

**COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.
Winston-Salem, North Carolina**

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

**As of and for the Years Ended
December 31, 2024 and 2023**

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Turlington and Company, L.L.P.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Care Center for Forsyth County, Inc.
Winston-Salem, North Carolina

Opinion

We have audited the financial statements of Community Care Center for Forsyth County, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Care Center for Forsyth County, Inc. as of December 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 auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Care Center for Forsyth County, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Care Center for Forsyth County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued or within one year after the date that the financial statements are available to be issued, when applicable.

Auditors' 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 auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

509 East Center Street • Post Office Box 1697 • Lexington, North Carolina 27293-1697

Office: 336-249-6856 • Facsimile: 336-248-8697

1338 Westgate Center Drive • Winston-Salem, North Carolina 27103

Office: 336-765-2410 • Facsimile: 336-765-6241

www.turlingtonandcompany.com

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Care Center for Forsyth County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Care Center for Forsyth County, Inc.'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.

Furlington and Company, L.L.P.

Winston-Salem, North Carolina
June 25, 2025

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

| | December 31 | |
|--|---------------------|---------------------|
| | 2024 | 2023 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents: | | |
| Unrestricted | \$ 377,225 | \$ 626,318 |
| Restricted | 4,653 | 33,852 |
| Grants receivable | 122,947 | 131,724 |
| Unconditional promises to give | 85,000 | - |
| Sales tax refunds receivable | 2,067 | 2,392 |
| Investments | 1,191,600 | 1,081,114 |
| Inventories | 10,933 | 7,574 |
| Prepaid expenses | 14,894 | 15,482 |
| | <u>1,809,319</u> | <u>1,898,456</u> |
| Noncurrent assets: | | |
| Operating lease right of use assets | 18,128 | 22,214 |
| Beneficial interest in Foundation assets | 142,191 | 135,009 |
| Property and equipment, net | 163,926 | 144,727 |
| | <u>324,245</u> | <u>301,950</u> |
| | | |
| Total assets | <u>\$ 2,133,564</u> | <u>\$ 2,200,406</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Operating lease obligations, current | \$ 4,257 | \$ 4,086 |
| Accounts payable | 25,774 | 39,396 |
| Accrued expenses | 44,329 | 37,448 |
| | <u>74,360</u> | <u>80,930</u> |
| Noncurrent liabilities: | | |
| Operating lease obligations, noncurrent | 13,871 | 18,128 |
| | <u>88,231</u> | <u>99,058</u> |
| Net assets: | | |
| Without donor restrictions | 1,898,489 | 1,932,487 |
| With donor restrictions | 146,844 | 168,861 |
| | <u>2,045,333</u> | <u>2,101,348</u> |
| | | |
| Total liabilities and net assets | <u>\$ 2,133,564</u> | <u>\$ 2,200,406</u> |

The accompanying notes are an integral part of the financial statements

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

| | <u>Without Donor</u> <u>Restrictions</u> | <u>With Donor</u> <u>Restrictions</u> | <u>Total</u> |
|---------------------------------------|---|--|---------------------|
| Operating activities: | | | |
| Public support: | | | |
| United Way allocations | \$ 43,127 | | \$ 43,127 |
| Contributions | 437,829 | | 437,829 |
| Contributions of nonfinancial assets | 11,016,962 | | 11,016,962 |
| Grants | 988,889 | \$ 10,000 | 998,889 |
| Special events | 61,125 | | 61,125 |
| Net assets released from restrictions | 44,703 | (44,703) | - |
| Total public support | <u>12,592,635</u> | <u>(34,703)</u> | <u>12,557,932</u> |
| Revenues: | | | |
| Investment return, net | 117,636 | 12,686 | 130,322 |
| Other income | 240 | | 240 |
| Total revenues | <u>117,876</u> | <u>12,686</u> | <u>130,562</u> |
| Total public support and revenues | <u>12,710,511</u> | <u>(22,017)</u> | <u>12,688,494</u> |
| Expenses: | | | |
| Program services | 12,233,598 | | 12,233,598 |
| Supporting services: | | | |
| Management and general | 491,442 | | 491,442 |
| Fundraising | 19,469 | | 19,469 |
| Total expenses | <u>12,744,509</u> | | <u>12,744,509</u> |
| Changes in net assets | (33,998) | (22,017) | (56,015) |
| Net assets at beginning of year | <u>1,932,487</u> | <u>168,861</u> | <u>2,101,348</u> |
| Net assets at end of year | <u>\$ 1,898,489</u> | <u>\$ 146,844</u> | <u>\$ 2,045,333</u> |

