

Grant contract between the Metropolitan Government of Nashville and Davidson County and Neighborhood Health, Inc. Contract # _____

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY
AND
NEIGHBORHOOD HEALTH, INC.**

This Grant Contract issued and entered into pursuant to Resolution RS2024-_____ by and between the Metropolitan Government of Nashville and Davidson County ("Metro"), and Neighborhood Health, Inc., ("Recipient"), is for the provision of homeless healthcare services, as further defined in the "SCOPE OF PROGRAM" and detailed in this Grant Contract. Attachments A through E incorporated herein by reference.

A. SCOPE OF PROGRAM:

A.1. The Recipient will serve as a viable and expedient source of healthcare for the homeless, including primary medical, dental, mental health and substance abuse services. The Recipient will provide services at two or more clinics located in or near downtown Nashville, Tennessee.

These funds will be used to achieve the following outcomes:

- Primary medical services to at least 3,500 homeless individuals. Such services will be made available at two or more clinics located in or near downtown Nashville, Tennessee.
- All services are to be performed in accordance with all applicable federal, state, and local laws and regulations.
- Primary medical coverage after normal business hours using a twenty-four hour on-call system for emergencies. The on-call system should allow medical personnel to consult with patients after normal business hours, refer patients to an available clinic or hospital, and follow-up as needed to ensure that patients receive medically necessary care.
- Management and oversight of hospital admission, follow-up, and discharge services for homeless clients through direct care or hospitalization arrangements.
- Planning, management, and delivery of dental services to homeless clients, which, at a minimum, shall include all of the following services:
 - Emergency treatment;
 - Restorative treatment; and
 - Preventative treatment

These services will be provided on a rotating basis at Contractor's centers with dental services. Contractor will assure homeless client's transportation as needed to assure that services are received in a timely way. A dental patient chart, or the equivalent, that documents the care provided, shall be maintained for all of the individuals served during the term of this Contract. At least 500 patient visits shall be provided for this Contract term.

- Mental health services and substance abuse services to at least 600 homeless clients. These services will include, at a minimum, screening, assessment, and treatment or referral into the appropriate treatment setting. Contractor must maintain current licensure as an outpatient treatment facility for these services.
- Provide transportation in the form of bus passes, motor vehicle rides, or taxi service for all homeless clients to medical, dental, substance abuse, mental health appointments, and social services appointments, for all appointments either with Contractor, with a contractor of Contractor, made by Contractor, or referred by Contractor. Such transportation is required only during the hours of 8:00 a.m. – 5:00 p.m. Monday through Friday and whenever the relevant contractor's clinic is open.

A.2. The Recipient must spend funds consistent with the Grant Spending Plan, attached and incorporated herein as **Attachment A**. The Recipient must collect data to evaluate the

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effectiveness of their services and must provide those results to Metro according to a mutually acceptable process and schedule, and when needed, upon request.

- A.3. The Recipient must comply with all quarterly reporting requirements. Recipient must submit quarterly reports that contain the following:
- Demographic profile of consumer population to include: age, gender, race and ethnicity, primary language spoken (where applicable), country of origin, insurance coverage (insured/uninsured) and type or diagnosis of health condition/addiction status and acuity
 - Number of medical visits and patients
 - Number of dental visits and patients
 - Number of mental health visits and patients
 - Number of substance abuse visits and patients
 - Number of enabling visits and patients
 - Other data as requested.
- A.4. The Recipient will only utilize these grant funds for services the Recipient provides to residents and/or visitors of Davidson County through the Recipient's homeless healthcare program in Davidson County.
- A.5. Recipient and its employees must perform their duties under this Grant contract fairly and impartially. Recipient and its employees shall not give reasonable basis by their conduct the impression that any person can improperly influence, or unduly enjoy their favor in, the performance of their duties under this Grant contract, or that they are unduly affected by the kinship, rank, position or influence of any person.

B. GRANT CONTRACT TERM:

- B.1. **Grant Contract Term.** The term of this Grant will commence on the date filed with the Metropolitan Clerk after receiving all required Metro approvals and ending on June 30, 2025. Metro will have no obligation for services rendered by the Recipient that are not performed within this term, although it is understood that Recipient has provided services prior to the commencement of the term of this agreement and will be allowed to submit invoices and be paid for services rendered beginning July 1, 2024.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. **Maximum Liability.** In no event will Metro's maximum liability under this Grant Contract exceed Three Hundred Fifty-Five Thousand and Two Hundred dollars (\$355,200). The Grant Spending Plan will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Spending Plan line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

Subject to modification and amendments as provided in section D.2 of this agreement, this amount will constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

- C.2. **Payment Methodology.** The Recipient will only be compensated for actual costs based upon the Grant Spending Plan, not to exceed the maximum liability established in Section C.1. For each invoice submitted, the Recipient shall certify that the funds were utilized for necessary expenditures related to homeless healthcare.

Upon progress toward the completion of the work, as described in Section A of this Grant Contract, the Recipient shall submit invoices and any supporting documentation as requested by

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Metro to demonstrate that the funds are used as required by this Grant, prior to any payment for allowable costs. Such invoices shall be submitted no more often than monthly and in the amount Twenty-Nine Thousand Six Hundred dollars (\$29,600).

Recipient must send all invoices to Metro Public Health Department, Bradley.thompson@nashville.gov.

Final invoices for the contract period should be received by July 15, 2025. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.3. **Annual Expenditure Report.** The Recipient must submit a final grant Annual Expenditure Report, to be received by Metro Public Health Department, within forty-five (45) days of the end of the Grant Contract. Said report must be in form and substance acceptable to Metro and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.4. **Payment of Invoice.** The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.5. **Unallowable Costs.** The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. Any unallowable cost discovered after payment of the final invoice shall be returned by the Recipient to Metro within fifteen (15) days of notice.
- C.6. **Deductions.** Metro reserves the right to adjust any amounts which are or become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or become due and payable to Metro by the Recipient under this or any Contract.
- C.7. **Travel Compensation.** Payment to the Recipient for travel, meals, or lodging is subject to amounts and limitations specified in Metro's Travel Regulations and subject to the Grant Spending Plan.
- C.8. **Electronic Payment.** Metro requires as a condition of this contract that the Recipient have on file with Metro a completed and signed "ACH Form for Electronic Payment". If Recipient has not previously submitted the form to Metro or if Recipient's information has changed, Recipient will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- D. **STANDARD TERMS AND CONDITIONS:**
 - D.1. **Required Approvals.** Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant and approved by the Metropolitan Council.
 - D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
 - D.3. **Termination for Cause.** Metro shall have the right to terminate this Grant Contract immediately if Metro determines that Recipient, its employees or principals have engaged in conduct or violated any federal, state or local laws which affect the ability of Recipient to effectively provide

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services under this Grant Contract. Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant Contract. Such termination will not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.

D.4. **Termination - Notice.** Metro may terminate the Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by Metro. Metro shall give the Recipient at least thirty (30) days written notice before effective termination date.

(a) The Recipient shall be entitled to receive compensation for satisfactory, authorized service completed as of the effective termination date, but in no event shall Metro be liable to the Recipient for compensation for any service that has not been rendered.

(b) Upon such termination, the Recipient shall have no right to any actual general, special, incidental, consequential or any other damages whatsoever of any description or amount.

D.5. **Termination - Funding.** The Grant Contract is subject to the appropriation and availability of local, State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, Metro shall have the right to terminate the Grant Contract immediately upon written notice to the Recipient. Upon receipt of the written notice, the Recipient shall cease all work associated with the Grant Contract on or before the effective termination date specified in the written notice. Should such an event occur, the Recipient shall be entitled to compensation for all satisfactory and authorized services completed as of the effective termination date. The Recipient shall be responsible for repayment of any funds already received in excess of satisfactory and authorized services completed as of the effective termination date.

D.6. **Subcontracting.** The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subGrantee, the Recipient will be considered the prime Recipient and will be responsible for all work performed.

D.7. **Conflicts of Interest.** The Recipient warrants that no part of the total Grant Amount will be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

D.8. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person will be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient must, upon request, show proof of such nondiscrimination and must post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.9. **Records.** The Recipient must maintain documentation for all charges to Metro under this Grant Contract. The books, records, and documents of the Recipient, insofar as they relate to work performed or money received under this Grant Contract, must be maintained for a period of three (3) full years from the date of the final payment or until the Recipient engages a licensed independent public accountant to perform an audit of its activities. The books, records, and documents of the Recipient insofar as they relate to work performed or money received under this Grant Contract are subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records must be maintained in accordance with the

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standards outlined in the Metro Non-profit Grants Manual. The financial statements must be prepared in accordance with generally accepted accounting principles.

