

MEMBER
Ohio Society of
Certified Public Accountants

MARY M. ULBRICH, CPA
CERTIFIED PUBLIC ACCOUNTANT
P O BOX 482
NEW ALBANY, OH 43054

MEMBER
American Institute of
Certified Public Accountants

TELEPHONE 614-933-9150
FAX NUMBER 614-933-0775
EMAIL: mmulbrich@yahoo.com

NETCARE FOUNDATION
AUDIT REPORTS
Years Ended December 31, 2021 and 2020

Prepared by

MARY M. ULBRICH, CPA
NEW ALBANY, OH 43054

TABLE OF CONTENTS

Page No.

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities 2021	4
Statement of Activities 2020	5
Statements of Functional Expenses 2021 and 2020	6
Statement of Functional Expenses 2020	7
Statements of Cash Flows	8
Notes to Financial Statements	9

MEMBER
Ohio Society of
Certified Public Accountants

MARY M. ULBRICH, CPA
CERTIFIED PUBLIC ACCOUNTANT
P O BOX 482
NEW ALBANY, OH 43054

MEMBER
American Institute of
Certified Public Accountants

TELEPHONE 614-933-9150
FAX NUMBER 614-933-0775
EMAIL: mmulbrich@yahoo.com

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, 2021 and 2020, 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, 2021 and 2020, 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
New Albany, OH
May 17, 2022

NETCARE FOUNDATION
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 62,329.45	\$ 71,443.93
Deposit on events	1,445.00	1,050.00
Beneficial interest in endowment	<u>181,659.82</u>	<u>168,181.36</u>
TOTAL ASSETS	<u>\$245,434.27</u>	<u>\$240,675.29</u>
LIABILITIES		
Accounts payable-trade	\$ <u>1,346.45</u>	\$ <u>.00</u>
TOTAL LIABILITIES	1,346.45	.00
NET ASSETS		
Without donor restrictions		
Designated endowment fund	181,659.82	168,181.36
Designated for management training	15,011.00	8,859.00
Undesignated	<u>47,417.00</u>	<u>43,634.93</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	244,087.82	220,675.28
With donor restrictions	<u>.00</u>	<u>20,000.00</u>
TOTAL NET ASSETS	<u>244,087.82</u>	<u>240,675.29</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$245,434.27</u>	<u>\$240,675.29</u>

See accompanying notes.

NETCARE FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>2021</u>	<u>2020</u>
REVENUE, SUPPORT AND GAINS				
Contributions				
Cash	\$ 88,861.96	\$.00	\$ 88,861.96	\$ 85,732.86
In-kind	41,149.82	.00	41,149.82	33,614.57
Special events revenue	21,340.00	.00	21,340.00	12,013.60
Investment income-net	13,478.46	.00	13,478.46	12,252.89
Net Assets released from restrictions				
Restrictions satisfied by payments	<u>20,000.00</u>	<u>(20,000.00)</u>	<u>.00</u>	<u>.00</u>
TOTAL REVENUE, SUPPORT AND GAINS	184,830.24	(20,000.00)	164,830.24	143,613.92
EXPENSES				
Program services expense				
Charitable	95,792.83	.00	95,792.83	60,921.09
Supporting services expense				
Management and general	5,796.78	.00	5,796.78	5,780.21
Fund raising	<u>59,828.10</u>	<u>.00</u>	<u>59,828.10</u>	<u>36,711.42</u>
Total supporting services expense	65,624.88	.00	65,624.88	42,491.63
TOTAL EXPENSES	<u>161,417.71</u>	<u>.00</u>	<u>161,417.71</u>	<u>103,412.72</u>
CHANGE IN NET ASSETS	23,412.53	(20,000.00)	3,412.53	40,201.20
NET ASSETS-BEGINNING OF YEAR	<u>220,675.29</u>	<u>20,000.00</u>	<u>240,675.29</u>	<u>200,474.09</u>
NET ASSETS-END OF YEAR	<u>\$244,087.82</u>	<u>\$.00</u>	<u>\$244,087.82</u>	<u>\$240,675.29</u>

See accompanying notes.

