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NETCARE FOUNDATION
AUDIT REPORTS
Years Ended December 31, 2020 and 2019

Prepared by
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To the Board of Trustees
Netcare Foundation
Columbus, Ohio

Opinion

I have audited the accompanying financial statements of Netcare Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expense, and cash flows for the years then ended and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Netcare Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Netcare Foundation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Netcare Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, misrepresentation, or the override of internal control. Misstatements, including omissions, 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, I:

- 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 Netcare Foundation'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.
- Include whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Netcare Foundation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Mary M. Ulbrich CPA

Mary M. Ulbrich, CPA
New Albany, OH
July 3, 2021

NETCARE FOUNDATION
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 71,443.93	\$ 42,871.70
Deposit on events	1,050.00	3,050.00
Beneficial interest in endowment	<u>168,181.36</u>	<u>155,888.47</u>
TOTAL ASSETS	<u>\$240,675.29</u>	<u>\$201,810.17</u>
LIABILITIES		
Accounts payable-trade	\$.00	\$ 1,050.00
Accounts payable-affiliated organization	<u>.00</u>	<u>286.08</u>
TOTAL LIABILITIES	.00	1,336.08
NET ASSETS		
Without donor restrictions		
Designated endowment fund	168,181.36	155,888.47
Designated for management training	8,859.00	8,859.00
Undesignated	<u>43,634.93</u>	<u>35,726.62</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	220,675.28	200,474.09
With donor restrictions	<u>20,000.00</u>	<u>.00</u>
TOTAL NET ASSETS	<u>240,675.29</u>	<u>200,474.09</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$240,675.29</u>	<u>\$201,810.17</u>

See accompanying notes.

NETCARE FOUNDAN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	<u>2020</u>
REVENUE, SUPPORT AND GAINS			
Contributions			
Cash	\$ 65,732.86	\$20,000.00	\$ 85,732.86
In-kind	33,614.57	.00	33,614.57
Special events revenue	12,013.60	.00	12,013.60
Investment income-net	<u>12,252.89</u>	<u>.00</u>	<u>12,252.89</u>
TOTAL REVENUE, SUPPORT AND GAINS	123,613.92	20,000.00	143,613.92
EXPENSES			
Program services expense			
Charitable	60,921.09	.00	60,921.09
Supporting services expense			
Management and general	5,780.21	.00	5,780.21
Fund raising	36,711.42	.00	36,711.42
Total supporting services expense	<u>42,491.63</u>	<u>.00</u>	<u>42,491.63</u>
TOTAL EXPENSES	103,412.72	.00	103,412.72
CHANGE IN NET ASSETS	20,201.20	20,000.00	40,201.20
NET ASSETS-BEGINNING OF YEAR	200,474.09	.00	200,474.09
NET ASSETS-END OF YEAR	<u>\$220,675.29</u>	<u>\$20,000.00</u>	<u>\$240,675.29</u>

See accompanying notes.

NETCARE FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019</u>
REVENUE, SUPPORT AND GAINS			
Contributions			
Cash	\$ 69,241.74	\$.00	\$ 69,241.74
In-kind	31,786.37	.00	31,786.37
Special events revenue	25,928.38	.00	25,928.38
Investment income-net	20,822.10	.00	20,822.10
Other revenue	1,091.02	.00	1,091.02
Net assets from released from restrictions	<u>2,500.00</u>	<u>(2,500.00)</u>	<u>.00</u>
TOTAL REVENUES, SUPPORT AND GAINS	151,369.61	(2,500.00)	148,869.61
EXPENSES			
Program services expense			
Charitable	63,014.51	.00	63,014.51
Supporting services expense			
Management and general	5,139.57	.00	5,139.57
Fundraising	74,693.77	.00	74,693.77
Total supporting services expense	<u>79,833.34</u>	<u>.00</u>	<u>79,833.34</u>
TOTAL EXPENSES	<u>142,847.85</u>	<u>.00</u>	<u>142,847.85</u>
CHANGES IN NET ASSETS	8,521.76	(2,500.00)	6,021.76
NET ASSETS-BEGINNING OF YEAR	<u>191,952.33</u>	<u>2,500.00</u>	<u>194,452.33</u>
NET ASSETS-END OF YEAR	<u>\$200,474.09</u>	<u>\$.00</u>	<u>\$200,474.09</u>

See accompanying notes.