- D.10. **Monitoring.** The Recipient's activities conducted and records maintained pursuant to this Grant Contract are subject to monitoring and evaluation by The Metropolitan Office of Financial Accountability or Metro's duly appointed representatives. The Recipient must make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.11. **Reporting.** The Recipient must submit a Final Program Report, to be received by Metro Public Health Department, within forty-five (45) days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract.
- D.12. **Strict Performance.** Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement is not a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract is considered to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.13. **Insurance.** The Recipient agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all applicable taxes incident to this Grant Contract.
- D.14. **Metro Liability.** Metro will have no liability except as specifically provided in this Grant Contract.
- D.15. **Independent Contractor.** Nothing herein will in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient must not hold itself out in a manner contrary to the terms of this paragraph. Metro will not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.16. **Indemnification and Hold Harmless.**
- (a) Recipient agrees to indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent Grantees, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent Grantees, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
 - (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
 - (c) Recipient will pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
 - (d) Recipient's duties under this section will survive the termination or expiration of the grant.
- D.17. **Force Majeure.** "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party. Except as provided in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a

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Force Majeure Event is not a breach under this Grant Contract. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. Recipient will promptly notify Metro within forty-eight (48) hours of any delay caused by a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

- D.18. **Iran Divestment Act.** In accordance with the Iran Divestment Act, Tennessee Code Annotated § 12-12-101 et seq., Recipient certifies that to the best of its knowledge and belief, neither Recipient nor any of its subcontractors are on the list created pursuant to Tennessee Code Annotated § 12-12-106. Misrepresentation may result in civil and criminal sanctions, including contract termination, debarment, or suspension from being a contractor or subcontractor under Metro contracts.
- D.19. **State, Local and Federal Compliance.** The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract. Metro shall have the right to terminate this Grant Contract at any time for failure of Recipient to comply with applicable federal, state or local laws in connection with the performance of services under this Grant Contract.
- D.20. **Governing Law and Venue.** The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof will be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract will be in the courts of Davidson County, Tennessee.
- D.21. **Completeness.** This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.22. **Headings.** Section headings are for reference purposes only and will not be construed as part of this Grant Contract.
- D.23. **Severability.** In the event any provision of this Agreement is rendered invalid or unenforceable, said provision(s) hereof will be immediately void and may be renegotiated for the sole purpose of rectifying the error. The remainder of the provisions of this Agreement not in question shall remain in full force and effect.
- D.24. **Metro Interest in Equipment.** The Recipient will take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to Metro's equitable interest therein, to the extent of its *pro rata* share, based upon Metro's contribution to the purchase price. "Equipment" is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds Five Thousand dollars (\$5,000).

The Recipient agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at any time during the term of the Grant Contract, the Recipient must request written approval from Metro for any proposed disposition of equipment purchased with Grant funds. All equipment must be disposed of in such a manner as parties may agree as appropriate and in accordance with any applicable federal, state or local laws or regulations.

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- D.25. **Assignment—Consent Required.** The provisions of this contract will inure to the benefit of and will be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder may be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer will not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.

- D.26. **Gratuities and Kickbacks.** It will be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It will be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subGrantee under a contract to the prime Grantee or higher tier subGrantee or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

- D.27. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract must be in writing and must be made by email transmission, or by first class mail, addressed to the respective party at the appropriate email or physical address as set forth below or to such other party, email, or address as may be hereafter specified by written notice.

Metro

For contract-related matters:
 Metro Public Health Department
 2500 Charlotte Avenue
 Nashville, TN 37209
 (615) 340-8900
 Holly.Rice@nashville.gov

For inquiries regarding invoices:
 Metro Public Health Department
 2500 Charlotte Avenue
 Nashville, TN 37209
 (615) 340-5634
 Nancy.Uribe@nashville.gov

Recipient

Neighborhood Health
 Executive Director
 2711 Foster Avenue
 Nashville, TN 37210
 (615) 227-3000

- D.28. **Lobbying.** The Recipient certifies, to the best of its knowledge and belief, that:
 - a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal,

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amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.29. Certification Regarding Debarment and Convictions.

- a. Recipient certifies that Recipient, and its current and future principals:
 - i. are not presently debarred, suspended, or proposed for debarment from participation in any federal or state grant program;
 - ii. have not within a three (3) year period preceding this Grant Contract been convicted of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) grant;
 - iii. have not within a three (3) year period preceding this Grant Contract been convicted of embezzlement, obstruction of justice, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - iv. are not presently indicted or otherwise criminally charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in Sections D.29(a)(ii) and D.29(a)(iii) of this certification.
- b. Recipient shall provide immediate written notice to Metro if at any time Recipient learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals fall under any of the prohibitions of Section D.29(a).

D.30. Effective Date. This contract will not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract will be effective as of the date first written above.

D.31. Health Insurance Portability and Accountability Act. Metro and Recipient shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its accompanying regulations.

- a. Recipient warrants that it is familiar with the requirements of HIPAA and its accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Agreement.
- b. Recipient warrants that it will cooperate with Metro, including cooperation and coordination with Metro privacy officials and other compliance officers required by HIPAA

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and its regulations, in the course of performance of this Agreement so that both parties will be in compliance with HIPAA.

- c. Recipient agrees to sign documents, including but not limited to Business Associate agreements, as required by HIPAA and that are reasonably necessary to keep Metro and Recipient in compliance with HIPAA. This provision shall not apply if information received by the Recipient from Metro under this Agreement is not “protected health information” as defined by HIPAA, or if HIPAA permits Recipient and Metro to receive such information without entering into a Business Associate agreement or signing another such document.

(THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.)

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Recipient: Neighborhood Health

By: Brian Hault

Title: CEO

Sworn to and subscribed to before me, a Notary Public this 9th day of September, 2024, by Brian Hault, the CEO of Contractor and duly authorized to execute this instrument on Contractor's behalf.

Notary Public: Barbara Boyd

My Commission Expires: August 1, 2028



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METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DocuSigned by:
Joanna Shaw-kaikai 9/18/2024
FOE83ACD4AFC4C1...
Director, Metro Public Health Department Date

Signed by:
Tiné Hamilton Franklin 9/18/2024
BEBF08BF14D14B0...
Chair, Board of Health Date

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by: ^{DS} ^{DS}
Kevin Crumbo/mjw 9/26/2024
62377A2A8742469...
Director, Department of Finance Date

APPROVED AS TO RISK AND INSURANCE:

DocuSigned by:
Balagun Cobb 9/26/2024
08804BF12FD741C...
Director of Risk Management Services Date

APPROVED AS TO FORM AND LEGALITY:

Signed by:
Derrick C. Smith 10/8/2024
CD9979186287427...
Metropolitan Attorney Date

FILED:

Metropolitan Clerk Date

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Table of Contents of Attachments:

- A. Grant Spending Plan
- B. Certification of Assurance
- C. Non-Profit Grants Manual Receipt Acknowledgement
- D. Internal Revenue Service 501(c)(3) Tax-Exempt Organization Letter
- E. Non-Profit Charter and Tennessee Secretary of State Non-Profit Confirmation
- F. Independent Audit completed by Certified Public Accountant
- G. Certificate of Insurance

ATTACHMENT A

GRANT BUDGET

(BUDGET PAGE 1)

Neighborhood Health				
APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning July 1, 2024, and ending June 30, 2025.				
Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY¹ (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE MATCH³	TOTAL PROJECT
1	Salaries ²	\$263,800.00	\$0.00	\$263,800.00
2	Benefits & Taxes	\$58,036.00	\$0.00	\$58,036.00
4, 15	Professional Fee/ Grant & Award ²	\$0.00	\$0.00	\$0.00
5	Supplies	\$0.00	\$0.00	\$0.00
6	Telephone	\$0.00	\$0.00	\$0.00
7	Postage & Shipping	\$0.00	\$0.00	\$0.00
8	Occupancy	\$0.00	\$0.00	\$0.00
9	Equipment Rental & Maintenance	\$0.00	\$0.00	\$0.00
10	Printing & Publications	\$0.00	\$0.00	\$0.00
11, 12	Travel/ Conferences & Meetings ²	\$0.00	\$0.00	\$0.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$0.00	\$0.00	\$0.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost (10% of S&B)	\$33,364.00	\$0.00	\$33,364.00
24	In-Kind Expense	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$355,200.00	\$0.00	\$355,200.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <https://www.tn.gov/assets/entities/finance/attachments/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

GRANT BUDGET LINE-ITEM DETAIL

(BUDGET PAGE 2)

SALARIES					AMOUNT
Name	Salary	x	Percentage of Time	+ Longevity Bonus	
Kelly, Suzette	\$ 196,181.97	x	90%	+	\$ 176,563.77
Kirmani, Afshan N.	\$ 109,696.53	x	20%	+	\$ 21,939.31
Senter, Gussie R.	\$ 44,277.79	x	50%	+	\$ 22,138.90
Woolverton, Crystal	\$ 47,438.98	x	50%	+	\$ 23,719.49
Hohenstein, Terri	\$ 48,478.56	x	40%	+	\$ 19,391.42
		x	100%	+	\$ -
		x	100%	+	\$ -
		x	100%	+	\$ -
		x	100%	+	\$ -
		x	100%	+	\$ -
		x	100%	+	\$ -
		x	100%	+	\$ -
		x	100%	+	\$ -
		x	100%	+	\$ -
ROUNDED TOTAL					\$ 263,800.00

PROFESSIONAL FEE/ GRANT & AWARD	AMOUNT
ROUNDED TOTAL	\$ -

TRAVEL/ CONFERENCES & MEETINGS	AMOUNT
ROUNDED TOTAL	\$ -

SPECIFIC ASSISTANCE TO INDIVIDUALS	AMOUNT
ROUNDED TOTAL	\$ -



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Department of Finance
700 President Ronald Reagan Way, STE 201
Nashville, Tennessee 37210

Metropolitan Government of Nashville and Davidson County
Recipient of Metro Grant Funding
Certifications of Assurance

Neighborhood Health
August 21, 2024

As a condition of receipt of this funding, the Recipient assures that it will comply fully with the provisions of the following laws.

