



**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**



## **Independent Auditors' Report**

The Board of Directors  
National Health Council  
Washington, D.C.

### **Opinion**

We have audited the accompanying financial statements of National Health Council (the NHC), 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Health Council 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NHC 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 the NHC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

---

**7625 Wisconsin Avenue, Suite 317 | Bethesda, Maryland 20814**

**202.770.6371**

**| [www.mullinspc.com](http://www.mullinspc.com)**

**| [john@mullinspc.com](mailto:john@mullinspc.com)**

The Board of Directors  
National Health Council  
Washington, D.C.

### **Auditor's 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, 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, 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 the NHC'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 the NHC'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.

### **Report on Summarized Comparative Information**

We have previously audited the NHC's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 8, 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.

Bethesda, Maryland  
March 31, 2022

  
Certified Public Accountants

---

**7625 Wisconsin Avenue, Suite 317 | Bethesda, Maryland 20814**

**202.770.6371**

**| www.mullinspc.com**

**| john@mullinspc.com**

**National Health Council**  
**Statement of Financial Position**  
**December 31, 2021**  
**With Comparative Totals As of December 31, 2020**

	<b>Assets</b>	
	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 3,857,264	\$ 3,731,209
Investments	562,178	567,506
Pledges Receivable	222,687	187,495
Receivables from Contracts	-	24,456
Prepaid Expenses and Other	75,187	52,894
Total Current Assets	<u>4,717,316</u>	<u>4,563,560</u>
<b>Property and Equipment, Net</b>	<b>73,448</b>	116,079
<b>Security Deposits</b>	<b>15,878</b>	15,878
<b>Total Assets</b>	<b><u>\$ 4,806,642</u></b>	<b><u>\$ 4,695,517</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 258,742	\$ 223,044
Forgivable Loan - PPP	-	305,658
Deferred Contract Revenues	-	12,500
Deferred Membership Dues	805,200	698,800
Deferred Revenue - Other	-	5,000
Deferred Rent - Current Portion	37,414	37,414
Total Current Liabilities	<u>1,101,356</u>	<u>1,282,416</u>
<b>Long-Term Liabilities</b>		
Deferred Rent	<u>104,768</u>	\$ 142,182
Total Long-Term Liabilities	<u>104,768</u>	<u>142,182</u>
Total Liabilities	<u>1,206,124</u>	<u>1,424,598</u>
<b>Net Assets</b>		
Without Donor Restrictions	1,721,698	1,563,859
With Donor Restrictions	<u>1,878,820</u>	<u>1,707,060</u>
Total Net Assets	<u>3,600,518</u>	<u>3,270,919</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 4,806,642</u></b>	<b><u>\$ 4,695,517</u></b>

***See Accompanying Notes to Financial Statements***

**National Health Council**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals For the Year Ended December 31, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>Support and Revenues</b>				
Sponsorship Contributions and Grants	\$ -	\$ 2,481,392	\$ <b>2,481,392</b>	\$ 2,384,349
Contribution - PPP Forgivable Loan	305,658	-	<b>305,658</b>	-
Membership Dues	1,657,350	-	<b>1,657,350</b>	1,609,700
Contract Services	-	-	-	39,708
Honoraria	33,662	-	<b>33,662</b>	33,245
Investment Income (Loss) - Net	2,930	-	<b>2,930</b>	28,696
Other	1,074	-	<b>1,074</b>	7,088
Net Assets Released from Restrictions	2,309,632	(2,309,632)	-	-
Total Support and Revenues	<u>4,310,306</u>	<u>171,760</u>	<u><b>4,482,066</b></u>	<u>4,102,786</u>
<b>Expenses</b>				
Program Services				
Member Services	1,000,730	-	<b>1,000,730</b>	1,343,595
Special Projects	1,687,722	-	<b>1,687,722</b>	1,239,368
Conferences	357,273	-	<b>357,273</b>	646,945
Publications	36,391	-	<b>36,391</b>	9,898
Total Program Services	<u>3,082,116</u>	<u>-</u>	<u><b>3,082,116</b></u>	<u>3,239,806</u>
Supporting Services				
General and Administrative	512,476	-	<b>512,476</b>	647,455
Governance	185,823	-	<b>185,823</b>	68,173
Membership Development	89,646	-	<b>89,646</b>	38,920
Fundraising	66,600	-	<b>66,600</b>	44,047
Strategic Planning	215,806	-	<b>215,806</b>	130
Total Supporting Services	<u>1,070,351</u>	<u>-</u>	<u><b>1,070,351</b></u>	<u>798,725</u>
Total Expenses	<u>4,152,467</u>	<u>-</u>	<u><b>4,152,467</b></u>	<u>4,038,531</u>
Changes in Net Assets	157,839	171,760	<b>329,599</b>	64,255
Net Assets, Beginning of Period	1,563,859	1,707,060	<b>3,270,919</b>	3,206,664
<b>Net Assets, End of Period</b>	<u>\$ 1,721,698</u>	<u>\$ 1,878,820</u>	<u><b>\$ 3,600,518</b></u>	<u>\$ 3,270,919</u>

