

***MEDICAL FOUNDATION  
OF NASHVILLE***

**FINANCIAL STATEMENTS  
& INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2021 AND 2020**

## **MEDICAL FOUNDATION OF NASHVILLE**

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# MULLINS CLEMMONS & MAYES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Medical Foundation of Nashville:

### **Opinion**

We have audited the accompanying financial statements of Medical Foundation of Nashville (a nonprofit corporation) (the "Foundation"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Medical Foundation of Nashville as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity 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. 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 Medical Foundation of Nashville 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 Medical Foundation of Nashville's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Medical Foundation of Nashville'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 Medical Foundation of Nashville'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.

#### **Other Information Included in Medical Foundation's Annual Report**

Management is responsible for the other information included in the Organization's annual report. The other information comprises the Financial Highlights included in the annual report 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 on it. 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.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of professional services on pages 15-16 are presented for purposes of additional analysis and are 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. The 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 taken as a whole.

*Mullins Clemmons + Mayes, PLLC*

Brentwood, Tennessee  
June 9, 2022

**MEDICAL FOUNDATION OF NASHVILLE**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

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<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 74,513	\$ 61,125
State grant receivables	358,464	262,422
Promises to give	10,000	22,000
Prepaid expenses and other assets	6,992	9,077
Property and equipment, net	<u>10,524</u>	<u>8,466</u>
 TOTAL ASSETS	 <u>\$ 460,493</u>	 <u>\$ 363,090</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 Accounts payable	\$ 3,765	\$ 2,361
Due to affiliated organization	<u>169,319</u>	<u>150,026</u>
Total liabilities	<u>173,084</u>	<u>152,387</u>
 NET ASSETS:		
Without donor restrictions	251,485	111,651
With donor restrictions	<u>35,924</u>	<u>99,052</u>
Total net assets	<u>287,409</u>	<u>210,703</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 460,493</u>	 <u>\$ 363,090</u>

The accompanying notes are an integral part of the financial statements.

**MEDICAL FOUNDATION OF NASHVILLE****STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
REVENUE, SUPPORT AND GAINS:			
Contributions	\$ 146,182	\$ 57,500	\$ 203,682
Contributed services	4,301,317	-	4,301,317
State and local contracts and grants	717,156	-	717,156
Total	5,164,655	57,500	5,222,155
Net assets released due to satisfaction of restrictions	120,628	(120,628)	-
Total revenue, support and gains	5,285,283	(63,128)	5,222,155
EXPENSES:			
Program services	4,993,887	-	4,993,887
Fundraising	45,127	-	45,127
Management and general	106,435	-	106,435
Total expenses	5,145,449	-	5,145,449
CHANGE IN NET ASSETS	139,834	(63,128)	76,706
NET ASSETS:			
Beginning	111,651	99,052	210,703
Ending	\$ 251,485	\$ 35,924	\$ 287,409

**The accompanying notes are an integral part of the financial statements.**

**MEDICAL FOUNDATION OF NASHVILLE****STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
REVENUE, SUPPORT AND GAINS:			
Contributions	\$ 56,009	\$ 77,861	\$ 133,870
Contributed services	4,491,788	-	4,491,788
State and local contracts and grants	418,042	-	418,042
Paycheck Protection Program grant	36,074		36,074
Total	5,001,913	77,861	5,079,774
Net assets released due to satisfaction of restrictions	70,399	(70,399)	-
Total revenue, support and gains	5,072,312	7,462	5,079,774
EXPENSES:			
Program services	4,858,842	-	4,858,842
Fundraising	22,015	-	22,015
Management and general	95,308	-	95,308
Total expenses	4,976,165	-	4,976,165
CHANGE IN NET ASSETS	96,147	7,462	103,609
NET ASSETS:			
Beginning	15,504	91,590	107,094
Ending	\$ 111,651	\$ 99,052	\$ 210,703

**The accompanying notes are an integral part of the financial statements.**

**MEDICAL FOUNDATION OF NASHVILLE****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 76,706	\$ 103,609
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	1,868	1,169
Net changes in other operating assets and liabilities:		
Promises to give	12,000	6,299
State grant receivables	(96,042)	(203,696)
Prepaid expenses and other assets	2,085	100
Due to affiliated organization	19,293	131,026
Accounts payable	1,404	1,163
Net cash provided by operating activities	<u>17,314</u>	<u>39,670</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(3,926)</u>	<u>(5,280)</u>
Net cash used in investing activities	<u>(3,926)</u>	<u>(5,280)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,388	34,390
CASH AND CASH EQUIVALENTS, BEGINNING	<u>61,125</u>	<u>26,735</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 74,513</u>	<u>\$ 61,125</u>