- The Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. Section 12116;
Title VI of the Civil Rights Act of 1964, as amended which prohibits discrimination on the basis of race, color, and national origin;
Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;

CERTIFICATION REGARDING LOBBYING - Certification for Contracts, Grants, Loans, and Cooperative Agreements

By accepting this funding, the signee hereby certifies, to the best of his or her knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

Handwritten signature of Juan Figueredo

Signature of Authorized Representative

Name: Juan FIGUEREDO

Title: CFO

Agency Name: NEIGHBORHOOD HEALTH, INC.

Date: 08/21/2024



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Department of Finance
700 President Ronald Reagan Way, STE 201
Nashville, Tennessee 37210

**Metropolitan Government of Nashville and Davidson County
Recipient of Metro Grant Funding
Non-Profit Grants Manual Receipt Acknowledgement**

Recipient Name

February 2, 2023

As a condition of receipt of this funding, the recipient acknowledges the following:

- Receipt of the Non-Profit Grants Manual, updated February 2, 2023, issued by the Division of Grants and Accountability. Electronic version can be located at the following: [Non-Profit Grant Resources](#)
- The recipient has read, understands and hereby affirms that the agency will adhere to the requirements and expectations outlined within the Non-Profit Grants Manual.
- The recipient understands that if the organization has any questions regarding the Non-Profit Grants Manual or its content, they will consult with the Metro department that awarded their grant.

**Note to Organizations: Please read the Non-Profits Grants Manual carefully to ensure that you understand the requirements and expectations before signing this document.*

Signature of Authorized Representative

Name: JUAN FIGUEROA

Title: CFO

Agency Name: NEIGHBORHOOD HEALTH, Inc

Date: 08/21/2024

DEC 04 1990

Department of The Treasury

Internal Revenue Service
EO Group 7404
Suite 1109
401 West Peachtree St.
Atlanta, GA 30365United Neighborhood
Health Services, Inc.
617 South 8th Street
Nashville, TN 37206-3894Person To Contact:
Terry Williams
Telephone Number:
(404)331-3793
Refer Reply To:
EO:7404:AM
EIN:
62-1032792
Date: November 28, 1990

Dear Sir or Madam:

We have received and reviewed the amended organizing documents that you submitted on behalf of your organization, in which the organizing documents were approved and/or adopted on March 11, 1987. This information has been made a part of your file.

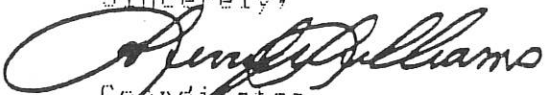
Your organization shall continue to be recognized as exempt under Section 501(C)(03) of the Internal Revenue Code, effective as of May 1978. You may continue to rely on this exemption until it is modified, terminated or revoked by the Internal Revenue Service.

Please continue to let us know of any changes in the purpose, character, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

A copy of this letter should remain in your permanent records, as it may help resolve any question about your exempt status.

Thank you for your cooperation.

Sincerely,

Coordinator
Exempt Organizations

State of Tennessee



BOOK 5298 PAGE 215

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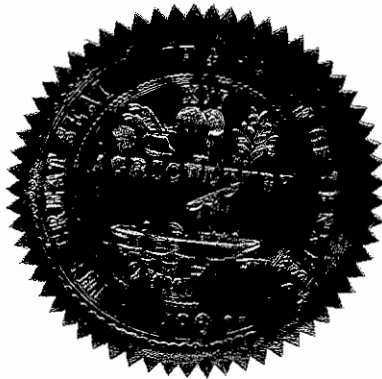
Department of State

CERTIFICATE

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of UNITED NEIGHBORHOOD HEALTH SERVICES, INC.,
(Name of Corporation)
 was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

THEREFORE, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on May Thirty-first, 1978.

Gentry Crowell
 Secretary of State



IDENTIF. REFERENCE
 JUN 14 8 50 AM '78
 FELIX Z. WILSON, II, REGISTER
 DAVIDSON COUNTY, TENN.

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SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

UNITED NEIGHBORHOOD HEALTH SERVICES, INC.

The undersigned natural persons, having capacity to contract and acting as incorporators of a corporation under the Tennessee General Corporation Act, adopt the following charter for such corporation.

1. The name of the corporation is UNITED NEIGHBORHOOD HEALTH SERVICES, INC.

2. The duration of the corporation is perpetual.

3. The address of the principal office of the corporation is the State of Tennessee shall be 754 South 7th Street, Nashville, County of Davidson, Tennessee 37206.

4. The corporation is not for profit.

5. The purposes for which the corporation is organized are:

(a) to increase the health services available to people in medically underserved sections of Metropolitan Nashville, Tennessee, served by two non-profit, tax-exempt community health organizations: Cayce Homes Community Council, Inc., and Waverly-Belmont Community Clinic, Inc.;

(b) to support the development of and provide for the delivery of health services to people in other medically underserved areas of Metropolitan Nashville, Tennessee, if the Board of Directors of this corporation so decide;

(c) to encourage and participate in any activity designed and intended to promote the general health organizations and any other area so designated by the Board of Directors of the corporation;

(d) to operate exclusively for charitable and educational purposes, to lessen the burdens of government, to

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SECRETARY OF STATE

BOOK 5298 PAGE 217

promote the social welfare of area residents, and to encourage community initiative in solving health problems and relieving the poor and medically underserved residents of Metropolitan Nashville Tennessee:

(e) to solicit and raise funds from public and private sources sufficient to develop and maintain such projects and activities as the corporation might undertake in furtherance of its purposes;

(f) to purchase, lease, or otherwise acquire such property, real or personal, sufficient for its purposes;

(g) to carry on any other similar activity in connection with the foregoing and to have and exercise all of the powers conferred on non-profit corporations by the laws of the State of Tennessee and Section 501 (c) (3) of the Internal Revenue Code of 1954 such that the corporation remains a non-profit entity.

6. The corporation shall not have members.

7. At all times, notwithstanding any change of name, merger, or dissolution:

(a) the corporation shall not possess or exercise any power or authority that will prevent it any time from qualifying or continuing to qualify as a tax-exempt corporation as defined in Section 501 (c) (3) of the Internal Revenue Code of 1954;

(b) no part of the assets or net earnings of the corporation shall be used for purposes that are not exclusively charitable or educational within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1954.

(c) the corporation shall not attempt to influence legislation except to the extent permitted under the 1976 Amendments to the Internal REvenue Code of 1954 nor shall it intervene in any manner in any political campaign on behalf of any candidate for public office;

(d) no part of the assets or net earnings,

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SECRETARY OF STATE

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nor any compensation or other payment shall be paid to any officer, Board member, or incorporator of the corporation except as reasonable compensation for services rendered.

8. Upon the termination or dissolution of the corporation in any manner or for any reason, its assets, if any, remaining after payment of all liabilities, shall be distributed to, and only to, one or more organizations described in Section 501(c)(3) of the Internal Revenue Code of 1954.

THIS 2 day of May, 1978.

Ms. Sallie M. Ambergey

Ms. India Caldwell

Virginia M. Bearge

Robert Smith

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STATE OF TENNESSEE DEPARTMENT OF REVENUE

UNITED NEIGHBORHOOD HEALTH SERVICES
INC.
2711 FOSTER AVE
NASHVILLE TN 37210-5307

Effective Date: June 9, 2023
Expiration Date: June 30, 2027
Account No: 1000219730-SLC
Exemption No: 1783361792
Facility Address:
UNITED NEIGHBORHOOD HEALTH
SERVICES INC.
2711 FOSTER AVE
NASHVILLE TN 37210-5307

Exempt Organizations or Institutions Sales and Use Tax Certificate of Exemption

This organization or institution qualifies for the authority to make sales and use tax exempt purchases of goods and services that it will use, consume or give away.

This authorization for exemption is limited to sales made directly to the referenced organization. This exemption certificate may not be used for sales made to individuals paying with personal checks or personal debit or credit cards, even if the individual is a representative or employee of the organization, and he or she will be reimbursed for the purchase. Sellers must refuse to accept the certificate when the sale is made to someone other than the organization.

This exemption certificate may not be used to make purchases without the payment of sales and use tax for other locations and may not be transferred to or used by any other person.

Ensure this lower portion is properly completed and signed before presenting to a vendor.

Seller's Name

Seller's Address (City & State)

I, IVAN FIGUEREDO, as an authorized representative of the taxpayer named above, affirm that the purchases qualify for the exemption and will be used at the location of the facility address referenced above. Under penalty of perjury, I affirm this to be a true and correct statement.

IVAN FIGUEREDO, CFO

06-28-2023

Print Name of Authorized Representative

Signature of Authorized Representative

Date

The supplier must maintain a copy of this document as evidence of the sales tax exemption.



