

**KANSAS CITY MEDICAL
SOCIETY FOUNDATION, INC.**

FINANCIAL STATEMENTS

December 31, 2021

IFFT & CO. PA
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Kansas City Medical Society Foundation, Inc.
Merriam, Kansas

Opinion

We have audited the accompanying financial statements of Kansas City Medical Society Foundation, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kansas City Medical Society Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kansas City Medical Society Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kansas City Medical Society Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kansas City Medical Society Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kansas City Medical Society Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

IFFt & Co. PA

June 21, 2022

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 243,327
Grants receivable	442,500
Prepaid expenses	<u>1,059</u>
TOTAL CURRENT ASSETS	686,886

PROPERTY AND EQUIPMENT, net	<u>1,363</u>
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TOTAL ASSETS	<u><u>\$ 688,249</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 2,617
Accrued expenses	<u>12,532</u>
TOTAL CURRENT LIABILITIES	15,149

NET ASSETS

Without donor restrictions	199,444
With donor restrictions - purpose restricted	<u>473,656</u>

TOTAL NET ASSETS	<u>673,100</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 688,249</u></u>
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The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions	\$ 8,581	-	8,581
Grants	69,957	463,041	532,998
Service income	27,520	-	27,520
Interest income	144	-	144
Miscellaneous income	742	-	742
Paycheck Protection Program loan forgiveness	69,900	-	69,900
Net assets released from restrictions	<u>407,659</u>	<u>(407,659)</u>	<u>-</u>
Total support and revenues	584,503	55,382	639,885
Expenses			
Program	392,379	-	392,379
Management and general	74,988	-	74,988
Fundraising	<u>16,723</u>	<u>-</u>	<u>16,723</u>
Total expenses	<u>484,090</u>	<u>-</u>	<u>484,090</u>
CHANGE IN NET ASSETS	100,413	55,382	155,795
NET ASSETS, BEGINNING OF YEAR	<u>99,031</u>	<u>418,274</u>	<u>517,305</u>
NET ASSETS, END OF YEAR	<u><u>\$ 199,444</u></u>	<u><u>473,656</u></u>	<u><u>673,100</u></u>

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services					Supporting Services				
		Charitable	Diverse	Health	Retired	Total	Management		Total	
	<u>Advocacy</u>	<u>Care</u>	<u>Workforce</u>	<u>Education</u>	<u>Physicians</u>	<u>Program Services</u>	<u>and General</u>	<u>Fundraising</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
Salaries and wages	\$ 36,380	207,374	-	-	-	243,754	29,704	9,018	38,722	282,476
Employee benefits	250	19,875	-	-	-	20,125	-	-	-	20,125
Other payroll expense	-	-	-	-	-	-	900	-	900	900
Payroll taxes	<u>277</u>	<u>24,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,660</u>	<u>1,944</u>	<u>92</u>	<u>2,036</u>	<u>26,696</u>
Total salaries and related expenses	36,907	251,632	-	-	-	288,539	32,548	9,110	41,658	330,197
Office expenses	-	9,048	-	-	94	9,142	35	-	35	9,177
Professional fees	28,931	27,332	3,000	2,135	-	61,398	31,801	5,333	37,134	98,532
Insurance	-	-	-	-	-	-	1,021	-	1,021	1,021
Outreach	-	319	-	-	175	494	-	-	-	494
CareScope	-	24,095	-	-	-	24,095	-	-	-	24,095
Travel	-	869	-	-	-	869	-	-	-	869
Information technology	1,706	1,537	-	-	-	3,243	6,333	2,280	8,613	11,856
Meetings and meals	-	75	-	-	-	75	187	-	187	262
Staff and board development	-	3,869	-	-	-	3,869	958	-	958	4,827
Depreciation	-	-	-	-	-	-	837	-	837	837
Miscellaneous expense	<u>-</u>	<u>655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655</u>	<u>1,268</u>	<u>-</u>	<u>1,268</u>	<u>1,923</u>
Total	\$ 67,544	319,431	3,000	2,135	269	392,379	74,988	16,723	91,711	484,090

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 155,795
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	837
Paycheck Protection Program loan forgiveness	(69,900)
Changes in operating assets and liabilities	
Grants receivable	(175,000)
Other receivables	7,240
Prepaid expenses	(1,059)
Accounts payable	2,617
Accrued expenses	<u>5,239</u>
NET CASH USED IN OPERATING ACTIVITIES	(74,231)