**The accompanying notes are an integral part of the financial statements.**



**MEDICAL FOUNDATION OF NASHVILLE****STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
Contributed services	\$ 4,301,317	\$ -	\$ -	\$ 4,301,317
Professional services	587,229	29,153	68,201	684,583
Accounting and financial	-	2,101	36,931	39,032
Insurance	-	-	854	854
Community outreach	500	-	-	500
Computer service and supplies	19,883	-	-	19,883
Miscellaneous	4,891	-	-	4,891
Celebration and Special Event	78,442	13,780	-	92,222
Professional development	-	-	300	300
Total expenses before depreciation expense	4,992,262	45,034	106,286	5,143,582
Depreciation expense	1,625	93	149	1,867
Total expenses	<u>\$ 4,993,887</u>	<u>\$ 45,127</u>	<u>\$ 106,435</u>	<u>\$ 5,145,449</u>

**The accompanying notes are an integral part of the financial statements.**

**MEDICAL FOUNDATION OF NASHVILLE****STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
Contributed services	\$ 4,491,788	\$ -	\$ -	\$ 4,491,788
Professional services	341,165	21,246	62,579	424,990
Accounting and financial	-	711	31,783	32,494
Insurance	-	-	854	854
Community outreach	1,455	-	-	1,455
Computer service and supplies	17,065	-	-	17,065
Professional development	6,350	-	-	6,350
Total expenses before depreciation expense	4,857,823	21,957	95,216	4,974,996
Depreciation expense	1,019	58	92	1,169
Total expenses	<u>\$ 4,858,842</u>	<u>\$ 22,015</u>	<u>\$ 95,308</u>	<u>\$ 4,976,165</u>

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**The accompanying notes are an integral part of the financial statements.**

## **MEDICAL FOUNDATION OF NASHVILLE**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020**

#### **NOTE 1 – THE ENTITY**

Medical Foundation of Nashville (the “Foundation”) was established on January 1, 2018 as a Tennessee nonprofit corporation. The primary program of the Foundation is Project Access Nashville Specialty Care (“PAN”). PAN provides a coordinated system of care to low-income, uninsured residents of Davidson County and limited other Middle Tennessee Counties who are below 200% of the Federal Poverty Level. PAN has established a referral process that links these patients to a network of community-based medical clinics, physician specialists, collaborating hospitals, and ancillary partners. This program has been operating since 2005 and administered by Nashville Academy of Medicine (“NAM”). See Note 6 for further information related to NAM.

The Foundation also supports educational events for physicians, residents, and medical students in middle Tennessee, and health education for the broader community.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Accounting Periods**

All references to 2021 and 2020 in these financial statements refer to the years ended December 31, 2021 and 2020, unless otherwise noted.

##### **Basis of Accounting**

In accordance with accounting principles generally accepted in the United States of America, the Foundation uses the accrual basis of accounting; therefore, revenue is recognized when earned and expenses are recognized when incurred.

##### **Financial Statement Presentation**

The Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions** – This class includes net assets that are not subject to any donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the Board of Directors.

**Net assets with donor restrictions** – This class includes net assets whose use by the Foundation is subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be fulfilled by actions of the Foundation pursuant to those restrictions or by the passage of time. The Foundation has no donor restrictions that are perpetual in nature, whereby the donor has stipulated those resources be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

## **MEDICAL FOUNDATION OF NASHVILLE**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020**

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Financial Statement Presentation (Continued)**

All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

##### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents consist of cash held in bank accounts, money market funds and bank certificates of deposit with original maturities of ninety days or less, which are neither held for nor restricted by donors for long-term purposes. The Foundation may, at times, maintain bank account balances in excess of federally insured limits. However, the Foundation has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

##### **Property and Equipment**

Expenditures for additions, major renewals and betterment of property and equipment with a cost in excess of \$2,500 are capitalized. The fair value of donated property and equipment is similarly capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed by using the straight-line method over the estimated useful lives of the individual assets.

See Note 5 for further details.

##### **Contributions and Promises to Give**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Foundation uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on historical experience, an assessment of economic conditions, and management's analysis of specific promises made. Promises to give are written off when deemed uncollectible. At December 31, 2021 and 2020, management deemed all promises to give to be fully collectible, and, therefore, no allowance has been recorded.

See Note 4 for further details.