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **UNITED NEIGHBORHOOD HEALTH SERVICES, INC.**

General Information

SOS Control # 000052519 Formation Locale: TENNESSEE
Filing Type: Nonprofit Corporation - Domestic Date Formed: 05/31/1978
 05/31/1978 4:30 PM Fiscal Year Close 1
Status: Active
Duration Term: Perpetual
Public/Mutual Benefit: Public

Registered Agent Address

BRIAN HAILE
2711 FOSTER AVE
NASHVILLE, TN 37210-5307

Principal Address

2711 FOSTER AVE
NASHVILLE, TN 37210-5307

The following document(s) was/were filed in this office on the date(s) indicated below:

<u>Date Filed</u>	<u>Filing Description</u>	<u>Image #</u>
06/17/2024	Assumed Name Renewal	B1573-5864
	Assumed Name Changed From: Neighborhood Health To: Neighborhood Health	
	Expiration Date Changed From: 08/08/2024 To: 06/17/2029	
03/22/2024	Assumed Name	B1533-1619
	New Assumed Name Changed From: No Value To: Salvus Center	
02/09/2024	2024 Annual Report	B1506-5522
12/21/2023	Merger - Survivor (Delayed Date 12/31/2023)	*B1460-4084
	Qualified Survivor Control # Changed To: 000052519	
	Qualified Survivor Changed To: UNITED NEIGHBORHOOD HEALTH SERVICES, INC. (TENNESSEE)	
	Qualified Non-survivor Control # Changed To: 000486487	
	Qualified Non-survivor Changed To: SALVUS CENTER, INC. (TENNESSEE)	
04/10/2023	2023 Annual Report	B1375-9030
04/20/2022	2022 Annual Report	B1203-2784
04/28/2021	2021 Annual Report	B1024-9299
04/30/2020	2020 Annual Report	B0862-3088
08/08/2019	Assumed Name Renewal	B0747-0182
	Assumed Name Changed From: Neighborhood Health To: Neighborhood Health	

Filing Information

Name: **UNITED NEIGHBORHOOD HEALTH SERVICES, INC.**

Expiration Date Changed From: 10/17/2019 To: 08/08/2024	
04/30/2019 2019 Annual Report	B0696-8805
04/25/2018 2018 Annual Report	B0542-2678
Registered Agent First Name Changed From: MARY To: BRIAN	
Registered Agent Last Name Changed From: BUFWACK To: HAILE	
04/27/2017 2017 Annual Report	B0387-2993
Principal Address 1 Changed From: 711 MAIN ST To: 2711 FOSTER AVE	
Principal Postal Code Changed From: 37206-3605 To: 37210-5307	
Registered Agent Physical Address 1 Changed From: 711 MAIN ST To: 2711 FOSTER AVE	
Registered Agent Physical Postal Code Changed From: 37206-3605 To: 37210-5307	
03/22/2016 2016 Annual Report	B0221-2128
04/08/2015 2015 Annual Report	B0088-0282
10/17/2014 Assumed Name	B0012-7250
New Assumed Name Changed From: No Value To: Neighborhood Health	
04/10/2014 2014 Annual Report	A0234-2886
03/11/2013 2013 Annual Report	A0160-2417
Principal Address 1 Changed From: 617 S 8TH ST To: 711 MAIN ST	
Principal Postal Code Changed From: 37206-3819 To: 37206-3605	
Registered Agent Physical Address 1 Changed From: 617 S 8TH ST To: 711 MAIN ST	
Registered Agent Physical Postal Code Changed From: 37206-3819 To: 37206-3605	
04/30/2012 2012 Annual Report	A0120-1038
04/29/2011 2011 Annual Report	A0071-2275
08/27/2010 2010 Annual Report	A0046-0391
07/02/2010 Notice of Determination	A0036-1693
04/27/2009 2009 Annual Report	6525-2257
Principal Address Changed	
07/28/2008 2008 Annual Report	6353-1312
07/16/2008 Notice of Determination	ROLL 6343
04/30/2007 2007 Annual Report	6044-2383
05/01/2006 2006 Annual Report	5783-0310
05/04/2005 2005 Annual Report	5450-0638
05/04/2004 2004 Annual Report	5128-0755
04/29/2003 2003 Annual Report	4803-0945
05/02/2002 2002 Annual Report	4495-1387
04/26/2001 2001 Annual Report	4188-0545
05/02/2000 2000 Annual Report	3900-1253

Filing Information

Name: **UNITED NEIGHBORHOOD HEALTH SERVICES, INC.**

07/18/1997	Notice of Determination	ROLL 3367
06/24/1992	CMS Annual Report Update	2490-0442
	Fiscal Year Close Changed	
12/04/1989	Articles of Amendment	1556-0388
	Registered Agent Physical Address Changed	
	Registered Agent Changed	
09/05/1989	Administrative Amendment	1431-1333
	Mail Address Changed	
06/24/1987	Administrative Amendment	694 02095
	Mail Address Changed	
05/29/1987	Articles of Amendment	689 03047
	Principal Address Changed	
02/26/1986	Merger	597 00439
	Merged Control # Changed From: 000052519	
	Merged Control # Changed From: 000090325	
02/26/1986	Articles of Amendment	597 00447
09/18/1985	Articles of Amendment	565 02557
	Principal Address Changed	
09/18/1985	Registered Agent Change (by Entity)	565 02558
	Registered Agent Physical Address Changed	
	Registered Agent Changed	
09/05/1985	Application for Reinstatement	563 02867
03/20/1985	Dissolution/Revocation - Administrative	533 01555
05/31/1978	Initial Filing	023 00175

Active Assumed Names (if any)

	<u>Date</u>	<u>Expires</u>
Salvus Center	03/22/2024	03/22/2029
Neighborhood Health	10/17/2014	06/17/2029

UNITED NEIGHBORHOOD HEALTH SERVICES, INC.
D/B/A NEIGHBORHOOD HEALTH

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

JANUARY 31, 2024 AND 2023

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR’S REPORTS

JANUARY 31, 2024 AND 2023

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UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NASHVILLE, TENNESSEE

MEMBERS OF THE BOARD OF DIRECTORS

<u>Board Member Name</u>	<u>Title</u>
Luis Sura	President
Ashia Cooper-Colquitt	Vice- President
Brian Marshall	Secretary
Nick Scudellari	Treasurer
John E. Baldwin, III	Member
Angela Ballou	Member
Sebastian Barajas	Member
Vicky Batcher	Member
Brenda Morrow	Member
JD Thomas	Member
John Zirker	Member
Brian Haile	Ex-Officio Member

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NASHVILLE, TENNESSEE

MEMBERS OF MANAGEMENT

<u>Board Member Name</u>	<u>Title</u>
Brian Haile	Chief Executive Officer
Ivan Figueredo	Chief Financial Officer
Anthony Villanueva	Chief Information Officer
Dr. Vivak Bhatt	Chief Clinical Officer
Shauna Tucker	Interim Chief Operating Officer
Thelma Bigham	Chief Human Resources Officer
Mary Bufwack	Chief Executive Officer Emeritus



INDEPENDENT AUDITOR’S REPORT

The Board of Directors
United Neighborhood Health Services, Inc. d/b/a Neighborhood Health
Nashville, Tennessee

REPORT ON THE AUDITS OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of United Neighborhood Health Services, Inc. d/b/a Neighborhood Health (the “Center”), which comprise the statements of financial position as of January 31, 2024 and 2023, and the related statements of operations and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements presented fairly, in all material respects, the financial position of the United Neighborhood Health Services, Inc. d/b/a Neighborhood Health as of January 31, 2024 and 2023, 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

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Center’s ability to continue as a going concern within one year after the due date that the financial statements are available to be issued.

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 GAAS and *Government 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, internal omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Audit Standards*, we:

- Exercise professional judgement 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 the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 SUPPLEMENTARY INFORMATION

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and related notes on pages 29-30 and 32 is required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). The schedule of expenditures of state awards and related notes on pages 31 and 32 is required by the *Audit Manual* issued by the Comptroller of the Treasury of the State of Tennessee. The information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages i and ii but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2024 on our considerations of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Kraft+CPAs PLLC

Nashville, Tennessee
July 15, 2024

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHSTATEMENTS OF FINANCIAL POSITIONJANUARY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,777,647	\$ 8,336,157
Patient accounts receivable	712,135	720,448
Grants receivable	1,123,671	1,461,982
Other receivables	505,225	1,122,527
Contracts receivable	607,825	407,802
Insurance receivable	-	107,893
Prepaid expenses and other current assets	<u>389,158</u>	<u>380,931</u>
TOTAL CURRENT ASSETS	14,115,661	12,537,740
Property and equipment, net	10,750,522	9,784,812
Operating leases, right-of-use assets	353,889	326,400
Other assets	<u>5,971</u>	<u>5,971</u>
TOTAL ASSETS	<u>\$ 25,226,043</u>	<u>\$ 22,654,923</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 459,063	\$ 669,509
Patient refunds payable	208,408	141,656
Accrued expenses	26,711	23,382
Accrued compensation	967,535	863,296
Deferred grant revenue	44,767	52,250
Current maturities of operating lease liabilities	<u>102,393</u>	<u>72,431</u>
TOTAL CURRENT LIABILITIES	1,808,877	1,822,524
Operating lease liabilities, non-current	<u>256,881</u>	<u>255,129</u>
TOTAL LIABILITIES	<u>2,065,758</u>	<u>2,077,653</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Board designated for emergency reserve	5,663,645	3,665,097
Undesignated	<u>17,496,640</u>	<u>16,912,173</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>23,160,285</u>	<u>20,577,270</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 25,226,043</u>	<u>\$ 22,654,923</u>