The accompanying notes are an integral part of the financial statements

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| Operating activities: | | | |
| Public support: | | | |
| United Way allocations | \$ 64,719 | | \$ 64,719 |
| Contributions | 360,152 | | 360,152 |
| Contributed securities | 218,151 | | 218,151 |
| Contributions of nonfinancial assets | 14,157,261 | | 14,157,261 |
| Grants | 769,442 | \$ 50,000 | 819,442 |
| Special events | 67,335 | | 67,335 |
| Net assets released from restrictions | 26,600 | (26,600) | - |
| Total public support | <u>15,663,660</u> | <u>23,400</u> | <u>15,687,060</u> |
| Revenues: | | | |
| Investment return, net | 69,839 | 11,464 | 81,303 |
| Other income | 555 | | 555 |
| Total revenues | <u>70,394</u> | <u>11,464</u> | <u>81,858</u> |
| Total public support and revenues | <u>15,734,054</u> | <u>34,864</u> | <u>15,768,918</u> |
| Expenses: | | | |
| Program services | 15,196,965 | | 15,196,965 |
| Supporting services: | | | |
| Management and general | 437,907 | | 437,907 |
| Fundraising | 19,340 | | 19,340 |
| Total expenses | <u>15,654,212</u> | | <u>15,654,212</u> |
| Changes in net assets from operations | 79,842 | 34,864 | 114,706 |
| Non-operating activities: | | | |
| Loss on disposal of property and equipment | (261) | | (261) |
| Changes in net assets | 79,581 | 34,864 | 114,445 |
| Net assets at beginning of year | <u>1,852,906</u> | <u>133,997</u> | <u>1,986,903</u> |
| Net assets at end of year | <u>\$ 1,932,487</u> | <u>\$ 168,861</u> | <u>\$ 2,101,348</u> |

The accompanying notes are an integral part of the financial statements

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

| | <u>Program</u> | <u>Support Services</u> | | <u>Total</u> |
|--------------------------------------|----------------------|-------------------------|-------------------|----------------------|
| | | <u>Services</u> | <u>Management</u> | |
| | | <u>and General</u> | | |
| Salaries | \$ 935,447 | \$ 284,357 | \$ 2,115 | \$ 1,221,919 |
| Payroll taxes | 70,774 | 21,514 | 160 | 92,448 |
| Employee benefits | 79,543 | 24,179 | 180 | 103,902 |
| Professional services | | 24,886 | | 24,886 |
| Insurance | | 14,845 | | 14,845 |
| Telephone | 13,346 | 3,337 | | 16,683 |
| Advertising | | 1,594 | | 1,594 |
| Supplies | | 24,253 | | 24,253 |
| Laboratory fees and medical supplies | 25,243 | | | 25,243 |
| Medicines | 30,090 | | | 30,090 |
| Miscellaneous expenses | | 27,377 | | 27,377 |
| Outside services | 4,171 | 1,268 | 9 | 5,448 |
| Postage | | 3,653 | | 3,653 |
| Printing and copying | | 3,971 | | 3,971 |
| Operating lease expense | | 4,922 | | 4,922 |
| Conferences and travel | | 4,281 | | 4,281 |
| Repairs and maintenance | 47,775 | 11,944 | | 59,719 |
| Utilities | 16,881 | 4,220 | | 21,101 |
| Security | 10,008 | 2,502 | | 12,510 |
| Contributed professional services | 3,860,573 | | | 3,860,573 |
| Contributed laboratory services | 162,524 | | | 162,524 |
| Contributed medicine | 6,863,865 | | | 6,863,865 |
| Contributed rent | 104,000 | 26,000 | | 130,000 |
| Special events | | | 17,005 | 17,005 |
| Depreciation | 9,358 | 2,339 | | 11,697 |
| | <u>\$ 12,233,598</u> | <u>\$ 491,442</u> | <u>\$ 19,469</u> | <u>\$ 12,744,509</u> |

