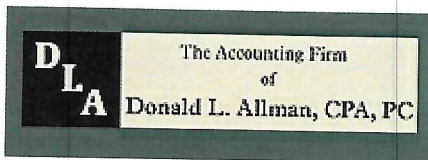


SACRED HEART COMMUNITY CLINIC
AUDITED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH PRIOR YEAR SUMMARIZED INFORMATION

SACRED HEART COMMUNITY CLINIC

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Donald L Allman, CPA, PC
4749 Williams Dr. Ste. 322
Georgetown, Texas 78633

CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors
Sacred Heart Community Clinic
Georgetown, Texas

We have audited the accompanying financial statements of Sacred Heart Community Clinic (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 evaluation the overall presentation of the 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 financial statements referred to above present fairly, in all material respects, the financial position of Sacred Heart Community Clinic as of December 31, 2021, and the changes in its net assets and functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The prior period financial statements were audited by a predecessor auditor, Alton D. Thiele, PC. An unmodified opinion was expressed on the audit of the financial statements for the year ended December 31, 2020. There were no emphasis of matter or other matter paragraphs included in the predecessor's report. The date of the predecessor auditor's report was August 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Donald L. Allman, CPA, PC

Georgetown, Texas
August 8, 2022

SACRED HEART COMMUNITY CLINIC
STATEMENT OF FINANCIAL POSITION, WITH PRIOR YEAR SUMMARIZED INFORMATION
DECEMBER 31, 2021

	2021	(Comparative Totals Only) 2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 408,132	\$ 364,903
Accounts Receivable	106,250	54,082
Prepaid expenses	3,519	-
Total Current Assets	517,901	418,985
Non-Current Assets		
Investments	253,807	244,807
Capital Assets (net of accumulated depreciation)	534,758	559,352
Total Non-Current assets	788,565	804,159
TOTAL ASSETS	\$ 1,306,466	\$ 1,223,144
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other accrued expenses	22,763	6,527
Deferred Revenue	-	19,500
Total Current Liabilities	22,763	26,027
Long-term Liabilities	-	-
Total Liabilities	22,763	26,027
Net Assets		
Without Donor Restrictions	1,264,953	1,182,117
With Donor Restrictions	18,750	15,000
Total Net Assets	1,283,703	1,197,117
TOTAL LIABILITIES AND NET ASSETS	\$ 1,306,466	\$ 1,223,144

See accompanying notes to financial statements and independent auditors' report

SACRED HEART COMMUNITY CLINIC
STATEMENT OF ACTIVITIES, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>(Comparative Totals Only) 2020</u>
SUPPORT AND REVENUE				
Professional Services Agreement	335,000		335,000	320,000
Contributions	166,864	15,000	181,864	325,009
Donated Medical Services and Pharmaceuticals	294,677		294,677	296,446
Grants	153,287		153,287	-
PPP Loan	68,324		68,324	
Special Events	48,262	-	48,262	177,321
Investment Income (Loss)	26,320	-	26,320	45,648
Miscellaneous income	3,906	-	3,906	68,030
Net Assets Released from Restrictions	-	-	-	
Total Support	<u>1,096,640</u>	<u>15,000</u>	<u>1,111,640</u>	<u>1,232,454</u>
EXPENSES				
Program	739,030	15,000	754,030	697,269
Administration	190,382	-	190,382	192,892
Fundraising	80,642	-	80,642	93,100
TOTAL EXPENSES	<u>1,010,054</u>	<u>15,000</u>	<u>1,025,054</u>	<u>983,261</u>
Change in Net Assets	86,586	-	86,586	249,193
Transfers	(3,750)	3,750	-	-
Net Assets, beginning of year	<u>1,182,117</u>	<u>15,000</u>	<u>1,197,117</u>	<u>947,924</u>
Net Assets, end of year	<u>\$ 1,264,953</u>	<u>\$ 18,750</u>	<u>\$ 1,283,703</u>	<u>\$ 1,197,117</u>

