	-	3,369
Utilities	64,946	3,530	2,118	70,593
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 STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019**

	Program Services	Management and General	Fundraising	Total
Advertising and Promotion	\$ -	\$ -	\$ 2,806	\$ 2,806
Depreciation	297,626	16,175	9,705	323,506
Donated Services and Goods	5,028,926	-	-	5,028,926
Dues and Subscriptions	3,814	1,660	4,594	10,068
Fundraising Expenses	-	-	192,808	192,808
Insurance	64,343	10,114	1,493	75,950
Bank Fees	-	222,525	-	222,525
Medical and Pharmacy Supplies	157,455	-	-	157,455
Office Supplies	-	10,495	2,241	12,736
Other Expenses	50,567	2,348	131	53,046
Postage and Shipping	1,991	108	65	2,164
Professional Fees	202,994	21,186	-	224,180
Rent Expense	57,124	-	-	57,124
Repair and Maintenance	308,937	9,998	5,297	324,232
Salaries and Benefits	1,354,598	310,153	205,080	1,869,831
Telephone	13,612	740	1,872	16,224
Travel and Entertainment	700	-	-	700
Utilities	55,184	2,999	1,799	59,982
Less: Special Event Expenses Presented in Net Special Event Revenue	-	-	(165,494)	(165,494)
Total Expenses	\$ 7,597,871	\$ 608,501	\$ 262,397	\$ 8,468,769

See accompanying Notes to Consolidated Financial Statements.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,976,456	\$ 5,062,842
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Value of Split-Interest Agreement	(17,938)	37,508
Depreciation	507,800	323,506
Change in Cash Surrender Value	(352,348)	(231,662)
Realized Gains on Investments	(714,178)	(519,056)
Unrealized Gains on Investments	(1,043,880)	(23,125)
(Increase) Decrease in Assets:		
Inventory and Other Assets	12,881	(8,740)
Unconditional Promises to Give and Grant Receivable	344,892	(673,830)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	127,474	(803,038)
Deferred Revenue	-	(18,050)
Net Cash Provided by Operating Activities	1,841,159	3,146,355
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	8,465,528	4,303,080
Purchase of Investments	(7,834,801)	(3,204,285)
Purchase of Property and Equipment	(3,020,304)	(3,772,863)
Net Cash Used by Investing Activities	(2,389,577)	(2,674,068)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of PPP Loan	238,135	-
Transfer of Cash Restricted for Long-Term Purposes	(308,629)	272,116
Net Cash (Used) Provided by Financing Activities	(70,494)	272,116
CHANGE IN CASH AND CASH EQUIVALENTS	(618,912)	744,403
Cash and Cash Equivalents - Beginning of Year	4,317,093	3,572,690
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,698,181	\$ 4,317,093
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, 2020 AND 2019

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, 2020 AND 2019

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.

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, 2020 AND 2019

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, 2020 and 2019, 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, 2020 AND 2019

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, 2020. 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 \$185,401 and \$167,463 at September 30, 2020 and 2019, respectively.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restriction for purpose or time or with donor restriction in perpetuity depending on the nature of the restrictions. Contributions with donor restriction for purpose are reported as with donor restriction for purpose and are then reclassified to net assets without donor restriction upon expiration of the time or use restriction.

Contributed Services and Supplies

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 \$4,678,002 and \$5,027,258 during the years ended September 30, 2020 and 2019, 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, 2020 and 2019, was estimated to be \$5,578,353 and \$6,571,142, respectively.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 uncertainty 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.

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 June 30, 2021, the date the consolidated financial statements were available to be issued.

Change in Accounting Principle

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* in 2020. There was no material impact on the Organization's financial position or change in net assets upon adoption of the new standard.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 2 INVESTMENTS

Investments consist of the following at September 30:

	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>

	2019	
	Cost	Fair Value
Domestic Equities	\$ 5,141,420	\$ 8,312,828
International Equities	217,190	329,557
Mutual Fund - Domestic Equities	1,331,720	1,763,045
Mutual Fund - International Equities	1,489,368	980,021
Corporate Bonds	-	538,196
Mutual Fund - Fixed Income - Domestic	6,081,489	6,227,431
Mutual Fund - Fixed Income - International	-	-
Real Assets	-	-
Alternative - Mutual Funds	-	-
Municipal Bonds	359,935	478,347
U.S. Treasury Obligations	359,935	365,678
Mortgage Backed Securities	183,368	181,879
Total	<u>\$ 15,164,425</u>	<u>\$ 19,176,982</u>