The accompanying notes are an integral part of the financial statements

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

| | <u>Program</u> | <u>Support Services</u> | | <u>Total</u> |
|--------------------------------------|----------------------|-------------------------|-------------------|----------------------|
| | | <u>Services</u> | <u>Management</u> | |
| | | <u>and General</u> | | |
| Salaries | \$ 775,500 | \$ 233,792 | \$ 3,097 | \$ 1,012,389 |
| Payroll taxes | 57,954 | 17,472 | 231 | 75,657 |
| Employee benefits | 67,007 | 20,200 | 268 | 87,475 |
| Professional services | | 32,541 | | 32,541 |
| Insurance | | 15,078 | | 15,078 |
| Telephone | 12,031 | 3,008 | | 15,039 |
| Advertising | | 6,320 | | 6,320 |
| Supplies | | 18,670 | | 18,670 |
| Laboratory fees and medical supplies | 26,439 | | | 26,439 |
| Medicines | 45,781 | | | 45,781 |
| Miscellaneous expenses | | 25,147 | | 25,147 |
| Outside services | 5,244 | 1,581 | 21 | 6,846 |
| Postage | | 5,037 | | 5,037 |
| Printing and copying | | 7,993 | | 7,993 |
| Operating lease expense | | 3,718 | | 3,718 |
| Conferences and travel | | 2,413 | | 2,413 |
| Repairs and maintenance | 44,894 | 11,223 | | 56,117 |
| Utilities | 14,846 | 3,712 | | 18,558 |
| Security | 10,336 | 2,584 | | 12,920 |
| Contributed professional services | 6,151,961 | | | 6,151,961 |
| Contributed laboratory services | 156,499 | | | 156,499 |
| Contributed medicine | 7,718,801 | | | 7,718,801 |
| Contributed rent | 104,000 | 26,000 | | 130,000 |
| Special events | | | 15,723 | 15,723 |
| Depreciation | 5,672 | 1,418 | | 7,090 |
| | <u>\$ 15,196,965</u> | <u>\$ 437,907</u> | <u>\$ 19,340</u> | <u>\$ 15,654,212</u> |

The accompanying notes are an integral part of the financial statements

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

STATEMENTS OF CASH FLOWS

| | Years Ended December 31 | |
|--|--------------------------------|--------------------|
| | <u>2024</u> | <u>2023</u> |
| Cash flows from operating activities: | | |
| Change in net assets | (\$ 56,015) | \$ 114,445 |
| Adjustments to reconcile change in net assets to net cash used for operating activities: | | |
| Depreciation | 11,697 | 7,090 |
| Loss on disposal of property and equipment | - | 261 |
| Realized and unrealized net gains on investments | (81,914) | (44,671) |
| Change in value of beneficial interest in Foundation assets | (7,182) | (6,012) |
| Contributed securities | - | (218,151) |
| Changes in assets and liabilities: | | |
| Grants and sales tax refunds receivable | 9,102 | (26,373) |
| Unconditional promises to give | (85,000) | - |
| Inventories | (3,359) | 12,192 |
| Prepaid expenses | 588 | (4,593) |
| Accounts payable | (13,622) | 14,282 |
| Accrued expenses | <u>6,881</u> | <u>17,168</u> |
| Net cash used for operating activities | <u>(218,824)</u> | <u>(134,362)</u> |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (30,896) | (12,752) |
| Purchase of securities | (448,454) | (1,471,600) |
| Proceeds from sale of securities | <u>419,882</u> | <u>653,308</u> |
| Net cash used for investing activities | <u>(59,468)</u> | <u>(831,044)</u> |
| Net decrease in cash and equivalents | (278,292) | (965,406) |
| Cash and equivalents at beginning of year | <u>660,170</u> | <u>1,625,576</u> |
| Cash and equivalents at end of year | <u>\$ 381,878</u> | <u>\$ 660,170</u> |
| Supplemental noncash activity: | | |
| Increase in operating lease obligations through establishment of operating lease right of use assets | | <u>\$ 22,214</u> |

