



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022



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, 2022, 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, 2022, 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

| 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.

Bethesda, Maryland
April 25, 2023

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, 2022

Assets

Cash and Cash Equivalents	\$ 3,490,540
Investments	539,184
Pledges Receivable	690,222
Prepaid Expenses and Other	45,730
Property and Equipment, Net	181,450
Right of Use (ROU) Asset, Net	2,908,520
Security Deposits	<u>15,878</u>
Total Assets	<u>\$ 7,871,524</u>

Liabilities and Net Assets

Liabilities

Accounts Payable and Accrued Expenses	\$ 309,753
Deferred Membership Dues	768,100
Lease Liability	<u>3,147,968</u>
Total Liabilities	<u>4,225,821</u>

Net Assets

Without Donor Restrictions	1,411,762
With Donor Restrictions	<u>2,233,941</u>
Total Net Assets	<u>3,645,703</u>
Total Liabilities and Net Assets	<u>\$ 7,871,524</u>

See Accompanying Notes to Financial Statements

National Health Council
Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Sponsorship Contributions and Grants	\$ 5,000	\$ 2,622,102	\$ 2,627,102
Contribution - ERTC	116,684	-	116,684
Membership Dues	1,756,317	-	1,756,317
Honoraria	11,650	-	11,650
Investment Income (Loss) - Net	(1,804)	-	(1,804)
Other	129,648	-	129,648
Net Assets Released from Restrictions	2,266,981	(2,266,981)	-
Total Support and Revenues	4,284,476	355,121	4,639,597
Expenses			
Program Services			
Member Services	1,205,821	-	1,205,821
Special Projects	1,303,039	-	1,303,039
Conferences	699,528	-	699,528
Publications	36,875	-	36,875
Total Program Services	3,245,263	-	3,245,263
Supporting Services			
General and Administrative	806,144	-	806,144
Governance	196,135	-	196,135
Membership Development	140,136	-	140,136
Fundraising	136,589	-	136,589
Strategic Planning	70,145	-	70,145
Total Supporting Services	1,349,149	-	1,349,149
Total Expenses	4,594,412	-	4,594,412
Changes in Net Assets	(309,936)	355,121	45,185
Net Assets, Beginning of Period	1,721,698	1,878,820	3,600,518
Net Assets, End of Period	\$ 1,411,762	\$ 2,233,941	\$ 3,645,703

See Accompanying Notes to Financial Statements

National Health Council

**Statement of Functional Expenses
For the Year Ended December 31, 2022**

	Program Services				Supporting Services					Total
	Member Services	Special Projects	Conferences	Publications	General and Administrative	Governance	Membership Development	Fundraising	Strategic Planning	
Personnel Costs	\$ 739,897	\$ 540,515	\$ 377,809	\$ 27,085	\$ 423,230	\$ 146,709	119,101	\$ 99,113	\$ 60,503	\$ 2,533,962
Professional Fees	329,886	655,221	30,898	5,500	272,041	1,200	-	16,104	-	1,310,850
Meetings and Conferences	339	10,274	223,357	-	523	23,516	53	-	-	258,062
Travel	1,547	1,334	6,658	-	3,630	489	490	5,621	-	19,769
Office Expense	134	9,527	-	-	14,646	987	97	-	-	25,391
Occupancy	93,671	68,429	47,831	3,429	53,581	18,573	15,077	12,548	7,660	320,799
Insurance	5,154	3,765	2,632	189	2,948	1,022	830	690	421	17,651
Depreciation	14,687	10,729	7,500	538	8,401	2,912	2,365	1,967	1,201	50,300
Dues and Subscriptions	16,121	566	812	-	8,093	-	-	-	-	25,592
Staff Development	718	-	159	-	16,954	-	1,532	55	60	19,478
Interest and Fees	3,667	2,679	1,872	134	2,097	727	591	491	300	12,558
Total Expenses	\$ 1,205,821	\$ 1,303,039	\$ 699,528	\$ 36,875	\$ 806,144	\$ 196,135	\$ 140,136	\$ 136,589	\$ 70,145	\$ 4,594,412

See Accompanying Notes to Financial Statements

National Health Council
Statement of Cash Flows
For the Year Ending December 31, 2022

