

APPENDIX C

Mascoma Audited Financial Statements FY 22

MASCOMA COMMUNITY HEALTHCARE, INC.

FINANCIAL STATEMENTS

MARCH 31, 2022

with

INDEPENDENT AUDITORS' REPORT

MASCOMA COMMUNITY HEALTHCARE, INC

TABLE OF CONTENTS

FOR THE YEAR ENDED MARCH 31, 2022

	<u>PAGES</u>
Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14



Schiffman, Dattilio & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mascoma Community Healthcare, Inc.

Opinion

We have audited the accompanying financial statements of Mascoma Community Healthcare, Inc. (a New Hampshire nonprofit organization), which comprise the statement of financial position as of March 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mascoma Community Healthcare, Inc. as of March 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mascoma Community Healthcare, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Company has suffered losses from operations and has a net capital deficiency. Management's plans to mitigate those matters are described in Note 8. Our opinion is not modified with respect to that matter.

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 Mascoma Community Healthcare, Inc.'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 Responsibilities for the Audit of the Financial Statements

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

Schiffman, Dattilio & Company, P.C.

Lebanon, New Hampshire
March 24, 2023

MASCOMA COMMUNITY HEALTHCARE, INC

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$	19,593
Restricted cash		50,000
Patient accounts receivable		348,480
Total current assets		<u>418,073</u>

Property and equipment:

Land		466,918
Buildings and improvements		2,538,775
Furniture, fixtures and equipment		448,464
		<u>3,454,157</u>
Less: accumulated depreciation		<u>(769,069)</u>
Total property and equipment		<u>2,685,088</u>

Total assets \$ 3,103,161

LIABILITIES AND NET ASSETS

Current liabilities:

Line of credit	\$	296,221
Accounts payable		125,892
Accrued payroll and payroll taxes		110,999
Deferred revenue		19,411
Notes payable		299,575
Notes payable, related party		12,000
Long-term debt, current portion		174,936
Total current liabilities		<u>1,039,034</u>

Long-term liabilities:

Long-term debt		<u>3,369,836</u>
Total long-term liabilities		<u>3,369,836</u>

Net assets:

Without donor restrictions		<u>(1,305,709)</u>
Total net assets		<u>(1,305,709)</u>

Total liabilities and net assets \$ 3,103,161

See independent auditors' report and notes to financial statements

MASCOMA COMMUNITY HEALTHCARE, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and support:			
Contributed income - ordinary:			
Contributions and grants	\$ 231,741	\$ -	\$ 231,741
Government grants	218,976	-	218,976
Corporate support	<u>27,417</u>	<u>-</u>	<u>27,417</u>
Total contributed income - ordinary	478,134	-	478,134
Earned income:			
Patient service fee revenue	<u>856,603</u>	<u>-</u>	<u>856,603</u>
Total earned income	856,603	-	856,603
Interest income	191	-	191
Other income	<u>91</u>	<u>-</u>	<u>91</u>
Total revenues and support	<u>1,335,019</u>	<u>-</u>	<u>1,335,019</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:			
Program	1,760,749	-	1,760,749
Management and general	140,647	-	140,647
Fundraising	<u>15,865</u>	<u>-</u>	<u>15,865</u>
Total expenses	<u>1,917,261</u>	<u>-</u>	<u>1,917,261</u>
Change in net assets	(582,242)	-	(582,242)
Net assets, beginning of year	<u>(723,467)</u>	<u>-</u>	<u>(723,467)</u>
Net assets, end of year	<u>\$ (1,305,709)</u>	<u>\$ -</u>	<u>\$ (1,305,709)</u>

See independent auditors' report and notes to financial statements

MASCOMA COMMUNITY HEALTHCARE, INC
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2022

	Program	Management and General	Fundraising	Totals
Salaries and wages	\$ 1,027,323	\$ 97,265	\$ 10,807	\$ 1,135,395
Depreciation	152,497	6,421	1,605	160,523
Insurance	124,846	5,257	1,314	131,417
Supplies	116,926	-	-	116,926
Interest expense	99,660	4,196	1,049	104,905
Payroll taxes	76,061	8,001	-	84,062
Contracted services	65,443	-	-	65,443
Facility maintenance and utilities	51,714	2,178	544	54,436
Bank and processing fees	26,444	1,392	-	27,836
Office expense	8,349	6,593	117	15,059
Professional fees	5,626	9,038	-	14,664
Equipment	5,128	-	-	5,128
Travel and entertainment	501	306	-	807
Advertising	73	-	429	502
Other expenses	158	-	-	158
Total expenses	\$ 1,760,749	\$ 140,647	\$ 15,865	\$ 1,917,261