The accompanying notes are an integral part of the financial statements

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

1. Description of Organization:

Community Care Center for Forsyth County, Inc. (the Organization) is a nonprofit corporation that was organized in the state of North Carolina in 1980 for the purpose of promoting public health by disseminating medical knowledge and information to the general public without charge. The Organization provides free on-site medical care, dental care, and related services to low-income families. The Organization's mission is to provide compassionate and affordable patient-centered healthcare to low-income individuals and families in the Forsyth, Stokes, and Davie counties of North Carolina regardless of their ability to pay.

2. Summary of Significant Accounting Policies:

These financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America, with the more significant of these principles described as follows:

The Organization records resources for accounting and reporting purposes into two net assets categories: net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets without donor restrictions are available for any purpose consistent with the Organization's mission. From time-to-time, the Organization's Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions - Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Organization and/or passage of time. When a restriction expires, the net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities as released from restrictions. Some net assets may include donor-imposed restrictions that the assets be held in perpetuity, while permitting the Organization to expend the income generated by those assets.

Cash and cash equivalents, as stated for cash flow purposes, consists of cash on hand, cash in banks, and certificates of deposit with a maturity of twelve months or less at the time of purchase.

Accounts and grants receivable are stated at unpaid balances less an allowance for credit losses, when appropriate. The Organization provides for credit losses on accounts receivables using the allowance method. The allowance is based on prior experience and other circumstances, which may affect the ability of donors or other third parties to meet their obligations. It is the Organization's policy to charge off accounts receivable when management determines the receivable will not be collected. The Organization has determined that an allowance for credit losses is not necessary at December 31, 2024 and 2023 based on the nature of its receivables and the parties from whom those amounts are due.

The Organization accounts for contributions in accordance with ASC 958-605, *Contributions Received and Contributions Made*. Contributions, including unconditional promises to give, are recognized as income in the period received. Contributions received are recorded as an increase in either net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the income is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received for which the donor receives commensurate value are accounted for as exchange transactions and the related revenues are recognized under ASC 606, *Revenue from Contracts with Customers*. Contributions received that are subject to certain barriers are treated as conditional contributions and are recognized as income in the period in which those barriers have been satisfied, which may differ from the time at which the contribution is made.

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (Continued):

Advertising costs are expenses as incurred.

Purchases of property and equipment of \$5,000 or greater and that provide for an estimated useful life of more than one year are capitalized at cost. Major renewals and betterments that extend the useful lives of property and equipment are capitalized at cost if purchased or fair market value if contributed. Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Depreciation is computed by use of the straight-line method over the estimated useful lives of the underlying assets, which range from five (5) to thirty-nine (39) years.

Inventories consist solely of pharmaceuticals dispensed for patient care by the Organization and is stated at the lower of cost or market. Cost for purchased inventories is measured under the average cost method.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash and other assets that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. At that time, the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions.

The Organization accounts for investments in accordance with ASC 958-320, *Not-for-Profit Entities, Investments - Debt Securities* and ASC 958-321, *Not-for-Profit Entities, Investments - Equity Securities*. Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

The requirements for the recognition of contributed services in the financial statements are set forth in ASC 958-605, *Contributions Received*. Donated services should be recorded when (1) they create or enhance non-financial assets, or (2) they require specialized skills provided by individuals possessing those skills and are services that would typically be purchased if not provided by donation. As described in Note 11, the Organization receives certain contributed services from volunteers that meet these criteria.