## **MEDICAL FOUNDATION OF NASHVILLE**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020**

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **State Grant Revenue and Receivables**

State grant revenue is recognized when patient encounters are incurred under the terms of the contract.

The Foundation uses the allowance method to determine uncollectible state grant receivables. The allowance is based on historical experience, an assessment of economic conditions, and management's analysis of specific state grant receivables. State grant receivables are written off when deemed uncollectible. At December 31, 2021 and 2020 management deemed all state grant receivables to be fully collectible, and, therefore, no allowance has been recorded.

##### **Donated Facilities and Services**

Donated facilities are recognized at fair value on the date contributed. Donated services are recognized, at fair value, if they create or enhance nonfinancial assets or require specialized skills and would be purchased by the Foundation if not contributed. Donated services are recognized as contributions and expenses at their estimated fair values at date of receipt. The Foundation received contributed professional services related to PAN with an estimated fair value of \$4,301,317 and \$4,491,788 during 2021 and 2020, respectively.

The Foundation received donated services from unpaid office volunteers which did not meet the criteria for recognition under generally accepted accounting principles.

##### **Income Taxes**

As mentioned in Note 1, the Foundation is a Tennessee nonprofit corporation, and a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. The Foundation is not classified as a private foundation.

The Foundation is required to file an annual Return of Organization for Exempt from Income Tax (Form 990) with the Internal Revenue Service. In addition, certain nonprofit corporations are subject to income tax on net income derived from business activities unrelated to their exempt purposes. Management has determined the Foundation is not subject to unrelated business income tax. Accordingly, no provision for income taxes is included in the accompanying financial statements.

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

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. See Note 8 for further details.

# MEDICAL FOUNDATION OF NASHVILLE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

#### Events Occurring after Reporting Date

The Foundation has evaluated events and transactions which occurred between December 31, 2021 and June 9, 2022, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

### NOTE 3 – LIQUIDITY

Financial assets available for general expenditures within one year of December 31, 2021 and 2020, consist of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 74,513	\$ 61,125
Promises to give	10,000	22,000
Grants and other receivables	<u>358,464</u>	<u>262,822</u>
Financial assets available to meet general expenditures within one year	<u>\$ 442,977</u>	<u>\$ 345,947</u>

### NOTE 4 – PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Promises to give without donor restrictions	\$ -	\$ -
Promises to give with donor restrictions	<u>10,000</u>	<u>22,000</u>
Gross promises to give	10,000	22,000
Promises receivable due less than one year	<u>(10,000)</u>	<u>(22,000)</u>
Promises receivable due within one to five years	<u>\$ -</u>	<u>\$ -</u>

**MEDICAL FOUNDATION OF NASHVILLE****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021 AND 2020****NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Computers and equipment	\$ 7,605	\$ 4,429
Furniture and fixtures	6,030	5,280
Total cost	13,635	9,709
Accumulated depreciation	<u>(3,111)</u>	<u>(1,243)</u>
Property and equipment, net	<u>\$ 10,524</u>	<u>\$ 8,466</u>

**NOTE 6 – RELATED PARTY TRANSACTIONS**

As mentioned in Note 1, the Foundation's major program was administered by NAM prior to January 1, 2018. The NAM Board voted to create the Foundation and move the charitable activities from NAM, a 501(c)(6) organization, to the Foundation. NAM will continue to operate the programs as an independent contractor, unless in the future, the Foundation Board deems it appropriate to further separate the programs. The two organizations have separate Boards. However, the programs and activities are administered by the same staff at the same facilities. The expenses billed by NAM in the amount of \$684,585 and \$424,990 have been reported in the accompanying Statements of Activities for 2021 and 2020, respectively. The Foundation had payables due to NAM for \$169,319 and \$150,026 at December 31, 2021 and 2020, respectively.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions have been restricted for the following purposes or periods at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for a specified purpose:		
2021 special event	\$ -	\$ 59,052
Community Health Improvement	3,424	-
	<u>3,424</u>	<u>59,052</u>
Subject to the passage of time:		
Time-restricted for Project Access Specialty Care	<u>32,500</u>	<u>40,000</u>
Total donor restricted net assets	<u>\$ 35,924</u>	<u>\$ 99,052</u>

## MEDICAL FOUNDATION OF NASHVILLE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

#### NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restrictions during 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Project Access Specialty Care	\$ 61,576	\$ 64,299
2021 special event	59,052	-
Staff development	-	6,100
Total net assets released from restrictions	<u>\$ 120,628</u>	<u>\$ 70,399</u>

#### NOTE 8 – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis which is consistently applied. Such expenses are allocated using one overall method. Professional services from NAM consist of various expenses, as detailed on the supplemental schedules included with the financial statements. Within professional services, salaries and employee benefits are allocated on the basis of estimates of time and effort; occupancy is allocated on a square footage basis.