See independent auditors' report and notes to financial statements

MASCOMA COMMUNITY HEALTHCARE, INC

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

Cash flows from operating activities:	
Change in net assets	\$ (582,242)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	160,523
(Increase) decrease in the following assets:	
Patient accounts receivable	(27,183)
Increase (decrease) in the following liabilities:	
Accounts payable	30,413
Accrued payroll and payroll taxes	18,890
Deferred revenue	19,411
Net cash provided by (used in) operating activities	<u>(380,188)</u>
Cash flows from investing activities:	
Investment in property and equipment	<u>(14,500)</u>
Net cash used in investing activities	<u>(14,500)</u>
Cash flows from financing activities:	
Proceeds from notes payable	58,800
Forgiveness of notes payable, related parties	(47,000)
Proceeds from long-term debt	93,336
Net cash provided by financing activities	<u>105,136</u>
Net increase in cash and cash equivalents	(289,552)
Cash and cash equivalents, beginning of year	<u>359,145</u>
Cash and cash equivalents, end of year	<u>\$ 69,593</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	\$ 11,569

See independent auditors' report and notes to financial statements

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 1. Summary of significant accounting policies:

This summary of significant accounting policies of Mascoma Community Healthcare, Inc. (the Organization), is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of organization – The Organization is a nonprofit organization incorporated in the state of New Hampshire and was formed in 2014. The Organization provides medical and dental care services to build a strong healthy community. Its purpose is to provide the finest quality care to the residents in its medically-underserved geographic area, regardless of their ability to pay. The activities are primarily funded by contributions from individuals and private foundations, support from federal and local grants, and clinical revenues including Medicare and Medicaid.

Program services – The Organization's program services consist of the following:

- Medical – Medical care includes pediatrics, family practice and women's health services.
- Dental – Range of dental care.
- Education – Health education and community outreach.

Basis of presentation – The accompanying financial statements are prepared on the accrual basis of accounting and, accordingly, reflect significant receivables, payables, and other liabilities.

The Organization reports information regarding its financial position and activities, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or income is received, the amount is reported as unrestricted revenue.

Net assets are comprised of two groups as follows:

- Net assets without donor restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.
- Net assets with donor restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity. As of March 31, 2022 there are no net assets with donor restrictions.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 1. Summary of significant accounting policies (continued):

Cash and cash equivalents – Cash and cash equivalents include demand deposits and petty cash funds.

Patient accounts receivable – Patient accounts receivables, for which a third-party payor is responsible for paying, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual fee adjustments or discounts provided to third-party payors.

Patient accounts receivables due directly from the patients are carried at the original charge for the service provided, less contractual allowances, and less an estimated allowance for uncollectible receivables. Management determines the allowance for uncollectible accounts, fee adjustments, and discounts by identifying troubled accounts and by historical experience applied to an aging of accounts. Patient accounts receivables are written off as adjustments to service fee revenue when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of service fee revenue adjustment account when received. The Organization does not charge interest on past due accounts. The allowance for uncollectible accounts at March 31, 2022 was \$23,000.

Fair value of financial instruments – The carrying amounts of financial instruments including cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses approximate their fair values due to the short-term nature of such instruments.

Property and equipment – Property and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is calculated using the straight-line method based on the assets' estimated useful lives. The ranges of the estimated useful lives are as follows:

	<u>Years</u>
Buildings and improvements	5 - 40
Furniture, fixtures and equipment	5 - 10

Assets donated with explicit restrictions regarding their use, along with contributions of cash 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. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Costs of maintenance and repairs that do not improve or extend asset lives are charged to expense. Additions and betterments in excess of \$2,000 are capitalized. Depreciation expense was \$160,523 for the year ended March 31, 2022.