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property and equipment	<u>(1,437)</u>
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NET CHANGE IN CASH	(75,668)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>318,995</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 243,327</u></u>
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The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Kansas City Medical Society Foundation, Inc. (the Foundation), is a 501(c)(3) nonprofit organization dedicated to improving access to medical care along with advancing the overall wellness of people across greater Kansas City. Affiliated with the Kansas City Medical Society (KCMS), the Foundation operates WyJo Care and Metro Care charitable care programs that deliver over \$8 million worth of donated specialty care to uninsured patients each year. In addition, the Foundation carries out health equity initiatives to increase wellness among vulnerable populations.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions.
- Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage 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. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Foundation recognizes contributions when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Foundation's revenue is service income derived from contracts, which are conditioned upon certain performance requirements. Amounts received are recognized as revenue when the Foundation has provided services in compliance with specific contract provisions. Any amounts received prior to providing qualifying services are reported as refundable advances in the accompanying statement of financial position.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash Equivalents

The Foundation considers highly liquid investments purchased with initial maturities of three months or less to be cash equivalents. Cash and cash equivalents consist of demand deposits held in checking accounts.

Grants Receivable

The Foundation's receivables due from grants are recorded at amounts due, net of an allowance for doubtful accounts. Grants receivable are generally due at the donor's discretion. Grants outstanding beyond the time agreed are considered past due. The Foundation determines its allowance by considering a number of factors, including the length of time grants receivable are past due, the Foundation's previous loss history, the grantor's current ability to pay its obligations to the Foundation, and the condition of the general economy as a whole. The Foundation writes off grants receivable when they become uncollectible. At December 31, 2021, the Foundation considered grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded.

Property and Equipment

The Foundation capitalizes all significant acquisitions of property and equipment, which are recorded at cost or fair value, if donated. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets.

Income Taxes

The Foundation is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been included in the accompanying financial statements.

The Foundation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Foundation is subject to income tax regulations in the U.S. federal jurisdiction and certain state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Foundation is no longer subject to income tax examinations by the applicable tax authorities for the years before 2018. If any were to be incurred, the Foundation's policy is to record penalties and interest assessed by income tax authorities as operating expenses.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In-Kind Donations and Services

The Foundation periodically receives in-kind donations of goods and services. Donated services from physicians and various facilities are discussed further in Note 6. The value of these services is not recorded in the accompanying financial statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the accompanying statement of activities. The accompanying statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of Estimates

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

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958) - Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which will change the presentation and disclosure for contributions other than financial assets. The Foundation will adopt ASU 2020-07 in the reporting period beginning January 1, 2022. The Foundation is currently evaluating the expected impact on the financial statements.

Subsequent Events

Subsequent events have been evaluated through June 21, 2022, which is the date the financial statements were available to be issued.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2021:

Cash and cash equivalents	\$ 243,327
Grants receivable	<u>442,500</u>
Financial assets at year-end	685,827
Less those unavailable for general expenditure within one year, due to:	
Donor restricted for specified purpose	<u>473,656</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 212,171</u>

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2021:

Subject to expenditure for specified purpose:	
Specialty care for uninsured and low-income	\$ 397,847
Community health education	11,215
Health Care Access Network	35,000
Education/enrollment for expanded Medicaid program	17,418
Healthcare for uninsured	<u>12,176</u>
Total net assets with donor restrictions	<u>\$ 473,656</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2021:

Satisfaction of purpose restrictions:	
Specialty care for uninsured and low-income	\$ 364,329
Community health education	270
Health Care Access Network	24,030
Free specialty healthcare for uninsured	<u>19,030</u>
	<u>\$ 407,659</u>

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salary and related expenses are allocated on the basis of estimates of time and effort, while office related expenses are allocated based on usage.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021:

Computer equipment	\$ 3,588
Less accumulated depreciation	<u>2,225</u>
	<u>\$ 1,363</u>