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

	2020	2019
Investments, Unrestricted	\$ 5,298,812	\$ 4,993,915
Cash and Investments, Endowment	15,401,697	14,270,635
Cash Included in Cash and Investments, Endowment	(395,333)	(87,567)
Total	<u>\$ 20,305,176</u>	<u>\$ 19,176,983</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 2 INVESTMENTS (CONTINUED)

Investment return consists of the following:

	2020	2019
Interest and Dividends	\$ 414,018	\$ 453,981
Realized Investment Gains	714,178	519,056
Change in Unrealized Gains	1,043,880	23,125
Investment Fees	(89,160)	(90,746)
Total	<u>\$ 2,082,916</u>	<u>\$ 905,416</u>

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

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>
2019				
Face Value	Maturity Date	Interest Rate	Cost	Market Value
\$ 281,090	2020	2.13% - 6%	\$ 286,339	\$ 283,441
439,105	2021	1.125 - 5.5%	437,415	445,156
280,399	2022	2.25 - 5.50%	282,770	286,035
308,889	2023	2.61 - 6.5%	315,295	318,639
157,605	2024	2.5 - 6.5%	165,664	165,008
24,204	2025	4.5 - 5.5%	25,861	25,539
36,459	2027	6.00%	39,663	40,282
<u>\$ 1,527,751</u>			<u>\$ 1,553,007</u>	<u>\$ 1,564,100</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

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:

	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>

	2019			Total
	Level 1	Level 2	Level 3	
Domestic Equities	\$ 8,312,828	\$ -	\$ -	\$ 8,312,828
International Equities	329,557			329,557
Mutual Funds - Domestic	1,763,045	-	-	1,763,045
Mutual Funds - International	980,020	-	-	980,020
Corporate Bonds	-	538,196	-	538,196
Mutual Funds - Fixed Income	6,227,435	-	-	6,227,435
Mutual Funds - Fixed Income -				
Real Assets	-	-	-	-
Alternative - Mutual Funds				
Municipal Bonds	-	478,347	-	478,347
U.S. Treasury Obligations	365,677	-	-	365,677
Mortgage Backed Securities	-	181,877	-	181,877
Assets Held Under Split- Interest Agreements	-	-	167,463	167,463
Total	<u>\$ 17,978,562</u>	<u>\$ 1,198,420</u>	<u>\$ 167,463</u>	<u>\$ 19,344,445</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, 2020 AND 2019

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:

	2020	2019
Unconditional Promises to Give	\$ 982,386	\$ 1,375,771
Less: Discount to Net Present Value	(29,529)	(77,672)
Less: Allowance for Uncollectible Accounts	(8,000)	(8,350)
Total	<u>\$ 944,857</u>	<u>\$ 1,289,749</u>

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

	2020	2019
1 Year or Less	\$ 394,206	\$ 354,469
2 to 5 Years	588,180	1,021,302
Total	<u>\$ 982,386</u>	<u>\$ 1,375,771</u>

NOTE 5 ASSETS HELD UNDER SPLIT-INTEREST AGREEMENT

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

	2020	2019
Assets Held Under Split-Interest Agreement	\$ 415,931	\$ 415,931
Less: Valuation Allowance	(230,530)	(248,468)
Total	<u>\$ 185,401</u>	<u>\$ 167,463</u>

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at September 30:

	2020	2019
Buildings	\$ 8,843,787	\$ 8,843,787
Land	2,303,509	2,303,509
Furniture and Equipment	3,199,128	3,164,519
Building Improvements	128,319	128,319
Computer Hardware and Software	384,773	384,774
Total	<u>14,859,516</u>	<u>14,824,908</u>
Less: Accumulated Depreciation	<u>(2,211,504)</u>	<u>(1,703,704)</u>
Total	<u>\$ 12,648,012</u>	<u>\$ 13,121,204</u>

Depreciation expense for the years ended September 30, 2020 and 2019 totaled \$507,800 and \$323,506, respectively.

NOTE 7 NET ASSETS

As of September 30, 2020 and 2019, the Organization had net assets with donor restrictions for the following purposes:

	2020	2019
Medications/Health Awareness	\$ -	\$ -
Capital Campaign - Construction	4,086,983	3,522,256
Unconditional Promise to Give	871,610	1,289,749
Unappropriated Endowment Earnings	4,031,195	3,088,035
Split-Interest Agreement Receivable	185,401	167,463
Total	<u>\$ 9,175,189</u>	<u>\$ 8,067,503</u>

Net assets released from donor-imposed restrictions during the year ended September 30, 2020 consist of \$418,139 of net assets restricted for construction and \$739,491 of unappropriated endowment earnings. Net assets released from donor-imposed restrictions during the year ended September 30, 2019 consist \$3,837,761 of net assets restricted for construction and \$720,042 of unappropriated endowment earnings.