Deferred Revenue – The Organization offers a Small Business Healthcare Program to small businesses operating in the surrounding communities. This program allows businesses to prepay for health care for its employees. The Organization defers recognition of this revenue for healthcare until used. Deferred revenue as of March 31, 2022 is \$19,411.

Recognition of support and revenues – Grants are recognized as revenue when earned. Expense-driven grants are recognized as revenue when the qualifying expenses have been incurred and all other grant requirements have been met. Grant funds received prior to the incurrence of the qualifying expenses are deferred.

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 1. Summary of significant accounting policies (continued):

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations as net assets released from restrictions.

Grant revenues are recognized in the period in which they are expended for cost reimbursement agreements. Amounts received under these grants that have not yet been expended are recorded as deferred revenue. Grants advanced and not expended by the end of the grant or contract period are refundable to the grantor. Certain organizations involved in exchange transactions may specify monies be used in a specific future period and, as such, they are initially recorded as deferred revenue, and are then recognized in the period for which they were designated.

Net patient service revenue – The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates per encounter, reimbursed costs, case rates, discounted charges, per diem payments, and enhancements. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors as final settlements are determined. Total adjustments and fees discounts to patient and third-party payors were approximately \$585,400 for the year ended March 31, 2022.

The Organization also has contractual arrangements with Medicare, Medicaid and commercial insurance carriers, the terms of which call for the Organization to be paid for covered services at negotiated rates.

Provisions have been made in the financial statements for estimated contractual adjustments, which represent the difference between the charges for service and estimated payments.

For uninsured patients who do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided. A portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided. The Organization also records a provision for doubtful accounts related to third-party payors for services provided.

Contributions and promises to give – Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated services and materials – A number of unpaid volunteers have made contributions of their time to develop the Organization's programs. The value of this time is not reflected in these financial statements since it does not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Donated supplies, equipment and services are reflected as contributions in the accompanying financial statements at their estimated fair market values.

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 1. Summary of significant accounting policies (continued):

Charity Care - The Organization is a nonprofit health care provider established to meet the health care needs of its community. The Organization has a policy of providing care to uninsured patients who meet certain criteria under its policy at amounts less than its established rates, or without charge. If the free care exception does not apply patients are requested to pay a minimum fee for each visit, although no patient is denied services because of inability to pay.

Advertising – All advertising costs are expensed as incurred. Advertising costs were \$502 for the year ended March 31, 2022.

Income taxes – The Organization has received a determination letter granting exemption from federal income tax, under Section 501(c)(3) of the Internal Revenue Code. This code section enables the Organization to accept donations, which qualify as charitable contributions to the donor. As such, no provisions for income taxes have been made in these financial statements. The Organization is also exempt from state business taxes.

Accounting for uncertainty in income tax items – The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows.

Functional allocation of expenses – The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 2. Line of credit:

The Organization has a line of credit with Bar Harbor Bank & Trust with a borrowing limit of \$300,000 as of March 31, 2022 with a maturity date of December 2022. The interest rate is 7.25 % at March 31, 2022 and is due monthly. At March 31, 2022 the balance outstanding was \$296,221. Loan collateral consists of \$50,000 held in a savings account and shown as restricted cash on the statement of financial position. The Organization's patient accounts receivable are first priority collateral on this line of credit.

Note 3. Notes payable:

The Organization entered into various notes payable with three individuals. These notes are noninterest bearing and are due on demand. The outstanding balance on these notes at March 31, 2022 was \$249,575.

The Organization obtained a note payable with the New Hampshire Charitable Foundation for \$50,000, bearing no interest. This note was to provide the Organization with the security deposit for the line of credit (see Note 2). While this is being held in a separate savings account as collateral there are no terms of repayment.

Note 4. Notes payable, related party:

The Organization entered into various notes payable with two board members. These notes are noninterest bearing and are due on demand. \$47,000 of this was forgiven in the form of a charitable contribution during the fiscal year. Outstanding balance on these notes at March 31, 2022 was \$12,000 to only one board member.