NETCARE FOUNDATION
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years Ended December 31, 2020 and 2019

	<u>Program Service Charitable</u>	<u>Supporting Management and General</u>	<u>Services Fund Raising</u>	<u>Total 2020</u>	<u>Total 2019</u>
Grants given	\$53,102.00	\$.00	\$.00	\$ 53,102.00	\$ 49,486.00
Golf tournament expenses	.00	.00	9,339.77	9,339.77	18,685.59
Fall dinner expenses	.00	.00	16.11	16.11	22,971.33
The Flood expenses	.00	.00	.00	.00	6,414.61
Audit expense	.00	3,000.00	.00	3,000.00	2,500.00
Board expenses	.00	256.07	.00	256.07	.00
Computer software/website	1,188.00	.00	.00	1,188.00	5,551.08
Contributions given	.00	.00	.00	.00	1,000.00
Credit card charges	.00	.00	535.70	535.70	886.52
Insurance expense	1,050.00	.00	.00	1,050.00	1,050.00
Licenses	.00	.00	160.00	160.00	110.00
Office expense	150.50	.00	.00	150.50	.00
Promotional expense	.00	.00	.00	.00	2,406.35
Scholarship grant	1,000.00	.00	.00	1,000.00	.00
Contributed services from affiliate	4,430.59	2,524.14	26,659.84	33,614.57	31,786.37
	<u>\$60,921.09</u>	<u>\$5,780.21</u>	<u>\$36,711.42</u>	<u>\$103,412.72</u>	<u>\$142,847.85</u>

See accompanying notes.

NETCARE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Service Charitable	Supporting Management and General	Services Fund Raising	Total 2019
Grants given	\$49,486.00	\$.00	\$.00	\$ 49,486.00
Golf tournament expenses	.00	.00	18,685.59	18,685.59
Fall dinner expenses	.00	.00	22,971.33	22,971.33
The Flood expenses	.00	.00	6,414.61	6,414.61
Audit expense	.00	2,500.00	.00	2,500.00
Banking fees	.00	.00	.00	.00
Board expenses	.00	.00	.00	.00
Computer software/website	4,963.00	588.08	.00	5,551.08
Contributions given	1,000.00	.00	.00	1,000.00
Credit card charges	.00	.00	886.52	886.52
Insurance expense	1,050.00	.00	.00	1,050.00
Licenses	.00	.00	110.00	110.00
Office expense	.00	.00	.00	.00
Promotional expense	2,406.35	.00	.00	2,406.35
Contributed services from affiliate	<u>4,109.16</u>	<u>2,051.49</u>	<u>25,625.72</u>	<u>31,786.37</u>
	<u>\$63,014.51</u>	<u>\$5,139.57</u>	<u>\$74,693.77</u>	<u>\$142,847.85</u>

See accompanying notes.

NETCARE FOUNDATION
 STATEMENTS OF CASH FLOWS
 Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net asset	\$40,201.20	\$ 8,957.80
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in assets		
Paypal receivable	.00	1,656.60
Prepaid expenses	.00	5,944.61
Deposits on future events	2,000.00	(3,050.00)
Increase (decrease) in liabilities		
Accounts payable	<u>(1,336.08)</u>	<u>(1,194.27)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	40,865.12	12,314.74
CASH FLOWS FROM INVESTING ACTIVITIES	<u>.00</u>	<u>.00</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment in Beneficial Interest in Endowment Fund	<u>(12,292.89)</u>	<u>(22,822.10)</u>
NET CHANGE PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(12,292.89)</u>	<u>(22,822.10)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,572.20	(10,507.36)
CASH AND CASH EQUIVALENTS- AT BEGINNING OF YEAR	<u>42,871.70</u>	<u>53,379.06</u>
CASH AND CASH EQUIVALENTS- AT END OF YEAR	<u>\$71,443.93</u>	<u>\$42,871.70</u>
SUPPLEMENTAL INFORMATION		
Contributed services from affiliate	\$33,614.57	\$31,786.37

See accompanying notes.