Cash Flows from Operating Activities	
Change in Net Assets	\$ 45,185
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities	
Depreciation and Amortization	50,300
Loss on Disposal of Property and Equipment	44,298
Amortization on ROU Asset	249,978
Accrued Interest on Lease Liability	51,801
(Gain) on Cancellation of Lease Liability	(129,648)
Net (Gains) Losses on Investments	30,978
<u>(Increase) Decrease in Assets</u>	
Pledges Receivable	(467,535)
Prepaid Expenses and Other	29,457
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable and Accrued Expenses	51,011
Deferred Membership Dues	(37,100)
Net Cash Provided by (Used in) Operating Activities	<u>(81,275)</u>
Cash Flows from Investing Activities	
Purchases of Investments	(7,984)
Purchases of Property and Equipment	(202,600)
Net Cash Provided By (Used) in Investing Activities	<u>(210,584)</u>
Cash Flows from Financing Activities	
Principal Payments on Lease Liability	(74,865)
Net Cash Provided By (Used) in Financing Activities	<u>(74,865)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(366,724)
Cash and Cash Equivalents, Beginning of Period	<u>3,857,264</u>
Cash and Cash Equivalents, End of Period	<u>\$ 3,490,540</u>

Supplementary Information

Recognition of ROU Asset and Lease Liability	\$ 3,783,754
Interest Paid	\$ 2,279

See Accompanying Notes to Financial Statements

National Health Council

Notes to Financial Statements December 31, 2022

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, 2022

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 Receivable

Pledges receivable represent sponsorships pledged but not yet received. Contracts receivables, if any, 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.

Right of Use Asset and Lease Liability

The right of use asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using the NHC's estimated incremental borrowing rate or implicit rate, when readily determinable. The asset is amortized on a straight-line basis over the lease term and is reflected as occupancy expense in the accompanying financial statements. The lease liability is reduced as cash payments are made under the terms of the lease. Interest is charged to occupancy expense for the difference. Short-term operating leases, which have an initial term of twelve months or less, are not recorded on the consolidated statements of financial position.

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.

National Health Council

Notes to Financial Statements December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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.

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.

National Health Council

Notes to Financial Statements December 31, 2022

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 Statement of Activities and in the Statement 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, 2022, 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, 2022, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2019 are no longer subject to examination by federal, state, or local taxing authorities.

National Health Council

Notes to Financial Statements December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. The new standard applies to finance and operating leases entered into after the standard was issued. The NHC adopted this standard in 2022.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. This standard was adopted in the current fiscal year and did not have a significant impact on the financial statements.

Subsequent Events

The NHC has evaluated subsequent events through April 25, 2023, 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, 2022, 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>\$ 539,184</u>	<u>\$ 539,184</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, 2022

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, 2022:

Dividends and Interest	\$ 29,174
Net Gains (Losses)	<u>(30,978)</u>
Total	<u>\$ (1,804)</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, 2022:

In One Year or Less	\$ 690,222
Between One and Five Years	-
Five Years or More	<u>-</u>
Total	<u>\$ 690,222</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2022:

Furniture, Equipment and Software	\$ 48,892
Leasehold Improvements	153,708
Website	<u>69,560</u>
Total	272,160
Less Accumulated Depreciation and Amortization	<u>(90,710)</u>
Property and Equipment, Net	<u>\$ 181,450</u>

Depreciation and amortization expense on the property and equipment was \$50,300 for the year ended December 31, 2022.

Right of Use (ROU Asset)	\$ 3,096,166
Less Accumulated Amortization	<u>(187,646)</u>
Right of Use (ROU) Asset, Net	<u>\$ 2,908,520</u>

Amortization expense on the right of use asset charged to occupancy expense was \$249,978 for the year ended December 31, 2022.