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 5. Long-term debt:

Long-term debt consisted of the following at March 31, 2022:

USDA building loan, maturing August 2056, 2.75% fixed interest rate, loan payments currently in deferral, regular payments of \$11,367 including interest to commence August 2022. \$2,994,259

USDA equipment loan, maturing August 2026, 2.75% fixed interest rate, loan payments currently in deferral, regular payments of \$9,821 including interest to commence August 2022. 450,513

CDFA loan, 2.75% fixed interest rate, payment to commence April 2021 with interest only for 6 months, then payments of \$1,786 including principal and interest for 12 months, balance due at maturity of August 2022. 100,000

Less current portion: 3,544,772
174,936

\$ 3,369,836

Principal maturities of long-term debt are as follows:

2023	\$ 174,936
2024	163,638
2025	168,195
2026	172,879
2027	108,421
Thereafter	<u>2,756,703</u>
	<u>\$ 3,544,772</u>

Note 6. Commitments and contingencies:

Cash risk – The Organization maintains cash in certain financial institutions for which the balances exceeded federally insured limits during the year. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 6. Commitments and contingencies (continued):

Risk management – The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. This coverage has not changed significantly from the previous year. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Regulatory environment including fraud and abuse matters – 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, and reimbursement for fee for services and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with imposition of significant fines and penalties, as well as significant repayments for fee for services previously billed. Management believes that the Organization is in compliance with fraud and abuse and other applicable government laws and regulations. While no regulatory inquiries that are expected to have a material adverse effect on the Organization have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Medical malpractice insurance coverage and claims – The Organization is involved in litigation arising in the ordinary course of business. The Organization is insured for malpractice under a claims-made policy. This type of policy covers malpractice claims which are reported to the insurance carrier during the policy term. Based on management's evaluation of malpractice claims, a reserve was deemed unnecessary for the year ended March 31, 2022.

Concentrations - The Organization grants credit without collateral to its patients, most of whom are local residents of the community and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows at March 31:

Medicare and Medicaid	22%
Other third-party payors	55%
Self-pay	23%
	<hr/>
	100%

COVID-19 pandemic – In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may have continuing impacts on various parts of its operations and financial results including, but not limited to, additional costs for emergency preparedness, disease control and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 7. Liquidity and availability of resources:

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of that date.

Cash and cash equivalents	\$ 19,593
Restricted cash	50,000
Patient accounts receivable	<u>348,480</u>
Total financial assets	<u>418,073</u>
Less amounts not available to be used within one year:	
Cash restricted to specific uses	<u>50,000</u>
Total amounts not available to be used within one year	<u>50,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 368,073</u>

The Organization is substantially supported by contributions and patient service fee revenue. Because a donor's restriction on contributions requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, certain financial assets may not be available for general expenditures within one year. As part of the Organization'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.

Note 8. Management's Plans:

The Organization commenced operations during the fiscal year ended March 31, 2018. Since that time the Organization has incurred losses from operations and has a net asset deficiency. Management has taken the following actions to mitigate further losses:

- In 2022 board members and former board members provided additional short-term noninterest bearing loans for operations.
- In March of 2022 the Organization changed its billing services to a more appropriate contractor which will increase patient service fee revenue moving forward.
- Throughout the fiscal year ending March 31, 2023 the Organization received additional donations to pay down over due accounts payable, to begin making the required monthly debt payments again, and cover the operations deficit that patient service fee revenue does not.
- Board members continue to donate significant time to help with managerial duties.
- The Organization refinanced all USDA loans in July 2022 to begin making monthly payments again as of August 2022. Original terms that changed due to the deferral period included adding accrued interest to the balance due and increasing monthly payments as shown in Note 5.
- The Organization requested a forgiveness of its \$100,000 loan due to the CDFA, which was obtained to ensure operations continued during COVID.
- The Organization is in the process of obtaining approval for a collaboration with another 501(c)(3) community health center which is a Federally Qualified Health Center Look-Alike. This would create a large increase in Medicare and Medicaid revenue, significant increase in federal grant money and allow additional programs to be offered. The goal is for the collaboration to occur before the end of the 2023 calendar year.

MASCOMA COMMUNITY HEALTHCARE, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

Note 9. Subsequent events:

Management has evaluated events and transactions for potential recognition or disclosure through March 24, 2023, the date the financial statements were available to be issued.

Dental care was temporarily suspended as of August 2023 due to dentist leaving the area and a lack of new candidates to hire. It is expected with management's plans that the dental practice will be able to reopen in 2023 or 2024.

The line of credit with Bar Harbor has been extended to December 2023.