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Netcare Foundation is a nonprofit organization incorporated under the laws of the State of Ohio to raise funds to support the activities of Netcare Corporation, a nonprofit corporation, operating a network of community centers providing health, counseling, and other supportive services in Central Ohio. The Organization is supported primarily through donor contributions, grants and special fund raising expenses. Approximate 73 percent and 47 percent of the Organization's support for the years ended December 31, 2020 and 2019, respectively, came from contributions. The increase in the percentage is due to the decreases in earnings from Special Events and of the investment income from the Endowment Fund.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restriction and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status.

The governing board has designated funds from net assets without donor restrictions to a designated fund for management training and courses for employees of Netcare Corporation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted undesignated highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions

Contributions received are recorded as net assets with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Tax Status

The Foundation is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cost Allocation

The financial statements report certain categories of expense that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits which comprise the contributed services from affiliates which are allocated on the basis of estimates of time and effort. Expenses are charged directly to program, management and general, or fund raising in general categories based on specific identification.

Donated Use of Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for service requiring specific expertise. However, there are individuals who volunteer their time and perform a variety of tasks to assist the Organization in certain areas that do not need specific assistance.

NOTE B - CASH

The Foundation has one checking account with a balance of \$71,443.93.

NOTE C - DEPOSITS

A deposit for the Community Awards and Recognition Dinner, which will be held in 2021, has been made for facilities for this 2021 event.

NETCARE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS

NOTE D - RELATED PARTY TRANSACTIONS

Current Year Grants

The Foundation has contributed \$53,102 to Netcare Corporation for the following projects:

Website redesign	\$14,000
Local share of ROW ONE vehicle	7,802
Video production for marketing and website purposes	5,350
Photography for website	2,400
Winter clothing for at-risk clients	3,000
Client video for fall fundraiser	2,000
Purchase of stuffed animals for comfort cart in crisis And CSU clients	1,500
Purchase of books and magazines for clients	1,200
Purchase of book bags and pocket calendars for clients	1,500
Purchase of scrubs for Netcare Corporation staff	10,000
Lactation/new mothers' room	2,500
Renew sponsorship to Columbus Young Professionals Club	1,000
Social media advertising for Netcare Corporation	500
Purchase of small gifts and catered meals for clients For Christmas and Thanksgiving holiday	<u>350</u>
Total	<u>\$53,102</u>

CONTRIBUTED SERVICES FROM AFFILIATE

Netcare Corporation provides personnel services to Netcare Foundation. The contributed services include the cost of payroll, payroll taxes, and fringe benefits for those employees who helped with the operations of the Foundation.

Following is a break-down of such services:

Management	\$ 4,430.59
Accounting	2,524.14
Fund raising	<u>26,659.84</u>
Total	<u>\$33,614.57</u>

Officers

The executive director of Netcare Corporation is the president of the Foundation. The chief financial officer of Netcare Corporation is the chief financial officer of Netcare Foundation.

Evidence supports that the related parties transactions were conducted on terms equivalent to an arm's length transactions.

NETCARE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS

NOTE E - DESIGNATION OF NET ASSET WITHOUT DONOR RESTRICTIONS

The Board had established an endowment with The Columbus Foundation with funds that were not donor restricted in 2013. The value of the Endowment Fund has increased in value due to the reinvestment of earnings and gains to \$168,181.36 and \$155,888.47 for December 31, 2020 and 2019, respectively.

It is the policy of the Board of Trustees to assign the funds received from the Silent Auction of the fall fundraiser to be included as designated funds to the Allen Mosser Scholarship Fund to be used for educational purposes in future years. This is identified as Designated within the Net Assets without Donor Restrictions. There was no addition in 2020.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Contributions were made by two donors with the restriction that the contribution be used for The Community Awards and Recognition Dinner which will be held in 2021.