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, 2020 and 2019, the Organization contributed \$33,307 and \$35,867, respectively, to the 401(k) plan.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

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, 2020 and 2019, 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, 2020 AND 2019

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, 2020, the board elected to make this decision and distributed \$739,491 from the endowment for operations. The board had made distributions of \$720,042 during the year ended September 30, 2019.

	With Donor Restrictions		
	Purpose Restricted	In Perpetuity Restricted	Total
Endowment Net Assets - September 30, 2018	\$ 3,099,549	\$ 11,211,270	\$ 14,310,819
Contributions	-	509,000	509,000
Cash Collected on Existing Receivable	-	-	-
Investment Return (Loss):			
Investment Income	648,145	-	648,145
Investment Expenses	(68,646)	-	(68,646)
Decrease in Value	129,029	-	129,029
Total Investment Return (Loss)	<u>708,528</u>	<u>-</u>	<u>708,528</u>
Amounts Appropriated for Expenditure	<u>(720,042)</u>	<u>-</u>	<u>(720,042)</u>
Endowment Net Assets - September 30, 2019	3,088,035	11,720,270	14,808,305
Contributions	-	-	-
Cash Collected on Existing Receivable	-	-	-
Investment Return (Loss):			
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 (Loss)	<u>1,682,651</u>	<u>-</u>	<u>1,682,651</u>
Amounts Appropriated for Expenditure	<u>(739,491)</u>	<u>-</u>	<u>(739,491)</u>
Endowment Net Assets - September 30, 2020	<u>\$ 4,031,195</u>	<u>\$ 11,720,270</u>	<u>\$ 15,751,465</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 10 RELATED PARTY TRANSACTIONS

At September 30, 2020 and 2019, the Organization had unconditional promises to give due from board members totaling \$626,765 and \$839,551, respectively.

In addition, during the years ending September 30, 2020 and 2019, the Organization received contribution income from board members totaling \$748,782 and \$630,180, 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, 2021.

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, 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 3,698,181	\$ 4,317,092
Investments	20,700,509	19,264,550
Unconditional Promises to Give, Net	944,857	1,289,749
Assets Held Under Split-Interest Agreements, Net	185,401	167,463
Total	<u>25,528,948</u>	<u>25,038,854</u>
Less:		
Net Assets with Donor Restrictions for Purpose	(9,175,189)	(8,067,503)
Net Assets with Donor Restrictions in Perpetuity	<u>(11,720,270)</u>	<u>(11,720,270)</u>
Total	<u>\$ 4,633,489</u>	<u>\$ 5,251,081</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, 2020 and 2019, the Organization paid a premium of \$474,109 and \$450,000, respectively, and had cash surrender value of the policy as of September 30, 2020 and 2019 of \$584,010 and \$231,662, respectively.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

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 original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is within seven months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of the funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in July 2021, principal and interest payments will be required through the maturity date in April 2022. Subsequent to year-end, the loan was fully forgiven by the SBA.

NOTE 15 COVID-19

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) to be a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, in fiscal 2020 and into fiscal 2021, COVID-19 has materially impacted various parts of the operations and financial results, including, but not limited to, the loss of donor contributions and grants. Management believes the Organization has taken, and continues to take, appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events which started in fiscal 2020 have continued in fiscal 2021 and are still developing.

Please see Note 14 for a discussion related to the PPP loan that the Organization obtained in April 2020.