Endowment funds are accounted for in accordance with ASC 958-320, ASC 958-321, and ASC 958-205, *Presentation of Financial Statements*. The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Investment income and gains or losses are reported as an increase or decrease in restricted net assets in the reporting period in which the income and gains are recognized.

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are directly attributable to a functional area are directly assigned to that area. Other costs are allocated to the functional areas using reasonable bases that are consistently applied, including either time or effort expended, usage of space, revenues, or other allocation bases.

The Organization recognizes tax benefits from uncertain tax positions at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority.

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (Continued):

The Organization accounts for its leasing activities in accordance with ASC 842, *Leases*. Under ASC 842, all leases, with limited exceptions, are recognized on the statements of financial position as right of use assets and related lease obligations. The Organization classifies its leases as either operating leases or finance leases, formerly known as capital leases, depending on the nature and terms of the agreements. Operating lease expense is recognized on a straight-line basis over the lease term whereas finance lease expense includes components of interest related to the accretion of the finance lease liability, and amortization related to the finance lease right of use assets. The Organization has elected to apply the short-term lease exception whereby right of use assets and lease obligations pertaining to leases with an original term of less than 12 months are not reflected in the statements of financial position. Further, the Organization has elected to use the risk-free discount rate in valuing lease obligations for certain asset classes, including office equipment. See Note 12 for additional information regarding the Organization's leasing activities.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Concentrations:

The Organization places its cash and cash equivalents on deposit with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to at least \$250,000. During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limit. As of December 31, 2024, the Organization had deposits of \$102,261 in excess of the insured limit.

4. Liquidity and Availability of Resources:

The Organization's financial assets that are available for general expenditures within one year of December 31, 2024 and 2023 are as follows:

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| Financial assets available within one year: | | |
| Cash and cash equivalents | \$ 381,878 | \$ 660,170 |
| Grants and other receivables | 125,014 | 134,116 |
| Unconditional promises to give | 85,000 | - |
| Investments | <u>1,191,600</u> | <u>1,081,114</u> |
| Total financial assets available within one year | <u>1,783,492</u> | <u>1,875,400</u> |
| Less, amounts unavailable for general expenditures within one year due to: | | |
| Restricted by donors with purpose restrictions | <u>4,653</u> | <u>33,852</u> |
| Total financial assets available for general expenditure within one year | <u>\$ 1,778,839</u> | <u>\$ 1,841,548</u> |

The Organization's policy is to structure its financial assets in such a manner to be available for general expenditures as the obligations come due.

5. Property and Equipment:

The Organization's unconditional promises to give consist of donor pledges made to the Organization for general operational support that had not been collected as of December 31, 2024. These amounts total \$85,000 and are expected to be collected in less than one year.

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

6. Property and Equipment:

Property and equipment consisted of the following at December 31, 2024 and 2023:

| | 2024 | 2023 |
|---------------------------------|-------------------|-------------------|
| Leasehold improvements | \$ 164,388 | \$ 164,388 |
| Computers and medical equipment | 531,119 | 515,586 |
| Furniture and fixtures | 4,103 | 4,103 |
| | 699,610 | 684,077 |
| Less, accumulated depreciation | 535,684 | 539,350 |
| | <u>\$ 163,926</u> | <u>\$ 144,727</u> |

Depreciation expense amounted to \$11,697 and \$7,090, respectively, for the years ended December 31, 2024 and 2023.