#### NOTE 9 – JOINT COSTS OF EVENT

During 2021, the Foundation held an event to celebrate the 200<sup>th</sup> anniversary of NAM, to honor medical personnel, and to request partnerships with medical providers to participate in the PAN program. The Foundation incurred joint costs of \$92,222 for informational materials and activities that included fundraising appeals. The Foundation allocated \$78,442 to program services and \$13,780 to fundraising expenses.

#### NOTE 10 – COMMITMENTS AND CONTINGENCIES

Grant expenditures are subject to review and audit by the grantors in the normal course of operations. Any reviews and audits could result in disallowance of expenditures, and therefore, a return of grant funds to the grantor. Management believes that no unallowable expenditures have been incurred under any of its grants. Accordingly, no provision has been made for any potential return of funds to any of its grantors.



## **MEDICAL FOUNDATION OF NASHVILLE**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020**

#### **NOTE 11 – PAYCHECK PROTECTION PROGRAM**

In May 2020, the Foundation received loan proceeds in the amount of \$36,074 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Foundation has used the proceeds for purposes consistent with the PPP. The Foundation intends to file an application for forgiveness with its financial institution and expects all funds to be forgiven.

The Foundation has recorded these funds as a conditional contribution. In accordance with ASC 958-605, conditional contributions are recognized as the conditions are met. Accordingly, the Foundation recognized \$36,074 during 2020 in the accompanying Statement of Activities.

#### **NOTE 12 – RISKS AND UNCERTAINTIES**

In December 2019, COVID-19 emerged and subsequently spread worldwide. The World Health Organization declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. In an effort to mitigate the spread of COVID-19, the mayor of Nashville announced a "Safer at Home Order", and effective March 2020 employees began working remotely where possible. The Foundation has taken several steps to maintain financial liquidity and flexibility, including, reviewing operating expenses and reducing capital expenditures. As the COVID-19 pandemic is complex and rapidly evolving, the Foundation's plans as described above may change. At this point, management cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on the Foundation's business, results of operations, financial position and cash flows.

## **ADDITIONAL INFORMATION**

**MEDICAL FOUNDATION OF NASHVILLE****SUPPLEMENTAL SCHEDULE OF PROFESSIONAL SERVICES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
Salaries and benefits	\$ 489,456	\$ 25,177	\$ 41,075	\$ 555,708
Occupancy	49,002	2,816	4,506	56,324
Accounting and financial	-	-	18,527	18,527
Computer related	13,649	1,160	1,027	15,836
Office expense	11,201	-	439	11,640
Dues	118	-	118	236
Insurance	-	-	1,439	1,439
Project Access Nashville				
Program expense	7,939	-	-	7,939
Educational program expense	696	-	-	696
Professional development	959	-	-	959
Postage	6,134	-	-	6,134
Taxes and licenses	-	-	-	-
Telephone	6,244	-	260	6,504
Travel and meetings	1,831	-	810	2,641
Total expenses	<u>\$ 587,229</u>	<u>\$ 29,153</u>	<u>\$ 68,201</u>	<u>\$ 684,583</u>

**The accompanying notes are an integral part of the financial statements.**

**MEDICAL FOUNDATION OF NASHVILLE****SUPPLEMENTAL SCHEDULE OF PROFESSIONAL SERVICES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
Salaries and benefits	\$ 269,970	\$ 18,198	\$ 33,742	\$ 321,910
Occupancy	40,796	2,345	3,751	46,892
Accounting and financial	-	-	19,788	19,788
Computer related	10,268	703	694	11,665
Office expense	6,939	-	300	7,239
Dues	698	-	143	841
Insurance	-	-	1,187	1,187
Miscellaneous	864	-	1,761	2,625
Project Access Nashville				-
Program expense	2,794	-	-	2,794
Educational program expense	287	-	-	287
Professional development	1,069	-	-	1,069
Postage	2,585	-	-	2,585
Taxes and licenses	-	-	241	241
Telephone	3,053	-	127	3,180
Travel and meetings	1,842	-	845	2,687
Total expenses	<u>\$ 341,165</u>	<u>\$ 21,246</u>	<u>\$ 62,579</u>	<u>\$ 424,990</u>

**The accompanying notes are an integral part of the financial statements.**