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
ASSETS				
Cash and Cash Equivalents	\$ 3,698,181	\$ -	\$ -	\$ 3,698,181
Investments, Unrestricted	5,298,812	-	-	5,298,812
Investment in Subsidiary	1,586,396	-	(1,586,396)	-
Unconditional Promises to Give, Net and Grant Receivable	944,857	-	-	944,857
Inventory and Other Assets	90,168	9	-	90,177
Assets Held Under Split-Interest Agreements, Net	185,401	-	-	185,401
Property and Equipment, Net	11,157,948	1,490,064	-	12,648,012
Construction in Process	3,120,565	116,707	-	3,237,272
Cash Surrender Value of Life Insurance	584,010	-	-	584,010
Cash and Investments, Endowment	15,401,697	-	-	15,401,697
	<u>\$ 42,068,035</u>	<u>\$ 1,606,780</u>	<u>\$ (1,586,396)</u>	<u>\$ 42,088,419</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 242,132	\$ -	\$ -	\$ 242,132
Due to (from) Related Party	(20,384)	20,384	-	-
Paycheck Protection Program Loan	238,135	-	-	238,135
Total Liabilities	459,883	20,384	-	480,267
NET ASSETS				
Without Donor Restrictions:				
Undesignated	9,554,745	96,332	(1,586,396)	8,064,681
Invested in Property and Equipment	11,157,948	1,490,064	-	12,648,012
Total Without Donor Restrictions	20,712,693	1,586,396	(1,586,396)	20,712,693
With Donor Restrictions:				
Subject to Expenditure for Specific Purposes or Passage of Time	9,175,189	-	-	9,175,189
Held in Perpetuity	11,720,270	-	-	11,720,270
Total With Donor Restrictions	20,895,459	-	-	20,895,459
Total Net Assets	41,608,152	1,586,396	(1,586,396)	41,608,152
Total Liabilities and Net Assets	<u>\$ 42,068,035</u>	<u>\$ 1,606,780</u>	<u>\$ (1,586,396)</u>	<u>\$ 42,088,419</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES – WITHOUT DONOR RESTRICTIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ 1,785,639	\$ -	\$ -	\$ 1,785,639
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	811,821	500	-	812,321
(Loss) on Investment in Subsidiary	(42,105)	-	42,105	-
Other Income	246,279	-	-	246,279
Investment Return	400,265	-	-	400,265
Total Support and Revenues	<u>8,741,618</u>	<u>500</u>	<u>42,105</u>	<u>8,784,223</u>
Net Assets Released from Restrictions	<u>1,157,630</u>	<u>-</u>	<u>-</u>	<u>1,157,630</u>
Total Support, Revenues, and Reclassifications	9,899,248	500	42,105	9,941,853
EXPENSES				
Program Services	7,513,560	42,605	-	7,556,165
Management and General	342,874	-	-	342,874
Fundraising	174,045	-	-	174,045
Total Expenses	<u>8,030,479</u>	<u>42,605</u>	<u>-</u>	<u>8,073,084</u>
Change in Value of Split-Interest Agreement	-	-	-	-
Loss on Disposal of Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses and Losses	<u>8,030,479</u>	<u>42,605</u>	<u>-</u>	<u>8,073,084</u>
CHANGE IN NET ASSETS	1,868,770	(42,105)	42,105	1,868,770
Net Assets - Beginning of Year	<u>18,843,923</u>	<u>1,628,501</u>	<u>(1,628,501)</u>	<u>18,843,923</u>
NET ASSETS - END OF YEAR	<u>\$ 20,712,693</u>	<u>\$ 1,586,396</u>	<u>\$ (1,586,396)</u>	<u>\$ 20,712,693</u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES – WITH DONOR RESTRICTIONS
FOR TIME OR PURPOSE
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
SUPPORT AND REVENUES				
Contributions and Grants	\$ 564,727	\$ -	\$ -	\$ 564,727
Contributed Services and Supplies	-	-	-	-
Special Events Income	\$ -	-	-	-
Less: Direct Expenses	-	-	-	-
Rental Income	-	-	-	-
Gain on Investment in Subsidiary	-	-	-	-
Other Income	-	-	-	-
Investment Return	1,682,651	-	-	1,682,651
Total Support and Revenues	<u>2,247,378</u>	-	-	<u>2,247,378</u>
Net Assets Released from Restrictions	<u>(1,157,630)</u>	-	-	<u>(1,157,630)</u>
Total Support, Revenues, and Reclassifications	1,089,748	-	-	1,089,748
EXPENSES				
Program Services	-	-	-	-
Management and General	-	-	-	-
Fundraising	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Value of Split-Interest Agreement	17,938	-	-	17,938
Loss on Disposal of Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses and Losses	<u>17,938</u>	<u>-</u>	<u>-</u>	<u>17,938</u>
CHANGE IN NET ASSETS	1,107,686	-	-	1,107,686
Net Assets - Beginning of Year	<u>8,067,503</u>	<u>-</u>	<u>-</u>	<u>8,067,503</u>
NET ASSETS - END OF YEAR	<u><u>\$ 9,175,189</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,175,189</u></u>

NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES – WITH DONOR RESTRICTIONS IN PERPETUITY
YEAR ENDED SEPTEMBER 30, 2020
(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>