*See Accompanying Notes to Financial Statements*

**National Health Council**

**Statement of Functional Expenses  
For the Year Ended December 31, 2021  
With Comparative Totals For the Year Ended December 31, 2020**

	<b>2021</b>										2020
	Program Services				Supporting Services						
	Member Services	Special Projects	Conferences	Publications	General and Administrative	Governance	Membership Development	Fundraising	Strategic Planning	<b>Total</b>	Total
Personnel Costs	\$ 640,415	\$ 937,228	\$ 212,943	\$ 25,294	\$ 231,575	\$ 162,129	78,570	\$ 57,527	\$ 156,121	<b>\$ 2,501,802</b>	\$ 2,439,528
Professional Fees	265,509	603,616	81,347	8,023	234,719	3,335	1,608	1,184	40,808	<b>1,240,149</b>	1,132,175
Meetings and Conferences	-	32,838	36,540	-	-	-	-	-	-	<b>69,378</b>	126,461
Travel	-	-	-	-	525	-	-	924	-	<b>1,449</b>	4,540
Office Expense	1,813	2,608	632	70	609	1,187	221	161	435	<b>7,736</b>	13,767
Occupancy	57,473	84,196	19,471	2,295	19,554	14,638	7,057	5,195	14,079	<b>223,958</b>	217,288
Insurance	4,715	6,901	1,568	186	1,705	1,194	578	424	1,150	<b>18,421</b>	15,473
Depreciation	10,939	16,027	3,707	437	3,723	2,786	1,343	989	2,680	<b>42,631</b>	47,097
Dues and Subscriptions	17,470	100	-	-	3,037	-	-	-	-	<b>20,607</b>	17,926
Staff Development	209	-	338	-	16,238	-	-	-	-	<b>16,785</b>	8,154
Advertising and Promotion	-	1,008	-	-	-	-	-	-	-	<b>1,008</b>	8,187
Interest and Fees	2,187	3,200	727	86	791	554	269	196	533	<b>8,543</b>	7,935
<b>Total Expenses</b>	<b>\$ 1,000,730</b>	<b>\$ 1,687,722</b>	<b>\$ 357,273</b>	<b>\$ 36,391</b>	<b>\$ 512,476</b>	<b>\$ 185,823</b>	<b>\$ 89,646</b>	<b>\$ 66,600</b>	<b>\$ 215,806</b>	<b>\$ 4,152,467</b>	<b>\$ 4,038,531</b>

***See Accompanying Notes to Financial Statements***

**National Health Council**  
**Statement of Cash Flows**  
**For the Year Ending December 31, 2021**  
**With Comparative Totals For the Year Ended December 31, 2020**