See accompanying notes to financial statements and independent auditors' report

**SACRED HEART COMMUNITY CLINIC
STATEMENT OF FUNCTIONAL EXPENSES, WITH PRIOR YEAR SUMMARIZED
INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program	Administration	Fundraising	Total 2021	(Comparativ Totals Only 2020
Professional Fees	\$ 134,398	\$ 8,166	\$ -	\$ 142,564	\$ 134,81
Salaries & Wages	170,237	118,542	63,400	352,179	348,31
Payroll taxes	12,932	8,891	5,119	26,942	26,64
Special Events			12,123	12,123	51,79
Mobile Clinic	3,283			3,283	
Pharmaceuticals	19,559	-	-	19,559	16,30
Medical Ancillary Services	37,619	-	-	37,619	17,28
Medical Supplies	5,957	-	-	5,957	8,50
Dental Supplies	32,429	-	-	32,429	13,59
Depreciation	27,197	2,098	-	29,295	25,32
Office Supplies	674	18,162	-	18,836	15,80
Insurance	-	2,500	-	2,500	7,80
Miscellaneous	68	-	-	68	5,49
Telephone	-	4,460	-	4,460	5,18
Occupancy	-	19,172	-	19,172	5,20
Postage and Printing	-	656	-	656	75
Travel & Training	-	839	-	839	1,28
Fees and dues	-	6,896	-	6,896	2,69
Donated Medical Services	240,200	-	-	240,200	206,58
Donated Pharmaceuticals	54,477			54,477	89,86
Donor Restricted Expense	15,000			15,000	
TOTAL EXPENSES	\$ 754,030	\$ 190,382	\$ 80,642	\$ 1,025,054	\$ 983,26

See accompanying notes to financial statements and independent and auditors' report

SACRED HEART COMMUNITY CLINIC
STATEMENT OF CASH FLOWS, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>(Comparative Totals Only) 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	86,586	249,193
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	29,295	25,328
Increase in donor restricted assets	3,500	-
In-kind donation of assets	-	-
Unrealized gain on investments	(12,278)	(33,988)
(Increase) Decrease in operating assets:		
(Increase) in accounts receivable	(52,168)	(36,581)
(Increase) Decrease in prepaid expenses	(3,519)	21,790
Increase (Decrease) in operating liabilities:		
Increase (Decrease) in accounts payable & accrued expenses	16,236	(12,510)
Increase (decrease) in deferred revenue	(19,500)	(25,804)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>48,152</u>	<u>187,428</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,701)	(19,063)
Donated Securities received	8,778	(5,074)
Proceeds from (investment in) certificate of deposit	(9,000)	(11,696)
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,923)</u>	<u>(35,833)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds from new debt/Forgiveness of PPP loan	-	-
Payments/advances on debt	-	-
NET CASH USED BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,229	151,595
CASH AND CASH EQUIVALENTS, beginning of year	<u>364,903</u>	<u>213,308</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 408,132</u>	<u>\$ 364,903</u>

See accompanying notes to financial statements and independent auditors' report

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Sacred Heart Community Clinic (hereafter referred to as the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies and principles conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities

The Organization is a non-profit Texas corporation established in May of 2010 to operate a health clinic that provides free healthcare services to qualified, uninsured and underinsured individuals living in Williamson County, Texas. Currently, Sacred Heart Community Clinic utilizes volunteers including physicians, nurses, nurse practitioners and pharmacists, as well as nonmedical volunteers. The Organization receives support through contributions from individuals, businesses, churches, and other organizations in the area.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenditures are recorded in the accounting period incurred, if measurable.

Income Tax Status

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code from Federal Income Tax on income arising from its exempt purpose. The Organization is also exempt from state income taxes in the State of Texas under Sections 151.310, 156.102, and 171.062 of the Texas Tax Code. Therefore, no provision for income taxes is included in the financial statements. Provisions for income taxes on unrelated business income are made when required for income from non-exempt activities and paid during the year.

Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC) Section 740, *Income Taxes*, requires extensive disclosures about uncertain tax positions. The requirements of this standard are applicable to nonprofit organizations. The Organization evaluates any uncertain tax positions using the provisions of FASB ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management's judgment with respect to the likely outcome of each uncertain tax position.