See accompanying notes to financial statements.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHSTATEMENTS OF OPERATIONS AND CHANGE IN NET ASSETSFOR THE YEARS ENDED JANUARY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
HHS grants	\$ 12,860,684	\$ 14,369,862
Patient services	6,188,764	5,498,631
Contract services	3,058,724	2,263,128
In-kind revenue	1,084,974	1,266,628
Contributions	174,974	134,375
Primary care and dental care safety net services	2,475,546	1,910,636
Accountable care organization payments	636,902	607,155
Other revenues	<u>320,304</u>	<u>83,106</u>
 TOTAL REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	 <u>26,800,872</u>	 <u>26,133,521</u>
FUNCTIONAL EXPENSES		
Program services	21,416,967	21,294,571
Management and general	<u>4,192,770</u>	<u>4,586,185</u>
 TOTAL FUNCTIONAL EXPENSES	 <u>25,609,737</u>	 <u>25,880,756</u>
 INCOME FROM OPERATIONS	 <u>1,191,135</u>	 <u>252,765</u>
NON-OPERATING INCOME (EXPENSE)		
Grant income	-	63,956
Contribution received in the acquisition of Salvus	1,294,074	-
Gain from insurance claims	106,007	-
Loss on disposal of property and equipment	<u>(8,201)</u>	<u>-</u>
 TOTAL NON-OPERATING INCOME (EXPENSE)	 <u>1,391,880</u>	 <u>63,956</u>
 CHANGE IN NET ASSETS	 2,583,015	 316,721
 NET ASSETS - BEGINNING OF YEAR WITHOUT DONOR RESTRICTIONS	 <u>20,577,270</u>	 <u>20,260,549</u>
 NET ASSETS - END OF YEAR WITHOUT DONOR RESTRICTIONS	 <u>\$ 23,160,285</u>	 <u>\$ 20,577,270</u>

See accompanying notes to financial statements.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023

	2024			2023		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and wages	\$11,989,584	\$ 2,352,024	\$ 14,341,608	\$ 11,558,111	\$ 2,742,942	\$ 14,301,053
Employee benefits	2,500,183	490,467	2,990,650	2,280,024	541,090	2,821,114
Total personnel expenses	<u>14,489,767</u>	<u>2,842,491</u>	<u>17,332,258</u>	<u>13,838,135</u>	<u>3,284,032</u>	<u>17,122,167</u>
Advertising and promotion costs	66,655	17,251	83,906	145,670	30,260	175,930
Consumable supplies	640,414	221,756	862,170	732,942	253,796	986,738
Depreciation and amortization	581,678	150,545	732,223	536,397	111,425	647,822
Dues and subscriptions	147,915	29,017	176,932	176,463	41,878	218,341
Equipment and rental	140,899	36,466	177,365	131,881	27,396	159,277
Healthcare consultants and other contractual services	1,254,690	279,905	1,534,595	1,056,863	217,658	1,274,521
Insurance	80,756	15,842	96,598	70,639	16,764	87,403
Information technology	598,446	154,885	753,331	853,075	177,209	1,030,284
Laboratory	132,602	-	132,602	604,602	-	604,602
Occupancy	368,060	95,258	463,318	417,473	86,721	504,194
Other	207,565	53,720	261,285	151,514	31,474	182,988
Pharmaceutical drugs	1,493,896	-	1,493,896	1,353,015	-	1,353,015
Printing, postage and publications	79,489	15,594	95,083	91,209	21,646	112,855
Professional services	253,965	85,445	339,410	276,553	93,044	369,597
Radiology	24,336	-	24,336	1,568	-	1,568
Repairs and maintenance	175,483	45,417	220,900	132,715	27,569	160,284
Staff training	177,815	34,882	212,697	139,339	33,067	172,406
Telephone	195,752	38,401	234,153	328,686	78,003	406,689
Travel, conferences and meetings	55,947	10,975	66,922	37,166	8,820	45,986
Utilities	250,837	64,920	315,757	218,666	45,423	264,089
Total other operating expenses	<u>6,927,200</u>	<u>1,350,279</u>	<u>8,277,479</u>	<u>7,456,436</u>	<u>1,302,153</u>	<u>8,758,589</u>
TOTAL EXPENSES	<u>\$ 21,416,967</u>	<u>\$ 4,192,770</u>	<u>\$ 25,609,737</u>	<u>\$ 21,294,571</u>	<u>\$ 4,586,185</u>	<u>\$ 25,880,756</u>

See accompanying notes to financial statements.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHSTATEMENTS OF CASH FLOWSFOR THE YEARS ENDED JANUARY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from HHS grants	\$ 12,860,684	\$ 14,369,862
Receipts from and on behalf of patients	8,531,869	7,183,614
Receipts from contract services	3,676,026	1,733,078
Receipts from other revenue	1,374,568	663,578
Receipts from contributions	174,974	134,375
Payments to suppliers and contractors	(6,672,522)	(6,858,057)
Payments to or on behalf of employees	<u>(17,228,019)</u>	<u>(17,033,430)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,717,580	\$ 193,020
INVESTING ACTIVITIES		
Cash received in acquisition of Salvus	237,355	-
Purchases of property and equipment	<u>(727,345)</u>	<u>(2,092,514)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(489,990)</u>	<u>(2,092,514)</u>
FINANCING ACTIVITIES		
Proceeds from insurance claims	<u>213,900</u>	<u>392,107</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>213,900</u>	<u>392,107</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,441,490	(1,507,387)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>8,336,157</u>	<u>9,843,544</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,777,647</u>	<u>\$ 8,336,157</u>
CASH PAID FOR:		
Operating leases	<u>\$ 106,009</u>	<u>\$ 105,520</u>
NONCASH OPERATING ACTIVITIES:		
ROU assets obtained in exchange for operating lease liabilities	<u>\$ 126,835</u>	<u>\$ 425,869</u>
In-kind contributions and expenses	<u>\$ 1,084,974</u>	<u>\$ 1,266,628</u>

See accompanying notes to financial statements.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHSTATEMENTS OF CASH FLOWS (CONTINUED)FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 2,583,015	\$ 316,721
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Recognition of conditional grant income	-	(63,956)
Depreciation and amortization expense	732,223	647,822
Contribution received in the acquisition of Salvus	(1,294,074)	-
Gain from insurance claims	(106,007)	-
Loss on disposal of property and equipment	8,201	-
(Increase) decrease in:		
Patient accounts receivable	8,313	(137,600)
Grants receivable	417,362	(26,683)
Other receivables	617,302	(530,050)
Contracts receivable	(200,023)	(123,889)
Prepaid expenses and other current assets	(7,848)	(91,148)
Operating leases, right-of-use assets	99,346	99,469
Increase (decrease) in:		
Accounts payable	(210,446)	106,915
Patients' refunds payable	66,752	38,586
Accrued expenses	1,829	(30,845)
Accrued compensation	104,239	88,737
Deferred grant revenue	(7,483)	(2,750)
Operating lease liabilities	(95,121)	(98,309)
TOTAL ADJUSTMENTS	<u>134,565</u>	<u>(123,701)</u>
NET CASH PROVIDED BY OPERATIONS ACTIVITIES	<u>\$ 2,717,580</u>	<u>\$ 193,020</u>

See accompanying notes to financial statements.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS

JANUARY 31, 2024 AND 2023

NOTE 1 - NATURE OF OPERATIONS

United Neighborhood Health Services, Inc. d/b/a Neighborhood Health (the “Center”) is a not-for-profit corporation that operates Federally Qualified Health Centers (“FQHC”) located in the State of Tennessee in Davidson, Trousdale and Wilson counties. The Center provides a broad range of primary health care services to a largely medically underserved population.

The U.S. Department of Health and Human Services (the “HHS”) provides substantial support to the Center. The Center is obligated under the terms of the HHS grants to comply with specified conditions and program requirements set forth by the grantor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. These estimates and assumptions are based on management’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term.

Revenue Recognition

Patient Services

Patient service revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing patient care to patients, third-party payors and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations. Revenue is recognized as the performance obligations are satisfied.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)*Patient Services (Continued)*

Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Center believes that this method provides an accurate depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving care. The Center measures the performance obligation from commencement of service to the point when it is no longer required to provide services to the patient.

Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Center believes that this method provides an accurate depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving care. The Center measures the performance obligation from commencement of service to the point when it is no longer required to provide services to the patient.

The Center determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Center's policy, or implicit price concessions provided to uninsured patients. The Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Center determines its estimate of implicit price concessions based on its historical collection experience with each class of patients.

Medicare and Medicaid

Medicare and Medicaid revenue are reimbursed to the Center at reimbursement rates determined for each program. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year in which the revisions are made.

TennCare Managed Care Wraparound Payments

The State of Tennessee provides additional payments to community health clinics to subsidize the cost of care to TennCare recipients above the payment amount made by the managed care Centers. The Center received \$1,926,778 and \$1,775,441 for the years ended January 31, 2024 and 2023, respectively, and is included within patient services on the statements of operations and change in net assets. At January 31, 2024 and 2023, the Center had an outstanding receivable for the program of \$499,362 and \$1,116,531, respectively, which is included in other receivables on the statements of financial position.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)*Grants*

Revenue from government grants and contract agreements, which are generally considered non-exchange transaction with conditions, are recognized when qualifying expenditures are incurred and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue on the statements of financial position. Grants receivable are recorded when conditions have been satisfied but the payment has not yet been received. Deferred grant revenue at January 31, 2024 and 2023 was \$44,767 and \$52,250, respectively.

At January 31, 2024 and 2023, the Center has been approved for conditional grants and contracts from governmental and not-for-profit entities in the aggregate amounts of \$6,239,998 and \$8,023,940, respectively, which have not been recorded in these financial statements. These grant contracts require the Center to provide certain healthcare services during specified periods. If such services are not provided during the periods, the grantors are not obligated to expend the funds allotted under the grant contracts.