	<b>2021</b>	2020
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	<b>\$ 329,599</b>	\$ 64,255
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities		
Depreciation	<b>42,631</b>	47,097
Net (Gains) Losses on Investments	<b>13,263</b>	(8,930)
Deferred Rent	<b>(37,414)</b>	(31,864)
(Increase) Decrease in Assets		
Pledges Receivable	<b>(35,192)</b>	266,779
Receivables from Contracts	<b>24,456</b>	102,924
Prepaid Expenses and Other	<b>(22,293)</b>	(17,908)
Deferred Compensation Plan Assets	-	42,232
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	<b>35,698</b>	(27,009)
Deferred Contract Revenues	<b>(12,500)</b>	(60,334)
Deferred Membership Dues	<b>106,400</b>	217,600
Deferred Revenue - Other	<b>(5,000)</b>	5,000
Deferred Compensation Plan Liabilities	-	(64,661)
Forgivable Loan - PPP	<b>(305,658)</b>	-
Net Cash Provided by (Used in) Operating Activities	<b>133,990</b>	535,181
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	<b>(7,935)</b>	(12,539)
Net Cash Provided By (Used) in Investing Activities	<b>(7,935)</b>	(12,539)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Forgivable Loan - PPP	-	305,658
Net Cash Provided By (Used) in Financing Activities	-	305,658
Net Increase (Decrease) in Cash and Cash Equivalents	<b>126,055</b>	828,300
Cash and Cash Equivalents, Beginning of Period	<b>3,731,209</b>	2,902,909
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 3,857,264</b>	\$ 3,731,209

# National Health Council

## Notes to Financial Statements December 31, 2021

### 1. ORGANIZATION AND PURPOSE

The National Health Council, Inc. (the NHC) is a not-for-profit organization that provides national focus for sharing common concerns, evaluating needs, and pooling ideas and resources for national organizations in the health field.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of the NHC have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the NHC to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the NHC. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the NHC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Accordingly, actual results could differ from those estimates.

#### Cash Equivalents

The NHC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.



# National Health Council

## Notes to Financial Statements December 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and Fair Value Measurements

Investments in marketable securities with readily determinable fair values are stated at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

#### Pledges and Contracts Receivable

Pledges receivable represent sponsorships pledged but not yet received. Contracts receivables represent amounts billed but not yet collected. These items, which are uncollateralized, are stated at the amount management expects to collect from balances outstanding at year-end. All pledges are expected to be collected within one year. Based on management's assessment of the payment history of members with outstanding balances and management's current relationships with those members, management has concluded that realization losses, if any, on balances outstanding at year-end would be immaterial.

#### Property and Equipment

Property and equipment is recorded at cost. The NHC capitalizes assets whose costs are in excess of \$2,000. Depreciation is computed using the straight-line method over estimated useful lives of three to ten years. Amortization of leasehold improvements is taken over the term of the lease. Expenditures for maintenance and repairs are charged to expense as incurred.

When property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in income or expense.

#### Revenue Recognition

In accordance with Financial Accounting Standards Board's Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), the NHC recognizes revenues from contracts with customers when control of the promised goods or services is transferred to its customers and members in an amount that reflects the consideration the NHC expects to be entitled to in exchange for those goods or services.

The NHC's membership includes both national and international organizations, though the majority of organizations are based in the United States. The coalition of members is a broad-based network of various organizations which promote the well-being, and provide services to, the overall patient community. Contracts with members are implied based on a publicized listing of membership benefits. Since membership payments are required in advance, the uncertainty of payment is generally low. Contracts for other services are local in nature and uncertainty of payment is mitigated through progress payments as tasks are completed.

# National Health Council

## Notes to Financial Statements December 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue Recognition (Continued)

Performance obligations for membership benefits are satisfied over time during the calendar year. All members have a calendar year membership period. Membership dues are generally required to be paid in full at the beginning of the calendar year.

The nature of membership services provided by the NHC include opportunities to participate in the policy-making process, access to policy resources and expertise on a broad range of complex issues, conferences and meetings, among other benefits.

Member dues are recognized over a calendar year period for all members. Dues collected in advance are considered contract liabilities and recorded as deferred revenue in the statements of financial position.

Performance obligations for contract services are satisfied over time during the respective contract periods. Payments are received according to agreed-upon schedules based on the performance of tasks. The nature of contract services includes consulting expertise, research, and forums assembled for gathering data and furthering best practices.