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

The Organization does not believe that it has engaged in any situation that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist and therefore, no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three and four reporting periods remain open to examination. Currently, the Organization has no open examinations with either the Internal Revenue Service or state taxing authorities.

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all cash and other highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Investments and Fair Value of Financial Instruments

The Organization's financial instruments are accounted for at fair market value in the statement of financial position with unrealized gains and losses reported in the change in net assets. FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of a given measurement date and establishes a framework for measuring fair value. This standard also establishes a three-level hierarchy for such measurements based on the reliability of observable and unobservable inputs as follows:

Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurable date.

Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.

Level 3 – Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

The Organization considers all receivables to be 100% collectible based on historical collection rates of its contributors and grantees.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives. Any donated items are recorded at fair value. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. The Organization has a policy of only capitalizing depreciable assets purchased at or over \$1,000, expensing items falling below that amount. Depreciation is provided using the straight-line method over the estimated useful lives of the assets generally as follows:

Building and improvements	7-40 years
Furniture, fixtures and equipment	5-7 years

Deferred Revenue

Deferred revenue consists of contract revenue received in the current fiscal year that represents revenue to be recognized in the subsequent fiscal year or when it is earned.

Net Assets – Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified 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 with 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. There were no donor-imposed restrictions of a perpetual nature at December 31, 2021. Donor-imposed restrictions are released when a restriction expires, such as when a stipulated time has elapsed, when the stipulated purpose for the restriction has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In addition, the Organization is required to present a Statement of Cash Flows.

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

The Organization's revenue comes primarily from professional service agreements, contributions and donated medical services and pharmaceuticals.

Donated Property and Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in direct services, fund-raising, and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605 have not been satisfied. Donated property is recorded at fair market value on the date of the donation as in-kind contributions if all qualifications for reporting have been met.

Contributions

Under FASB ASU 2016-145, contributions received are recorded as Without Donor Restrictions or With Donor Restrictions depending on the existence or nature of any donor restrictions. Contributions that are reported as With Donor Restrictions are reclassified to Without Donor Restrictions net assets upon expiration of the time or purpose restriction. Contributions and grant restrictions that are satisfied in the year of receipt are reported as without donor restrictions revenue in the same year.

Functional Expenses

The expenses of the Organization's various programs and supporting services have been reported on a functional basis. Certain expenses are allocated between program and supporting service based on estimates made by management and historical analysis.

Summarized Comparative Financial Information

The accompanying financial statements include prior year summarized comparative information. Such information may not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements – On June 21, 2018, the FASB issued ASU-2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which applies to all entities that receive or make contributions. The criteria for evaluating whether contributions are unconditional (and thus recognized immediately as income) or conditional (for which income recognition is deferred) have been clarified. The focus is whether a gift or grant agreement both (1) specifies a “barrier or hurdle” that the recipient must overcome to be entitled to the resources, and (2) releases the donor from its obligation to transfer resources (or if assets are advanced, a right to demand their return if the barrier or hurdle is not achieved. An agreement that contains both is a conditional contribution. An agreement that omits one or both is unconditional. No new disclosures are required. For grants/contributions made, donors will use the same criteria as recipients to determine whether gifts or grants are conditional or unconditional.

For federal and other government grants, the ASU clarifies the definition of an exchange transaction. As a result, not for profit entities will account for most federal grants as donor restricted conditional contributions, rather than as exchange transactions. An accommodation, or simultaneous release option, is provided which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today.

For transactions in which a non-public entity serves as a resource recipient, the entity should apply the amendments in this ASU on contributions received to annual periods beginning after December 15, 2018. For transactions in which a non public entity serves as a resource provider, the entity should apply the amendments in this ASU on contributions made to annual periods beginning after December 15, 2019. Early adoption of the amendments is permitted. The Sacred Heart Community Clinic is currently evaluating the effect of that implementation of the new standard will have on its financial position, results of operations, and cash flows.