7. Investments:

Investments consisted of the following as of December 31, 2024 and 2023:

| | 2024 | 2023 |
|--------------------|---------------------|---------------------|
| Equity securities: | | |
| Common stock | \$ 379,896 | \$ 325,220 |
| Mutual funds | 233,977 | 226,655 |
| Money market funds | 115,133 | 259,060 |
| Debt securities: | | |
| Corporate bonds | 316,573 | 152,479 |
| Government bonds | 146,021 | 117,700 |
| | <u>\$ 1,191,600</u> | <u>\$ 1,081,114</u> |

The return on these investments is comprised of the following for the years ended December 31, 2024 and 2023:

| | 2024 | 2023 |
|-------------------------------------|-------------------|------------------|
| Dividend and interest income, net | \$ 28,573 | \$ 16,539 |
| Realized gain on sale of securities | 22,590 | 24,454 |
| Unrealized gain on securities | 59,324 | 20,217 |
| | <u>\$ 110,487</u> | <u>\$ 61,210</u> |

Investment return is net of related advisory fees totaling \$8,945 and \$4,481, respectively, for the years ended December 31, 2024 and 2023.

8. Beneficial Interest in Foundation Assets:

In October 2007, the Organization entered into a trust agreement to establish the Community Care Center for Forsyth County, Inc. Endowment (the Endowment) with the Winston-Salem Foundation, Inc., the trustee of the endowment fund. The Endowment is presented as a beneficial interest in foundation assets in the accompanying statements of financial position. The purpose of the Endowment is to provide a permanent fund to support the provision of healthcare services to the medically uninsured and underserved who meet certain eligibility criteria.

The Endowment is subject to the endowment and spending policies determined by the trustee's governing body. As the Organization granted variance power to the trustee as part of establishing the Endowment, the related assets are reflected as a component of net assets with donor restrictions. Under the terms of the agreement, the principal amount must be maintained in perpetuity; however, income generated by the Endowment may be used for the Organization's program activities specified above, subject to the trustee's spending policy.

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

8. Beneficial Interest in Foundation Assets (Continued):

The activity within the endowment account was as follows for the years ended December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|----------------------|-------------------|-------------------|
| Beginning balances | \$ 135,009 | \$ 128,997 |
| Interest income | 77 | 73 |
| Net unrealized gains | 14,004 | 12,695 |
| Administrative fees | (1,395) | (1,304) |
| Distribution | (5,504) | (5,452) |
| Ending balances | <u>\$ 142,191</u> | <u>\$ 135,009</u> |

9. Fair Value Measurements:

The accounting guidance for fair value measurements establishes a fair value hierarchy to prioritize the inputs of valuation techniques used to measure fair value. Outlined below is the application of the fair value hierarchy established by the accounting guidance for fair value measurement to the Organization's assets that are carried at fair value:

Level 1 - Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets in active markets and significant other observable inputs.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets measured at fair value on a recurring basis were as follows as of December 31, 2024 and 2023:

| <u>Description</u> | <u>Assets at Fair Value as of December 31, 2024</u> | | | |
|--|---|-------------------|-------------------|-------------------|
| | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Equity securities: | | | | |
| Common stock: | | | | |
| Technology | \$ 70,000 | \$ 70,000 | | |
| Industrial goods | 32,291 | 32,291 | | |
| Information services | 14,008 | 14,008 | | |
| Consumer goods | 113,873 | 113,873 | | |
| Financial services | 48,292 | 48,292 | | |
| Healthcare | 41,402 | 41,402 | | |
| Services | <u>60,030</u> | <u>60,030</u> | | |
| | <u>379,896</u> | <u>379,896</u> | | |
| Mutual funds: | | | | |
| Growth funds | 97,132 | 97,132 | | |
| International funds | 95,113 | 95,113 | | |
| Exchange traded funds | <u>41,732</u> | <u>41,732</u> | | |
| | <u>233,977</u> | <u>233,977</u> | | |
| Debt securities: | | | | |
| Government bonds | 146,021 | | \$ 146,021 | |
| Corporate bonds | <u>316,573</u> | | <u>316,573</u> | |
| | <u>462,594</u> | | <u>462,594</u> | |
| Money market funds | <u>115,133</u> | <u>115,133</u> | | |
| Beneficial interest in Foundation assets | <u>142,191</u> | | | \$ <u>142,191</u> |
| | <u>\$ 1,333,791</u> | <u>\$ 729,006</u> | <u>\$ 462,594</u> | <u>\$ 142,191</u> |