During the years ended January 31, 2024 and 2023, the Center expended \$0 and \$63,956, respectively, of Department of Health and Human Services ("HHS") Provider Relief Funds which is reported in non-operating income. These funds were received in previous years.

Charity Care

Consistent with the Center's mission, care is provided to patients regardless of their ability to pay. Therefore, the Center has determined it has provided implicit price concessions to uninsured and underinsured patients. The implicit price concessions included in estimating the transaction price represents the difference between amounts billed to patients and the amounts the Center expects to collect based on its collection history with those patients.

The Center provides care to uninsured and underinsured patients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than the established rates. Charity care services are computed using a sliding fee scale based on patient income and family size. For uninsured or underinsured patients that do not qualify for charity care, the Center recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy. The Center maintains records to identify and monitor the level of sliding fee discounts it provides.

The Center's estimated annual cost of providing charity care for the years ended January 31, 2024 and 2023 was \$7,763,177 and \$7,807,111, respectively. The Center is able to provide these services with a component of funds received through grants.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)*Other*

The Center also enters into payment agreements with certain commercial insurance carriers, health maintenance companies and preferred provider companies. The basis for payment to the entities under these agreements include discounts from established charges and prospectively-determined daily rates. Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Center's historical settlement activity. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Center also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Center estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions based on historical collection experience which is updated to reflect the expected credit losses based on current conditions and any reasonable and supportable forecasts and is reflected as a reduction to patient service revenue. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as implicit price concessions.

The Center has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, other insurance, or patient) have different reimbursement and payment methodologies
- Length of the patient's service or episode of care
- Method of reimbursement

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions

Contributions are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as net assets with donor restrictions and net assets without donor restrictions. Net assets without donor restrictions are not subject to donor-imposed stipulations. Net assets with donor restrictions are subject to donor-imposed stipulations. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as revenue without donor restriction, which require the Center to provide specific services and, if not, the contribution is reported as a net asset with donor restriction until the specific services have been provided. There were no net assets with donor restrictions at January 31, 2024 or 2023.

In-Kind Revenue

Donated goods are recorded as revenue and either an asset or expense in the period received at fair value if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance non-financial assets or the donated service requires specialized skills, was performed by the donor who possesses such skills, and would have been purchased by the Center if not provided by the donor. Such services are recognized at fair value as revenue and expense in the period the services are performed.

Donated assets are recorded at their estimated fair value in the statements of operations and change in net assets in the period donated.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less when originally purchased, excluding amounts limited as to use, to be cash equivalents. Cash and cash equivalents consist of deposit accounts with financial institutions and cash deposits with a financial services company.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Accounts Receivable

The Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. The Center has agreements with third-party payors that provide for payments at amounts different from its established rates. In valuing accounts receivables, management estimates contractual discounts from third party payors based on management's estimated reimbursement under agreements with those third-party payors. It is not the policy of the Center to place a patient on non-accrual basis. Patient accounts receivable due directly from patients have also been adjusted to fair value via estimated implicit price concessions to reflect the amount of consideration the Center expects to collect. Management performs ongoing credit evaluations of its accounts receivable balances and has provided for potential credit losses through an allowance for estimated price concessions. The Center estimates the allowance for estimated implicit price concessions (credit losses) based on a percentage of aged patient account balances and third-party payor receivables deemed to be uncollectible after all claims submission attempts have been exhausted or upon the expiration of the statutory contract terms with each payor. Accounts determined to be uncollectible are charged off against the allowance in the period of determination. Subsequent recoveries of previously charged off accounts are credited to the allowance in the period received.

The Center, like other health care providers, may be subject to investigations, regulatory action, lawsuits, and claims arising out of the conduct of its business, including the interpretation of laws and regulations governing the Medicare and Medicaid programs and other third-party payor agreements. At this time, no specific alleged violations, claims, or assessments are pending. Management intends to fully cooperate with any governmental agencies' requests for information. Noncompliance with laws and regulations can make the Center subject to regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid program.

Prepaid Expenses

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis. Prepaid expenses as of January 31, 2024 and 2023 were \$354,010 and \$348,350, respectively.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost. The Center capitalizes all purchases of property and equipment in excess of \$5,000.

Depreciation is recorded using accelerated and straight-line methods over the assets' estimated useful lives, except for leasehold improvements, which are depreciated over the shorter of their estimated useful lives or the respective lease term, as follows:

Land improvements	5 years
Buildings and improvements	15 to 40 years
Leasehold improvements	10 years or life of lease
Medical and dental equipment	5 years
Computer software	5 years
Automobiles	3 to 10 years
Furniture and equipment	5 years

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or improvements are capitalized.

The Center reviews the carrying value of property and improvements for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In the event that facts and circumstances indicate that the carrying amount of an asset may not be recoverable, an evaluation of recoverability would be performed.

Leases

The Center made an accounting policy election available under Topic 842 not to recognize right-of-use ("ROU") assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Center used the discount rate implicit in the lease agreement, if readily determinable. For leases in which the rate implicit in the lease agreement is not readily determinable, the Center made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Center's policy is to compensate employees for unused, earned vacation leave. Accumulated vacation pay is accrued as of the statements of financial position date because it is payable upon termination of employment if certain conditions are met. Compensated absences as of January 31, 2024 and 2023 were \$521,645 and \$483,049, respectively, and are included in accrued compensation in the accompanying statements of financial position.

Functional Expenses

Expenditures incurred in connection with the Center's operations and supporting services have been summarized on a functional basis in the statements of operations and change in net assets. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and management and general. Salaries and wages, employee benefits, insurance, telephone, travel, conferences, meetings, dues and subscriptions, printing, postage, publications, and staff training are allocated based on a review of time and effort. Consulting, repairs and maintenance, occupancy, depreciation and amortization, equipment rental and other expenses are allocated based on utilized square footage.

Operating Activity

The Center's primary purpose is to provide healthcare services through its acute care facilities. As such, activities related to the ongoing operations of the Center are classified as operating revenues. Operating revenues include those generated from direct patient care, related support services and miscellaneous revenues related to the operations of the Center. In addition, contributions that are used to support health-related activities are reported as operating revenue.

Income Taxes

The Center is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and, accordingly, no provision for income taxes is included in the financial statements. However, certain activity of the Center may be subject to unrelated business income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Center's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. The Center does not have any uncertain tax positions and did not record any penalties or interest associated with uncertain tax positions as of January 31, 2024 or 2023.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Recent Accounting Pronouncement

At the beginning of 2023, Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, became effective for the Center. The standard modifies the measurement of expected credit losses on certain financial instruments. The Center follows described policies, which are provided in the patient accounts receivable and patient service revenue accounting policies noted above, to account for potential allowances for credit losses (implicit price concessions). The impacts of adopting ASU 2016-13 were evaluated and determined to be immaterial.

Events Occurring After Report Date

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through July 15, 2024, the date the financial statements were available to be issued.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE

In February 2016, the FASB issued ASU Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a ROU asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statements of operations and change in net assets.

The Center adopted Topic 842 on February 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Center has applied Topic 842 to reporting periods beginning on February 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Center's historical accounting treatment under ASC Topic 840, *Leases*.

The Center elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases.

The Center determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Center obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Center also considers whether its service arrangements include the right to control the use of an asset.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Center's operating leases of \$425,869, at February 1, 2022. The adoption of the new lease standard did not materially impact the change in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 4 - ACQUISITION

On March 31, 2023, the Center entered into an Agreement and Plan of Merger (the "Agreement") with Salvus Center, Inc. ("Salvus"), a nonprofit corporation organized under the laws of the State of Tennessee. Under the terms of the Agreement, Salvus would merge with and into the Center and the Center would be the sole surviving entity. The merger became effective on January 1, 2024.

The acquisition was accounted for under the acquisition method of accounting. Under the acquisition method of accounting, the results of operations of the acquired business are included in the accompanying financial statements from the date of acquisition. The net assets of Salvus were adjusted to their estimated fair value as of the date of acquisition. Under the terms of the Agreement, no consideration was transferred. Accordingly, the Center recognized the fair value of the net assets acquired as a contribution received.

A summary of the transaction follows:

ASSETS ACQUIRED (LIABILITIES ASSUMED)	
Cash	\$ 237,355
Grants receivable	79,051
Property and equipment	978,789
Prepaid expenses and other current assets	379
Accrued expenses	<u>(1,500)</u>
Contribution received in the acquisition of Salvus	<u>\$ 1,294,074</u>

NOTE 5 - CONTRACT BALANCES

Patient accounts receivable from contracts with customers consisted of the following as of January 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Beginning of year	<u>\$ 720,448</u>	<u>\$ 582,848</u>
End of year	<u>\$ 712,135</u>	<u>\$ 720,448</u>

At January 31, 2024 and 2023 estimated implicit price concessions (credit losses) of \$721,011 and \$528,728 have been recorded as reductions to patient accounts receivable for patient service revenues and the related accounts receivable to be recorded at the estimated amounts the Center expects to collect.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 6 - LIQUIDITY AND AVAILABILITY

The Center's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date consist of the following as of January 31:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 10,777,647	\$ 8,336,157
Patient accounts receivable	712,135	720,448
Grants receivable	1,123,671	1,461,982
Other receivables	505,225	1,122,527
Contracts receivable	607,825	407,802
Insurance receivable	-	107,893
Total financial assets	<u>13,726,503</u>	<u>12,156,809</u>
Less amounts not available to be used within one year:		
Board designated net assets	<u>(5,663,645)</u>	<u>(3,665,097)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 8,062,858</u>	<u>\$ 8,491,712</u>

As part of the Center'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. In addition, the Center has a policy to maintain a balance of cash to meet 45 days of operating expenses. At January 31, 2024 and 2023, the Board of Directors had designated \$5,663,645 and \$3,665,097, respectively, of the cash and cash equivalents above as an emergency reserve. Although the Center does not intend to spend from board designated emergency reserve, these amounts could be made available if necessary.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 7 - IN-KIND REVENUE

The Center occupies four facilities that are separately owned by the Metropolitan Development Housing Agency, HCA Health Services of Tennessee, Inc., Nashville Rescue Mission and Nashville CARES. Donated space is recorded at fair value of the space donated. For the years ended January 31, 2024 and 2023, donated space amounted to \$198,495 and \$187,800, respectively, and the offsetting expense is included in occupancy expense on the statements of functional expenses.