Change in Accounting Principle

On August 18, 2016, FASB Issued Accounting Standards Update (ASU) 2016-14, Not for Profit Entities (Topic 958) Presentation of Financial Statements of Not For Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability about resources and the lack of consistency in the type of information provided about expenses and investment return. Sacred Heart Community Clinic has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, which did not have a material affect on the financial statements.

2: LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 408,132
	<u>\$ 408,132</u>

As a part of the organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from the organization’s operating accounts.

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE B – INVESTMENTS

As of December 31, 2021, investments consisted of certificates of deposit, investment land and securities. All investments were valued using the market approach and inputs were considered Level 1 or level 2 under the fair value hierarchy. Investment income consisted of the following for the year ended December 31, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Investments at Fair Value</u>
Investments: 2021				
Cash	19,491			19,491
Equities	114,166			114,166
Fixed Income	<u>120,149</u>			<u>120,149</u>
Total	<u><u>253,806</u></u>			<u><u>253,806</u></u>
Investments: 2020				
Cash	-			-
Equities	161,422			161,422
Fixed Income	<u>83,385</u>			<u>83,385</u>
Total	<u><u>244,807</u></u>			<u><u>244,807</u></u>

NOTE C – FIXED ASSETS

	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
Land	\$ 8,740	\$ -	\$ -	\$ 8,740
Building and improvements	549,153	-	-	549,153
Furniture, fixtures and equipment	134,634	4,701	-	139,335
Less: Accumulated depreciation	<u>(133,175)</u>	<u>(29,295)</u>	<u>-</u>	<u>(162,470)</u>
Total Fixed Assets, Net of Accumulated Depreciation	<u><u>\$ 559,352</u></u>	<u><u>\$ (24,594)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 534,758</u></u>

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE D – NET ASSETS

Net assets are available for the following purposes:

	2021	2020
Net Assets		
Without Donor Restrictions	1,264,953	1,182,117
With Donor Restrictions	<u>18,750</u>	<u>15,000</u>
Total Net Assets	<u>1,283,703</u>	<u>1,197,117</u>

NOTE E – IN-KIND CONTRIBUTIONS AND SERVICES

Contributed professional medical services and pharmaceuticals are recorded in the accompanying financial statements (pages 3 and 4) as Donated Goods and Services at their estimated fair values at the date of performance and receipt. The total combined value of non-cash donations and materials and services that are included in the respective statements, and the corresponding expenses for the years ending December 31, 2021 and 2020, were \$294,677 and \$296,446 respectively. Any pharmaceuticals prescribed and then received by the patient from a third-party and not the “in clinic” pharmacy, are not recognized as “in-kind” donations.

NOTE F – CONTRACTUAL AGREEMENTS

The Clinic entered into a Professional Services Agreement (the Agreement) with St. David’s Healthcare Partnership, L.P, LLP, January 1, 2018 as amended March 1, 2018, with an initial term of one year and thereafter shall be automatically renewed under identical term of one year and thereafter shall be automatically renewed under identical terms for another year unless otherwise terminated in accordance to the agreement. The Agreement contains certain performance and compliance provisions involving a minimum number of patient visits and hours of availability during the twelve-month term, as well as compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The payout varies for each year based on the completion and approval of the patient reports. For the years ended December 31, 2021 and 2020, the Clinic received \$335,000 and \$320,000 under the contract, accounting for 30 percent and 34 percent of total revenues, respectively.

NOTE G – COMMITMENTS

The Clinic entered into a cancellable lease contract with St. Williams Catholic Church, commencing on May 1, 2011 for an initial period of 10 years for the lease of the clinic building. Base monthly rent for the building is \$1 a month or \$12 annually.

**SACRED HEART COMMUNITY CLINIC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE H – CONCENTRATIONS AND CONTINGENCIES

The Organization is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2021, the Organization was covered by insurance for these various risks at a reasonable level and a cost it considered to be economically justifiable.

NOTE I – SUBSEQUENT EVENT

Management has evaluated all subsequent events for disclosure and/or recognition through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued. No events occurred that would impact the financial statements.