NOTE G - BENEFICIAL INTEREST IN ENDOWMENT FUND - THE COLUMBUS FOUNDATION

This endowment is a Board designated endowment without donor restrictions. It is classified and reported and is included with net assets without donor restrictions.

On August 22, 2013, the organization gave \$100,000 to The Columbus Foundation to create the Netcare Foundation Endowment Fund of The Columbus Foundation. Netcare Foundation retains the right to add to this fund and others can also add to the Fund. Netcare Foundation has granted The Columbus Foundation variance power which gives The Columbus Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to The Columbus Foundation's investment and spending policies which currently result in a distribution to the Organization of the earnings which the Board of Trustees of Netcare Foundation has elected to reinvest these earnings into the Endowment Fund. Changes in the value of the Fund are reported as net investment income in the statement of activities.

Changes in the Fund for the years December 31, 2020 and 2019 are as follows:

	2020	2019
Balance at January 1,	\$155,888.47	\$133,066.37
Outside contributions	40.00	2,000.00
Contribution of earnings	3,731.26	3,522.91
Net investment income (Loss)	<u>8,521.63</u>	<u>17,299.19</u>
Balance at December 31,	<u>\$168,181.36</u>	<u>\$155,888.47</u>

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE G - BENEFICIAL INTEREST IN ENDOWMENT FUND - THE COLUMBUS FOUNDATION
(Continued)

The Board of Trustees of Netcare Foundation directed The Columbus Foundation that all income from this fund shall be reinvested into principal. Netcare Foundation made a contribution in 2020 to this fund of \$3,731.26 which was the net earnings of 2020 Netcare Foundation Endowment Fund at The Columbus Foundation. There were contributions to the fund of \$40 from other persons.

NOTE H - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair Value

The Organization defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value the Organization considers the principal at most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

A fair hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value. The level of an asset or liability in the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Assets and liabilities carried at fair value are classified and disclosed in Level 1, which is a valuation based on quoted prices in active markets for identical assets or liabilities with sufficient volume and frequency of transactions.

The Organization's primary financial instruments includes cash, cash equivalents, accounts receivable, beneficial interest in endowment, accounts payable approximates their carrying value due to the short period of time to their maturities.

Following is a summary of assets held at fair value:

Fair Value Measurement Using quoted Prices in Active Markets for Identical Assets for Level 1:

	2020	2019
Beneficial interest in Endowment	\$168,181.36	\$155,888.47

This fund is comprised of 2386.682 shares of Wellesley(CF)Adm Shares as of December 31, 2020 and 2289.252 shares of the same stock as of December 31, 2019.

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE I - FUND-RAISING EVENTS

The Organization held one fundraising event in 2020 which was the golf tournament. Due to the Covid-19 pandemic, the date had to be changed to a later date which was responsible for a decrease in number of golfers and fees. In addition, the fall fundraiser was not held.

The golf event was the 38th Annual Golf event held in August 2020, which is also open to the public. Including contributions given of \$25,125 during the golf event, the receipts were \$32,470.60.

The Fall Fundraiser dinner usually held in October was canceled due to Covid-19. The sponsor contributions are reflected as contributions restricted subject to donor restrictions.

NOTE J - COMMITMENTS AND CONTINGENCIES

There is a commitment to hold the fall fundraiser, Community Awards and Recognition Dinner, in the fall of 2021. Another commitment is the awarding of two grants totaling \$17,000 to Netcare Corporation which will be distributed in 2021.

NOTE K - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following:

	2020	2019
Financial assets at end of year	<u>\$240,675.29</u>	<u>\$201,810.17</u>
Total assets available to meet cash needs for general expenditures within one year	<u>\$ 72,493.93</u>	<u>\$ 45,921.70</u>

NOTE L - FINANCIAL POLICY

The Board voted on November 19, 2014 that \$50,000 would be an appropriate amount to maintain as a reserve in its bank account.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 23, 2021, the date on which the financial statements were available to be issued.

The president of Netcare Corporation, Austin King Stumpp, retired in April, 2021, and he was replaced with Dr. Brian Stroh.

The golf tournament date was set for June 22, 2021.

The Community Awards and Recognition Dinner will be held on October 21, 2021.