The Center receives donated vaccines during the year. Donated vaccines are recorded at the fair market value of the vaccines that were received. For the years ended January 31, 2024 and 2023, vaccines contributed to the Center amounted to \$732,001 and \$809,625, respectively, and the offsetting expense is included in pharmaceuticals on the statements of functional expenses.

The Center receives an in-kind donation of lab services for its indigent patients from the lab supplier through waiver of fees for certain patients who qualify. For the years ended January 31, 2024 and 2023, lab services contributed to the Center amounted to \$154,478 and \$269,203, respectively, and the offsetting expense is included in laboratory on the statements of functional expenses.

All in-kind revenues are utilized in the Center's programs.

NOTE 8 - DISAGGREGATION OF REVENUE

The Center disaggregates its revenue from contracts with customers by payor source, as the Center believes it best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows are affected by economic factors. Patient service revenue for the years ended January 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>Ratio</u>		<u>2023</u>	<u>Ratio</u>
Medicare	\$ 373,188	6.03 %		\$ 391,636	7.12 %
TennCare managed care	1,891,422	30.56		1,424,243	25.90
Other insurance	1,368,196	22.11		1,082,860	19.70
Self-pay patients	<u>2,555,958</u>	<u>41.30</u>		<u>2,599,892</u>	<u>47.28</u>
Total	<u>\$ 6,188,764</u>	<u>100.00 %</u>		<u>\$ 5,498,631</u>	<u>100.00 %</u>

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 9 - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES OPERATING GRANTS

For the year ended January 31, 2024 and 2023, the Center received the following grants from the HHS:

<u>2024</u>			
<u>Grant Number</u>	<u>Grant Period</u>	<u>Total Grant Awarded</u>	<u>Operating Revenue</u>
H80CS00394	02/01/23 - 01/31/24	\$ 9,818,973	\$ 9,651,634
H8FCS40508	04/01/21 - 03/31/24	9,077,750	2,506,782
H8GCS48454	12/01/22 - 03/31/24	267,826	199,239
H8LCS51531	09/01/23 - 12/31/24	203,733	107,137
C8ECS44614	09/15/21 - 09/14/24	<u>842,232</u>	<u>395,892</u>
		<u>\$20,210,514</u>	<u>\$12,860,684</u>
<u>2023</u>			
<u>Grant Number</u>	<u>Grant Period</u>	<u>Total Grant Awarded</u>	<u>Operating Revenue</u>
H80CS00394	02/01/22 - 01/31/23	\$ 9,818,973	\$ 9,818,973
H8FCS40508	04/01/21 - 03/31/23	9,077,750	4,456,876
C8ECS44614	09/15/21 - 09/14/24	<u>842,232</u>	<u>94,013</u>
		<u>\$19,738,955</u>	<u>\$14,369,862</u>

As of January 31, 2024 and 2023, the Center had outstanding receivables from HHS of \$376,020 and \$889,285, respectively, and is included in grants receivable on the statements of financial position.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 10 - PROPERTY AND EQUIPMENT

Property and equipment at January 31 was as follows:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 1,496,722	\$ 1,218,743
Buildings and improvements	14,289,430	12,275,536
Leasehold improvements	780,800	681,693
Medical and dental equipment	838,121	803,621
Computer software	1,154,843	1,154,843
Automobiles	367,796	367,796
Furniture and equipment	487,779	437,850
Construction in-progress	<u>721,451</u>	<u>1,499,261</u>
	20,136,942	18,439,343
Less: accumulated depreciation	<u>(9,386,420)</u>	<u>(8,654,531)</u>
	<u>\$ 10,750,522</u>	<u>\$ 9,784,812</u>

Construction in-progress consists of costs to improve buildings and are estimated to be completed primarily during the year ended January 31, 2025. Total commitments on construction as of January 31, 2024 are approximately \$750,000.

In the event the HHS grants are terminated, HHS reserves the right to transfer all property and equipment purchased with grant funds to the Public Health Services.

NOTE 11 - EMPLOYEE BENEFIT PLANS

The Center sponsors a 403(b) defined-contribution plan covering substantially all employees. Employees may make contributions to the plan which are limited to a maximum annual amount as set periodically by the Internal Revenue Service. All employee contributions vest immediately. The Center is permitted to make non-elective contributions but has not made any such contributions as of January 31, 2024 and 2023. Employer matching contributions amounted to \$264,465 and \$260,510 for the years ended January 31, 2024 and 2023, respectively, and are included in employee benefits expense on the statements of functional expenses.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 12 - LEASES

The Center leases space under noncancelable operating lease agreements that have initial terms ranging from 1 to 4 years. The Center's operating leases generally do not contain any material restrictive covenants or residual value guarantees. Operating lease cost is recognized on a straight-line basis over the lease term.

The components of lease expense are as follows for the year ended January 31:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 113,901	\$ 88,158
Short-term lease cost	<u>26,678</u>	<u>18,523</u>
Total lease cost	<u>\$ 140,579</u>	<u>\$ 106,681</u>

See Note 7 for additional information regarding donated rent.

Additional information related to leases is as follows as of January 31:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Operating leases, right-of-use assets	<u>\$ 353,889</u>	<u>\$ 326,400</u>
Current maturities of operating lease liabilities	\$ 102,393	\$ 72,431
Operating lease liabilities, non-current	<u>256,881</u>	<u>255,129</u>
Total operating lease liabilities	<u>\$ 359,274</u>	<u>\$ 327,560</u>
Weighted-average remaining lease term:		
Operating leases	3.48 years	4.79 years
Weighted-average discount rate:		
Operating leases	4.20%	4.08%

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 12 - LEASES (CONTINUED)

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the statements of financial position are as follows as of January 31, 2024:

<u>Year ending January 31:</u>	
2025	\$ 115,109
2026	118,339
2027	94,006
2028	<u>57,302</u>
Total lease payments	384,756
Less: imputed interest	<u>(25,482)</u>
Total present value of lease liabilities	<u>\$ 359,274</u>

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES

The Center has contracted with various funding agencies to perform certain healthcare services and receives Medicare and other revenue from the federal government. Reimbursements received under these contracts and payments under Medicare are subject to audit by federal and state governments and other agencies. Upon audit, if discrepancies are discovered, the Center could be held responsible for reimbursing the agencies for the amounts in question.

Legal Proceedings

The Center is party to various legal proceedings arising in the ordinary course of business. Management is unaware of any liabilities arising from such proceedings that would exceed the insurance coverage as of January 31, 2024.

Healthcare Industry

The delivery of personal and health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The Center is insured with respect to medical malpractice risk on a claims-made basis. The Center also maintains insurance for general liability, director and officer liability and property. Certain policies are subject to deductibles. Management is not aware of any claims which would have a material financial impact.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Healthcare Industry (Continued)

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers.

Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the Center is currently in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

Medical Malpractice Insurance

The Center maintains medical malpractice coverage, through an insurer, that complies with the Federal Tort Claims Act ("FTCA"). FTCA limits malpractice awards to eligible PHS-supported programs and applies to the Center and its employees while providing services within the scope of their responsibilities under grant-related activities.

The Attorney General, through the U.S. Department of Justice, has the responsibility for the defense of the individual and/or grantee for malpractice cases approved for FTCA coverage.

Tornado

On March 3, 2020, the Center lost one of its largest medical and dental clinics as a result of a tornado. The Center received approximately \$213,900 and \$392,000 of insurance proceeds related to the loss during the years ended January 31, 2024 and 2023, respectively. The insurance proceeds received during 2024 exceeded the amount the Center expected to receive resulting in a gain from insurance claims of \$106,007. Renovations to fix the damage were completed in the year ending January 31, 2024.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTHNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)JANUARY 31, 2024 AND 2023

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

COVID-19

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was signed into law. The CARES Act provides an economic relief package to many businesses in the US as a direct response to the adverse impacts of COVID-19. Additionally, the CARES Act provided for HHS to distribute funds from the Public Health and Social Services Emergency Fund (“Provider Relief Fund”) and American Rescue Plan Rural Distribution (“ARP”) to healthcare providers. PRF funds were distributed to healthcare providers that billed Medicare in 2019 and provided treatment to individuals with possible or actual cases of COVID-19 during 2020, amongst other various certifications required in the Act. ARP funds were distributed to healthcare providers who have served rural Medicaid, Children’s Health Insurance Program and Medicare beneficiaries from January 1, 2019 to September 30, 2020. The funds are distributed in multiple stages and are grant funds, not loans, to healthcare providers, and may not need to be repaid if the conditional terms for the uses of those funds are met. Within 30 days of receiving the payment, providers must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions of payment. The terms and conditions governing the Provider Relief Fund and ARP payments are complex and subject to interpretation and change. If the Center is unable to attest to or comply with current or future terms and conditions, the Center’s ability to retain some or all of the distributions received may be affected. Provider Relief Fund and ARP payments are subject to government oversight, including potential audits. Generally, providers are required to retain documentation for three years from the date of the final HHS expenditure report. The Center must report the use of these funds subject to the established reporting portal deadlines determined by HHS based on the funds period of availability, which is based on payment date. As of January 31, 2024, the Center has received approximately \$1,260,000 of PRF and ARP payments. The Center recognized grant income of approximately \$0 and \$64,000 for PRF and ARP payments, for the years ended January 31, 2024 and 2023, respectively. The remaining funds were recognized as grant income in prior years. As of March 2023, the Center has reported the complete expenditure of all its PRF and ARP funds. See Note 2.