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

9. Fair Value Measurements (Continued):

| <u>Description</u> | <u>Assets at Fair Value as of December 31, 2023</u> | | | |
|--|---|-------------------|-------------------|-------------------|
| | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Equity securities: | | | | |
| Common stock: | | | | |
| Technology | \$ 48,232 | \$ 48,232 | | |
| Industrial goods | 28,168 | 28,168 | | |
| Information services | 14,667 | 14,667 | | |
| Consumer goods | 104,159 | 104,159 | | |
| Financial services | 40,524 | 40,524 | | |
| Healthcare | 44,101 | 44,101 | | |
| Services | 45,369 | 45,369 | | |
| | <u>325,220</u> | <u>325,220</u> | | |
| Mutual funds: | | | | |
| Growth funds | 80,795 | 80,795 | | |
| International funds | 109,103 | 109,103 | | |
| Exchange traded funds | 36,757 | 36,757 | | |
| | <u>226,655</u> | <u>226,655</u> | | |
| Debt securities: | | | | |
| Government bonds | 117,700 | | \$ 117,700 | |
| Corporate bonds | 152,479 | | 152,479 | |
| | <u>270,179</u> | | <u>270,179</u> | |
| Money market funds | <u>259,060</u> | <u>259,060</u> | | |
| Beneficial interest in Foundation assets | <u>135,009</u> | | | <u>\$ 135,009</u> |
| | <u>\$ 1,216,123</u> | <u>\$ 810,935</u> | <u>\$ 270,179</u> | <u>\$ 135,009</u> |

The Organization's equity securities are measured at fair value under a market approach based on quoted prices for identical assets in active markets.

The Organization's debt securities are generally measured at fair value using a combination of market and income approaches. The market approach includes using prices from market transactions for securities that are identical (Level 1). When market prices are not available, the fair value is determined using the income approach, which involves discounting the expected future cash flows at the current market interest rates applicable to the specific bond (Level 2).

The fair value of the beneficial interest in foundation assets is based on the value of the underlying assets held by the foundation. The value is based on the Organization's proportionate share of the foundation's net assets. The Organization does not have variance power over these assets, meaning it cannot unilaterally redirect the use of the assets to another beneficiary. As a result, these assets are reported within Level 3 of the fair value hierarchy.

10. Net Assets with Donor Restrictions:

The nature of restricted net assets as of December 31, 2024 and 2023 is as follows:

| | <u>2024</u> | <u>2023</u> |
|----------------------------|-------------------|-------------------|
| Use restriction: | | |
| Endowment funds | \$ 142,191 | \$ 135,009 |
| Specified program services | 4,653 | 33,852 |
| | <u>\$ 146,844</u> | <u>\$ 168,861</u> |

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

10. Net Assets with Donor Restrictions (Continued):

A summary of net assets released from restrictions during the years ended December 31, 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---------------------------------------|------------------|------------------|
| Satisfaction of restrictions through: | | |
| Incurrence of expenditures: | | |
| Personnel costs | \$ 33,852 | \$ 11,303 |
| Program supplies | - | 951 |
| Program equipment | 5,347 | 3,894 |
| Transfers from endowment | 5,504 | 5,452 |
| Passage of time | - | 5,000 |
| | <u>\$ 44,703</u> | <u>\$ 26,600</u> |

11. Contributed Nonfinancial Assets:

The Organization's contributions of nonfinancial assets recognized in the statements of activities were as follows for the years ended December 31, 2024 and 2023:

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Donated goods: | | |
| Pharmaceuticals and related supplies | \$ 6,863,865 | \$ 7,718,801 |
| Contributed services: | | |
| Professional on-site medical personnel | 741,672 | 698,060 |
| Professional external medical services provided to the Organization's patients | 3,281,425 | 5,610,400 |
| Contributed facilities: | | |
| Administrative and program facility | 130,000 | 130,000 |
| | <u>\$ 11,016,962</u> | <u>\$ 14,157,261</u> |

The Organization has valued and recorded the donated services of on-site doctors, nurses, and other healthcare professionals providing specialized medical and administrative skills for the Organization that would otherwise need to be purchased. These professionals provided 12,994 and 10,904 hours of service, respectively, for the years ended December 31, 2024 and 2023. The Organization estimates the hourly rates for paid professionals in these capacities that range from \$17 to \$136 per hour.

In circumstances where patients require specialized or advanced medical services for which the Organization does not have the resources to provide, the Organization coordinates with other healthcare professionals to provision those services on its behalf. The Organization estimates the value of these donated services based on the volume of referrals made, the types of services provisioned by the provider, and the average charges that would be made by those providers under normal market conditions.

Additionally, the Organization receives donations of program supplies, pharmaceuticals, and other tangible goods. Pharmaceuticals are measured at the average wholesale price of the related drugs, and other tangible goods are valued based on estimated market value as determined by comparable sales or purchase price data.

The Organization occupies a facility in Winston-Salem, North Carolina that is used for clinical and administrative purposes. The space is provided to the Organization at a nominal cost of \$1 annually. The Organization has determined that a reasonable estimate of the value of the donated facility is \$130,000 for the years ended December 31, 2024 and 2023. The estimated values were determined based on market rental rates for similar properties in the area.

COMMUNITY CARE CENTER FOR FORSYTH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

11. Contributed Nonfinancial Assets (Continued):

The principal market for determining the fair value of contributed nonfinancial assets is the market in which the Organization would sell the assets or purchase the services in an orderly transaction between market participants at the date of donation. The contributed goods and services are utilized by the Organization for various program and administrative functions rather than monetized.

12. Leases:

The Organization leases certain office equipment under an agreement that qualifies as an operating lease. The lease provides for fixed monthly payments totaling \$410 over a term of 60 months. The lease is scheduled to expire during the year ended December 31, 2028.

Future minimum payments under this operating lease are as follows:

| <u>Year Ending December 31</u> | <u>Amount</u> |
|--------------------------------|------------------|
| 2025 | \$ 4,922 |
| 2026 | 4,922 |
| 2027 | 4,922 |
| 2028 | <u>4,922</u> |
| Total lease payments | 19,688 |
| Less, present value discount | <u>1,560</u> |
| | <u>\$ 18,128</u> |

The weighted average remaining lease term was four (4) years and the weighted average discount rate was 4.11% at December 31, 2024.

13. Income Tax Status:

The Organization has been determined to be exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 of the Internal Revenue Code. Annual information returns are filed as required.

The Organization has determined that it has no uncertain income tax positions as of December 31, 2024 and 2023. Also, the Organization does not anticipate any increase or decrease in unrecognized tax benefits during the next twelve months that would result in a material change in its financial position. The Organization's income tax returns for years ended after December 31, 2021 remain open for examination.

The Organization includes interest and penalties in the financial statements as a component of income tax expense. No interest or penalties are included in the Organization's income tax expense for the years ended December 31, 2024 and 2023.

14. Retirement Plan:

The Organization has established a savings incentive match plan for employees (SIMPLE) retirement plan. Full-time employees are eligible upon completion of 90 days of employment. The Organization contributes a matching contribution equal to the employee's contribution up to 3% of the employee's compensation. The employee is immediately vested in the employer contribution. Employer contributions totaled \$16,473 and \$12,605, respectively, for the years ended December 31, 2024 and 2023.

15. Subsequent Events:

The Organization has evaluated all subsequent events through June 25, 2025, the date the financial statements were available to be issued. No other events were identified that would require adjustment of or disclosure in these financial statements.