NETCARE FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<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 REVENUES, 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
Fundraising	<u>36,711.42</u>	<u>.00</u>	<u>36,711.42</u>
Total supporting services expense	<u>42,491.63</u>	<u>.00</u>	<u>42,491.63</u>
TOTAL EXPENSES	<u>103,412.72</u>	<u>.00</u>	<u>103,412.72</u>
CHANGES IN NET ASSTS	20,201.20	20,000.00	40,201.20
NET ASSETS-BEGINNING OF YEAR	<u>200,474.09</u>	<u>.00</u>	<u>200,474.09</u>
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
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years Ended December 31, 2021 and 2020

	<u>Program Service Charitable</u>	<u>Supporting Management and General</u>	<u>Services Fund Raising</u>	<u>Total 2021</u>	<u>Total 2020</u>
Grants given	\$81,680.00	\$.00	\$.00	\$ 81,680.00	\$ 53,102.00
Golf tournament expenses	.00	.00	9,225.95	9,225.95	9,339.77
Fall dinner expenses	.00	.00	18,941.31	18,941.31	16.11
Audit expense	.00	3,000.00	.00	3,000.00	3,000.00
Board expenses	.00	.00	.00	.00	256.07
Computer software/website	4,008.00	.00	.00	4,008.00	1,188.00
Credit card charges	1,172.88	.00	.00	1,172.88	535.70
Insurance expense	1,050.00	.00	.00	1,050.00	1,050.00
Licenses	.00	210.00	.00	210.00	160.00
Office expense	912.80	.00	401.45	1,314.25	150.50
Scholarship grant	1,000.00	.00	.00	1,000.00	1,000.00
Contributed services from affiliate	<u>5,969.15</u>	<u>2,586.78</u>	<u>31,259.39</u>	<u>39,815.32</u>	<u>33,614.57</u>
	<u>\$95,792.83</u>	<u>\$5,796.78</u>	<u>\$59,828.10</u>	<u>\$161,417.71</u>	<u>\$103,412.72</u>

See accompanying notes.

NETCARE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

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

See accompanying notes.

NETCARE FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net asset	\$ 3,412.53	\$40,201.20
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in assets		
Deposits on future events	(395.00)	2,000.00
Increase (decrease) in liabilities		
Accounts payable	<u>1,346.45</u>	<u>(1,336.08)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,363.98	40,865.12
CASH FLOWS FROM INVESTING ACTIVITIES	<u>.00</u>	<u>.00</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment in Beneficial Interest in Endowment Fund	<u>(13,478.46)</u>	<u>(12,292.89)</u>
NET CHANGE PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(13,478.46)</u>	<u>(12,292.89)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,114.48)	28,572.20
CASH AND CASH EQUIVALENTS- AT BEGINNING OF YEAR	<u>71,443.93</u>	<u>42,871.70</u>
CASH AND CASH EQUIVALENTS- AT END OF YEAR	<u>\$62,329.45</u>	<u>\$71,443.93</u>
SUPPLEMENTAL INFORMATION		
Contributions in kind-materials	\$ 1,334.50	\$.00
Contributed services from affiliate	39,815.32	33,614.57

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. Cash contributions were 48 percent and 60 percent of the Organization's support for the years ended December 31, 2021 and 2020, respectively. Special events revenue was 15 percent and 8 percent of the Organization's support for 2021 and 2020.

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.

ETCARE 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 \$62,329.45.

NOTE C - DEPOSITS

A deposit of \$945 for the Community Awards and Recognition Dinner, which was paid in 2021, has been made for facilities for this 2022 event.

A deposit of \$500 has been made for the facilities of Jefferson Country Club for the golf tournament of 2022.