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred, in the amount that reflects the consideration the NHC expects to be entitled to in exchange for those goods and services. Revenue from contracts with customers is disaggregated between memberships and other contract services in the statements of activities. The performance obligations are satisfied over time.

Revenue from grants that are considered conditional contributions are recorded in the statements of activities as part of sponsorship contributions and grants when the conditions have been met.

Contributions are recognized as revenue at the earlier of when they are received or when the NHC has received an unconditional promise to give a specific amount. The NHC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

During the year ended December 31, 2021, the NHC recognized a \$305,658 forgivable loan contribution from the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The forgivable loan was a conditional contribution that could be recognized as revenue when the underlying conditions were met. The NHC treated the forgiveness of the loan as the condition. Legal forgiveness was received in 2021 and the \$305,658 forgivable loan was recognized as a contribution.

# **National Health Council**

## **Notes to Financial Statements December 31, 2021**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of the general and administrative costs that benefit multiple functional areas have been allocated across Program and other Supporting Services and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include computer fees, advertising fees, supplies, telephone, postage and shipping, rent, equipment rental and maintenance, printing, and depreciation, which are allocated on a time and effort basis.

#### **Risks and Uncertainties**

The NHC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

#### **Income Tax Status**

The NHC is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

The NHC follows the Financial Accounting Standards Board Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in the NHC's financial statements, if any. As of December 31, 2021, the NHC had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements.

The NHC's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through December 31, 2021, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2018 are no longer subject to examination by federal, state, or local taxing authorities.

# National Health Council

## Notes to Financial Statements December 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

#### Comparative Information

The financial statements include certain prior-year summarized information in total, but not by net asset class. Such information does 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 NHC's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

#### Subsequent Events

The NHC has evaluated subsequent events through March 31, 2022, the date on which the financial statements were available to be issued.

### 3. CONCENTRATION OF CREDIT RISK

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. As of December 31, 2021, bank balances exceeded the FDIC limit by approximately \$3,600,000. Management believes the risk in these situations to be minimal.

### 4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The NHC invests cash in excess of its immediate needs in marketable securities, which are reported as an investment in the statements of financial position. Following is a schedule of the investment held at December 31:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>
Principal Investments Short-Term Income Fund	<u>\$ 562,178</u>	<u>\$ 562,178</u>

*Fixed-income mutual fund* - Securities which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year.

The NHC has categorized its financial instruments based on a three-level fair value hierarchy as follows:

Level 1 – Values are based on quoted prices for identical assets in active markets.

Level 2 – Values are based on quoted prices for similar assets in active or inactive markets.

## National Health Council

### Notes to Financial Statements December 31, 2021

#### 4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 – Value are based on unobservable inputs to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.

Investment income consisted of the following for the year ended December 31, 2021:

Dividends and Interest	\$ 16,193
Net Gains (Losses)	<u>(13,263)</u>
Total	<u>\$ 2,930</u>

Management has evaluated the significance of internal expenses related to the generation of investment income and believes these expenses to be immaterial to the financial statements.

#### 5. PLEDGES RECEIVABLE

Pledges are due as follows at December 31, 2021:

In One Year or Less	\$ 222,687
Between One and Five Years	-
Five Years or More	<u>-</u>
Total	<u>\$ 222,687</u>

#### 6. PROPERTY AND EQUIPMENT

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

Furniture, Equipment and Software	\$ 181,397
Leasehold Improvements	153,708
Website	<u>69,560</u>
Total	404,665
Less Accumulated Depreciation and Amortization	<u>(331,217)</u>
Property and Equipment, Net	<u>\$ 73,448</u>

Depreciation and amortization expense was \$42,631 for the year ended December 31, 2021.