NOTE 6 - IN-KIND DONATIONS AND SERVICES

The Foundation has recruited various health care providers, including physicians, imaging centers, hospitals, laboratories, and surgical centers, who have committed to accepting patient referrals and treating patients at no cost. Medical services, supplies, and equipment are donated by various organizations. Local hospitals also donate surgical, radiology, and supplies to the patients. Participating providers are asked to submit a non-payable claim to Blue Cross Blue Shield of Kansas City or to the Foundation directly. The Foundation tracks the diagnoses, procedures performed, cost of the donated physician care, and cost of the donated hospital services. Costs are reported as self-pay charges, as this would be the required payment from the patient if not being donated. During 2021, there were approximately 900 participating physicians, as well as hospitals and practices, in Johnson and Wyandotte Counties in Kansas, and Clay, Platte, and Jackson Counties in Missouri, which resulted in approximately 3,500 medical services being provided for uninsured patients, with an estimated value of \$8,000,000 (unaudited).

The Foundation includes the Retired Physicians Organization (RPO) program, which provides free health education presentations to community groups and mentors Kansas City-area medical students and residents. In 2021, the RPO volunteer speaker's bureau gave twenty-two community health presentations to 265 people with an in-kind volunteer value of \$10,918 (unaudited).

The Foundation facilitates the donation of these goods and services but does not receive or distribute them. Accordingly, they are not recorded in the Foundation's financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Foundation's contracts with customers consist of service income for providing specified services to Johnson County, Kansas.

The following table provides information about accounts receivable, contract assets, and contract liabilities from contracts with customers for the year ended December 31, 2021:

	<u>Accounts Receivable</u>	<u>Contract Assets</u>	<u>Contract Liabilities</u>
Balances, December 31, 2020	\$ -	-	-
Revenue recognized	27,520	-	-
Receipts	<u>(27,520)</u>	<u>-</u>	<u>-</u>
Balances, December 31, 2021	<u>\$ -</u>	<u>-</u>	<u>-</u>

NOTE 8 - CONCENTRATIONS OF RISK

A significant donor is defined as any donor that accounts for 10% or more of total support and revenues. During the year ended December 31, 2021, funding from one significant donor represented approximately 77% of the Foundation's total support and revenue and accounted for 92% of grants receivable at December 31, 2021.

NOTE 9 - RISKS AND UNCERTAINTIES

In early 2020, the COVID-19 outbreak began disrupting operations and affecting a wide range of industries and their employees. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the related impact on its donors, volunteers, employees, and vendors, all of which are uncertain and cannot be predicted. The extent to which COVID-19 may impact the Foundation's financial condition or results of operations is uncertain and cannot be reasonably estimated.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 - PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Foundation received a loan in the amount of \$69,900 under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrued interest at 1%, but payments were not required to begin for ten months after the end of an eight- or 24-week loan forgiveness covered period. The loan was uncollateralized and fully guaranteed by the federal government. The loan and related interest were forgiven in January 2021 upon meeting the requirements of the program during the covered period. Accordingly, upon being released from the loan obligation and related interest, the Foundation recorded loan forgiveness of \$69,900 in the accompanying statement of activities for the year ended December 31, 2021. No payments were made on this loan.

IFFT & CO. PA
Certified Public Accountants

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June 21, 2022

To the Board of Directors
Kansas City Medical Society Foundation, Inc.
Merriam, Kansas

We have audited the financial statements of Kansas City Medical Society Foundation, Inc. (the Foundation) as of and for the year ended December 31, 2021, and we have issued our report thereon dated June 21, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 23, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kansas City Medical Society Foundation, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2021. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of concentrations of risk.
- The disclosure of risks and uncertainties.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 21, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors, management, and others within the Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Ifft + Co. PA

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
SCHEDULE OF PASSED ADJUSTING JOURNAL ENTRIES
For the Year Ended December 31, 2021

PAJE No.	Description	Asset	Liability	Net Assets	Revenue/ Expense
1	Prepaid expenses Accounts payable (To reclassify unapplied payment.)	\$ 400	(400)		
2	Accrued salaries Payroll expense (To adjust accrued salaries.)		427		(427)
3	Accounts receivable Payroll tax expense (To record receivable for duplicate payment.)	1,398			(1,398)
Reversal of prior year passed adjusting journal entries				8,072	(8,072)
PAJE Totals By Classification		<u>\$ 1,798</u>	<u>27</u>	<u>8,072</u>	<u>(9,897)</u>