NOTE 14 - CREDIT RISK AND OTHER CONCENTRATIONS

Financial instruments that potentially subject the Center to concentrations of credit risk are cash and accounts receivable. The Center’s policy is to place cash in highly-rated financial institutions. The Center grants credit without collateral to its patient most of who are insured under third-party payor agreements.

Cash Deposits

The Center maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to statutory limits. The Center’s cash balances may, at times, exceed statutory limits. The Center has not experienced any losses in such accounts, and management considers this to be a normal business risk. At January 31, 2024 and 2023, deposits exceeded the federally insured limits by approximately \$4,417,000 and \$5,058,000, respectively.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JANUARY 31, 2024 AND 2023

NOTE 14 - CREDIT RISK AND OTHER CONCENTRATIONS (CONTINUED)

Payor Mix of Patient Accounts Receivable

Concentration of credit risk relating to patient accounts receivable is limited to some extent by the diversity and number of patients and payors. The mix of accounts receivable from patients, third party payors and others as of January 31, 2024 and 2023 is as follows:

	<u>2024</u>		<u>2023</u>
Medicare	11	%	15 %
TennCare managed care	27		33
Other insurance	39		31
Self-pay patients	<u>23</u>		<u>21</u>
Total	<u>100</u>	%	<u>100</u> %

In addition to patient accounts receivable, a significant portion of the Center's outstanding receivables as of January 31, 2024 and 2023 are from governmental agencies, as such, management believes it represents negligible credit risk.

ADDITIONAL INFORMATION

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JANUARY 31, 2024

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract/grant Number</u>	<u>Beginning Receivable</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Receivable</u>
Direct programs:						
U.S. Department of Health and Human Services:						
Health Center Program	93.224 ⁽¹⁾	H80CS00394	\$ 543,359	\$ 9,818,973	\$ 9,651,634	\$ 376,020
Health Center Program	93.224 - COVID-19 ⁽¹⁾	H8FCS40508	345,926	2,852,708	2,506,782	-
FY 2023 Expanding COVID-19 Vaccination	93.527 - COVID-19	HGCS48454	-	199,239	199,239	-
FY 2023 Bridge Access Program	93.527	H8LCS51531	-	107,137	107,137	-
Grants for Capital Development in Health Centers	93.526	C8ECS44614	-	395,892	395,892	-
Total Direct Programs			<u>889,285</u>	<u>13,373,949</u>	<u>12,860,684</u>	<u>376,020</u>
Passed through Tennessee Department of Health:						
Cancer and Control Programs for State, Territorial and Tribal Organizations	93.898	34347-70323	7,479	8,031	2,151	1,599
Cancer and Control Programs for State, Territorial and Tribal Organizations	93.898	34347-87423	7,769	16,418	10,122	1,473
HIV Care Formula Grants	93.917	GR-22-74470	119,033	378,052	372,725	113,706
Immunization Cooperative Agreements Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.268	34349-51922	-	335,778	335,778	-
	93.323 - COVID-19	Z-22-261443	<u>45,908</u>	<u>227,452</u>	<u>222,531</u>	<u>40,987</u>
Total Passed through Tennessee Department of Health:			<u>180,189</u>	<u>965,731</u>	<u>943,307</u>	<u>157,765</u>
Passed through Tennessee Department of Mental Health and Substance Abuse Services:						
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA78087_2023_- 2024_035	14,702	162,493	154,751	6,960
Passed through Tennessee Department of Human Services:						
Community Based Two Generation Services	93.588	34530-75321	<u>7,094</u>	<u>522,502</u>	<u>554,248</u>	<u>38,840</u>
Total U.S. Department of Health and Human Services			<u>1,091,270</u>	<u>15,024,675</u>	<u>14,512,990</u>	<u>579,585</u>

(continued on next page)

See accompanying notes to schedules of expenditures of federal and state awards on p. 32.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JANUARY 31, 2024

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract/grant Number</u>	<u>Beginning Receivable</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Receivable</u>
U.S. Department of Treasury: Passed through Tennessee Department of Health: Coronavirus State and Local Fiscal Recovery Funds	21.027 - COVID-19	N/A	\$ -	\$ -	\$ 174,712	\$ 174,712
Total U.S. Department of Treasury			<u>-</u>	<u>-</u>	<u>174,712</u>	<u>174,712</u>
Total Federal Awards			<u>\$ 1,091,270</u>	<u>\$ 15,024,675</u>	<u>\$ 14,687,702</u>	<u>\$ 754,297</u>

(1) Denotes a major program

Total Expenditures by Assistance Listing Number:

93.224 and 93.224 - COVID-19	\$ 12,158,416
93.526	395,892
93.898	12,273
93.917	372,725
93.527	306,376
93.391	335,778
93.323	222,531
93.959	154,751
93.588	554,248
21.027	<u>174,712</u>
	<u>\$ 14,687,702</u>

See accompanying notes to schedules of expenditures of federal and state awards on p. 32.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED JANUARY 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Contract Number	Beginning Receivable	Cash Receipts	Expenditures	Ending Receivable
State Financial Assistance:						
Tennessee Department of Health:						
Primary Care/ Dental Care Services to Uninsured Adults in Tennessee Ages 19-64 (FQHC) (1)	N/A	Z-23-264406	\$ 572,697	\$ 572,697	\$ -	\$ -
Primary Care/ Dental Care Services to Uninsured Adults in Tennessee Ages 19-64 (FQHC) (1)	N/A	Z-24-284374	<u>-</u>	<u>1,775,547</u>	<u>2,475,546</u>	<u>699,999</u>
Total State Awards			<u>\$ 572,697</u>	<u>\$ 2,348,244</u>	<u>\$ 2,475,546</u>	<u>\$ 699,999</u>

(1) Based on revenues earned per award.

See accompanying notes to schedules of expenditures of federal and state awards on p. 32.

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JANUARY 31, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Center. The information in the Schedules is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the *Audit Manual* issued by the Comptroller of the Treasury of the State of Tennessee. Because the Schedules present only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Center has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - PASSED THROUGH TO SUBRECIPIENTS

The Center provided no federal awards to subrecipients.

OTHER REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Board of Directors
United Neighborhood Health Services, Inc. d/b/a Neighborhood Health
Nashville, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Neighborhood Health Services, Inc. d/b/a Neighborhood Health (the "Center") which comprises the statements of financial position as of January 31, 2024, and the related statements of operations and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kraft CPAs PLLC

Nashville, Tennessee
July 15, 2024



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

The Board of Directors
United Neighborhood Health Services, Inc. d/b/a Neighborhood Health
Nashville, Tennessee

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited United Neighborhood Health Services, Inc. d/b/a Neighborhood Health’s (the “Center”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center’s major federal programs for the year ended January 31, 2024. The Center’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended January 31, 2024.

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center’s compliance with the compliance requirements referred to above.

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules and provisions of contracts or grant agreements applicable to the Center's federal programs.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kraft CPAs PLLC

Nashville, Tennessee
July 15, 2024

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JANUARY 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Are any material weaknesses identified? Yes X No
- Are any significant deficiencies identified? Yes X None Reported
- Is any noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Are any material weaknesses identified? Yes X No
- Are any significant deficiencies identified? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major program(s):

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.224 and 93.224 - COVID-19	Health Centers Program Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

UNITED NEIGHBORHOOD HEALTH SERVICES, INC. D/B/A NEIGHBORHOOD HEALTH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JANUARY 31, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no audit findings in the prior or current year.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs in the prior or current year.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/24/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insight Risk - Nashville 2699 Fessey Ct Suite 100 Nashville TN 37204	CONTACT NAME: Julia Simpson	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
E-MAIL ADDRESS: jsimpson@irmlc.com		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Standard Fire Insurance Company		19070
INSURER B: Travelers Casualty Ins. Co. of America		19046
INSURER C: Travelers Indemnity of America		25666
INSURER D: Charter Oak Fire Insurance Company		25615
INSURER E: CFC Underwriting Limited		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** CL2472422524 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			006T145121	7/15/2024	7/15/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			006T166872	7/15/2024	7/15/2025	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below						
E	Cyber Liability			ESN0840019993	7/15/2024	7/15/2025	PER STATUTE <input checked="" type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1000000 E.L. DISEASE - EA EMPLOYEE \$ 1000000 E.L. DISEASE - POLICY LIMIT \$ 1000000 Per Claim/Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

PROOF OF COVERAGE	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE M Felgendreher/SIMPSO