## National Health Council

### Notes to Financial Statements December 31, 2021

#### 7. NET ASSETS

Net assets with donor restrictions for the year ended December 31, 2021 was as follows:

<b>Purpose:</b>	2020	Contributions	Releases	2021
Patient Engagement	\$ 184,606	\$ 50,000	\$ (223,600)	\$ 11,006
Telemedicine	-	50,000	(42,259)	7,741
PC-CIS	-	335,000	(87,078)	247,922
PCOs v. Legacy Measures	-	64,350	(6,540)	57,810
FMV Calculator	162,285	-	(108,866)	53,419
Patient Exchange Experience	875	-	(875)	-
Health Equity	480,712	300,000	(445,137)	335,575
Quality	9,450	-	-	9,450
Value	243,981	175,000	(253,349)	165,632
IVI Patient RoundTable	17,580	24,024	(28,943)	12,661
Dissecting the QALY	-	97,662	(539)	97,123
Patient Journey Mapping Toolbox	111,724	-	(58,564)	53,160
Advocacy Training	26,766	-	(519)	26,247
Leadership Conference	102,230	325,000	(188,031)	239,199
Washington Reps Retreat	8,735	219,000	(92,272)	135,463
Science of PE Symposium (SPES)	-	75,000	(74,724)	276
Emerging Issues Fund	88,462	356,750	(216,720)	228,492
Center for Education Excellence	57,256	-	(30,193)	27,063
Real World Evidence	12,063	-	(12,063)	-
Center for Patient Driven Value	7,475	64,212	(24,275)	47,412
PCORI Real World Evidence	103,035	50,000	(131,114)	21,921
Innovative Payment Model - AZ	24,664	-	(11,089)	13,575
RUNX1	14,981	14,000	(15,703)	13,278
Patient Centered Data Elements	2,858	100,094	(35,920)	67,032
M-CERSI/CBER	-	24,500	(17,137)	7,363
COVID -19	46,354	-	(46,354)	-
PC-CIS	-	156,800	(156,800)	-
NPC - MCDA	968	-	(968)	-
<b>Total</b>	<b>\$ 1,707,060</b>	<b>\$ 2,481,392</b>	<b>\$ (2,309,632)</b>	<b>\$ 1,878,820</b>

Net assets without donor restrictions for the year ended December 31, 2021 were undesignated.

# National Health Council

## Notes to Financial Statements December 31, 2021

### 8. LEASE COMMITMENTS

During 2021, the NHC amended its lease for office space to expand its square footage and extend the lease termination date to June 2033. The amended lease has base monthly rental payments of \$26,971 with the first eleven months of rent abated under the amended rental term. The lease also call for escalations in lease payments by 2.5% annually on the anniversary of the lease. The lease abatement, scheduled rent increases, and the tenant improvement allowance give rise to a deferred lease obligation, which is amortized over the term of the lease.

Rent expense was \$211,743 for the year ended December 31, 2021.

As of the December 31, 2021, future minimum lease payments are:

2022	\$ 77,950
2023	273,751
2024	335,884
2025	344,281
2026	352,888
Thereafter	<u>2,517,657</u>
Total	<u>\$ 3,902,410</u>

### 9. RETIREMENT PLANS

The NHC maintains a defined contribution retirement plan qualified under Internal Revenue Code Section 403(b) covering substantially all employees. Contributions by the NHC are based on fixed percentages of compensation, up to 8%, based on the participants' years of service.

The NHC also maintains a deferred compensation plan under Internal Revenue Code Section 457(b). Highly compensated employees with a minimum of six months of service may be eligible to participate. The 457(b) plan assets were distributed in 2020.

Total expense under these plans for the year ended December 31, 2021 was \$85,708.

# National Health Council

## Notes to Financial Statements December 31, 2021

### 10. LIQUIDITY AND AVAILABILITY

The following represents the NHC's financial assets at December 31, 2021:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 3,857,264
Investments	562,178
Pledges Receivable	222,687
Receivables from Contracts	-
Total Financial Assets	<u>4,642,129</u>
Less: Restricted Amounts Not Available To Be Used Within One Year:	
Donor-Restricted Amounts - Purpose Restricted	<u>(1,878,820)</u>
Donor-Restricted Amounts To Be Used Over the Next Twelve Months	<u>1,878,820</u>
	<u>-</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 4,642,129</u>

The goal of the NHC is to maintain sufficient financial assets to meet between two and six-months (approximately \$1,600,000) of operating expenses. As part of the liquidity plan, cash in excess of monthly operating requirements is invested in a money market account or short-term mutual fund.