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:

Netcare Corporation employee services	\$22,000
Purchase of software-Marked Promotion and social media advertising	11,065
Advertising	8,000
Client testimonial video and photo shoot	3,200
Communication and marketing	2,000
Landscaping for Miles House	12,570
Purchase new generator for Miles House	7,500
Columbus Foundation grant to hire summer intern	7,350
Purchase of winter clothing for at-risk clients	4,400
Art supplies for CSU and miles house	2,000
Purchase of small gifts and catered meals for clients for Christmas and Thanksgiving holiday	500
Purchase of books and magazines for clients	95
Renew sponsorship to Columbus Young Professional Club	<u>1,000</u>
Total	<u>\$81,680</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:

	<u>2021</u>	<u>2020</u>
Management	\$ 5,969.15	\$ 4,430.59
Accounting	2,586.78	2,524.14
Fund raising	<u>31,259.38</u>	<u>26,659.84</u>
Total	<u>\$39,815.32</u>	<u>\$33,614.57</u>

Officers

The Chief Operating Officer and Medical Director of Netcare Corporation is the Chief Operating Officer of the Foundation. The Controller of Netcare Corporation is also the controller of Netcare Foundation.

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

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE E - CONTRIBUTIONS-IN-KIND

In addition to the contributed service from affiliate, there were contributions of items for the special events in the amount of \$1,334.50

NOTE F - 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 \$181,659.82 and \$168,181.36 for December 31, 2021 and 2020, respectively. The amounts of the investments income were \$13,478.46 and \$12,252.89 for 2021 and 2020 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. The addition in 2021 was \$6,152. The total of this fund is \$15,011.

NOTE G - 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 since this event was not held in 2020, they were used in 2021.

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

This endowment is a Board designated endowment without donor restrictions. It is classified and reported as 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 can result in a distribution to the Organization. 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.

NETCARE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS

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

Changes in the Fund for the years December 31, 2021 and 2020 are as follows:

	2021	2020
Balance at January 1,	\$168,181.36	\$155,888.47
Outside contributions	.00	40.00
Contribution of earnings	4,370.13	3,731.26
Net investment income (Loss)	<u>9,108.33</u>	<u>8,521.63</u>
Balance at December 31,	<u>\$181,659.82</u>	<u>\$168,181.36</u>

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 2021 to this fund of \$4,370.13 which were the net earnings of 2021.

NOTE I - 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:

	2021	2020
Beneficial interest in Endowment	\$181,659.82	\$168,181.36

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE I - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

This fund is comprised of 2528.015 shares of Wellesley(CF)Adm Shares as of December 31, 2021 and 2386.682 shares of the same stock as of December 31, 2020.

NOTE J - FUND-RAISING EVENTS

The Organization held two fundraising event in 2021 which were the golf tournament and the fall fundraiser.

The golf event was the 39th Annual Golf event held in June 2021, which is also open to the public. Including contributions given of \$18,786.50 during the golf event, total receipts were \$30,816.50.

The Community Awards & Recognition Dinner is the fall fundraiser held on October 6, 2021. Including contributions of \$, the receipts were \$38,580.46.

NOTE K - COMMITMENTS AND CONTINGENCIES

There is a commitment to hold the golf tournament in June, 2022 at the Jefferson Country Club. In addition, there is a fall commitment to hold the fall fundraiser, Community Awards and Recognition Diner, in the fall of 2022.

NOTE L - 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:

	2021	2020
Financial assets at end of year	<u>\$245,434.27</u>	<u>\$240,675.29</u>
Total assets available to meet cash needs for general expenditures within one year	<u>\$ 63,774.45</u>	<u>\$ 72,493.93</u>

NOTE M - 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 N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 17, 2022, the date on which the financial statements were available to be issued.

A controller was hired to handle financial affairs of Netcare Corporation and Netcare Foundation as of April 30, 2022.