National Health Council

Notes to Financial Statements December 31, 2022

7. NET ASSETS

Net assets with donor restrictions for the year ended December 31, 2022 was as follows:

Purpose:	2021	Contributions	Releases	2022
International Patient Forum	\$ -	\$ 60,000	\$ -	\$ 60,000
COVID - 19 Trusted Messenger	-	250,000	(5,529)	244,471
Patient Engagement	11,006	75,000	(86,006)	-
Telemedicine	7,741	-	(5,883)	1,858
PC-CIS	247,922	150,000	(320,843)	77,079
PCOs v. Legacy Measures	57,810	-	(37,005)	20,805
FMV Calculator	53,419	-	(9,729)	43,690
PC Outcome / Impact	-	50,000	(28,266)	21,734
Health Equity	335,575	125,000	(277,634)	182,941
Three Questions	-	75,000	(58,625)	16,375
Value	165,632	100,000	(122,054)	143,578
IVI Patient RoundTable	12,661	-	(792)	11,869
Dissecting the QALY	97,123	-	-	97,123
Patient Journey Mapping				
Toolbox	53,160	-	(41,747)	11,413
Advocacy Training	26,247	-	(519)	25,728
Federal / State Initiatives	-	40,000	-	40,000
Leadership Conference	239,199	185,000	(378,463)	45,736
Washington Reps Retreat	135,463	255,000	(178,006)	212,457
Science of PE Symposium (SPES)	276	125,000	(125,276)	-
Patient Health Workstream	237,942	524,500	(307,628)	454,814
Center for Education Excellence	27,063	112,000	(42,944)	96,119
Center for Patient Driven Value	47,412	-	(10,680)	36,732
PCORI Real World Evidence	21,921	-	(159)	21,762
Innovative Payment Model - AZ	13,575	-	-	13,575
RUNX1	13,278	-	-	13,278
Patient Centered Data Elements	67,032	89,675	(51,853)	104,854
M-CERSI/CBER	7,363	-	(5,267)	2,096
PEMT Food Allergy	-	405,927	(172,073)	233,854
Total	\$ 1,878,820	\$ 2,622,102	\$ (2,266,981)	\$ 2,233,941

Net assets without donor restrictions for the year ended December 31, 2022 were undesignated.

National Health Council

Notes to Financial Statements December 31, 2022

8. LEASE COMMITMENTS

During 2021, the NHC cancelled its lease for office space and entered into a new lease to expand its square footage and extend the lease termination date to June 2033. The new lease has base monthly rental payments of \$26,971 with the first eleven months of rent abated under the new lease. The lease also calls for escalations in lease payments by 2.5% annually on the anniversary of the lease. The NHC reported a \$129,648 gain from the lease cancellation in May 2022.

The lease liability is recorded based on the present value of the future payments of the lease, discounted at an estimated incremental borrowing rate of 3.13%, based on comparable interest rates available to the NHC under borrowing arrangements for a similar amount and duration of the lease (remaining term method). The NHC has established a right of use asset equal to the remaining lease liability under the lease agreement less the deferred rent reported at December 31, 2021.

As of December 31, 2022, the lease liability was as follows:

2023	\$ 248,129
2024	337,266
2025	345,698
2026	354,340
2027	363,199
Thereafter	2,094,916
Less Amount Representing Interest	<u>(595,580)</u>
Total Lease Liability	<u>\$ 3,147,968</u>

Occupancy expense for the year ended December 31, 2022 was as follows:

Amortization of ROU Asset	\$ 249,978
Interest Expense	54,080
Other Rent Expenses	4,239
Equipment Rental and Maintenance	<u>12,502</u>
Total	<u>\$ 320,799</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.

Total expense under these plans for the year ended December 31, 2022 was \$75,179.

National Health Council

Notes to Financial Statements December 31, 2022

10. LIQUIDITY AND AVAILABILITY

The following represents the NHC's financial assets at December 31, 2022:

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 3,490,540
Investments	539,184
Pledges Receivable	<u>690,222</u>

Total Financial Assets	<u>4,719,946</u>
------------------------	------------------

Less: Restricted Amounts Not Available To Be Used Within One Year:

Donor-Restricted Amounts - Purpose Restricted	(2,233,941)
Donor-Restricted Amounts To Be Used Over the Next Twelve Months	<u>2,233,941</u>

-

Financial Assets Available to Meet General Expenditures

Over the Next Twelve Months	<u>\$ 4,719,946</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. Subsequent to year end, the NHC is opening an investment account with an initial transfer of \$2,000,000.