

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan NEWARK COMMUNITY HEALTH CENTERS, INC. RETIREMENT PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/2001
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NEWARK COMMUNITY HEALTH CENTERS, INC. 741 BROADWAY NEWARK, NJ 07104-4309
2b	Employer Identification Number (EIN) 22-2747589
2c	Plan Sponsor's telephone number 973-675-1900
2d	Business code (see instructions) 621498

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2024	CHARLES ELUWA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 302
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 208 6a(2) 202 6b 4 6c 89 6d 295 6e 0 6f 295 6g(1) 283 6g(2) 294 6h 58
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4)** ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5)** ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ **A** (Insurance Information) – Number Attached 1
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan NEWARK COMMUNITY HEALTH CENTERS, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 NEWARK COMMUNITY HEALTH CENTERS, INC.	D Employer Identification Number (EIN) 22-2747589	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	331156-01	10	01/01/2023	12/31/2023

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	353151
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier**6b****c** Premiums due but unpaid at the end of the year.....**6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.**6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
 (3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year**7b**

317317

c Additions: (1) Contributions deposited during the year**7c(1)**

25174

(2) Dividends and credits

7c(2)

0

(3) Interest credited during the year

7c(3)

4091

(4) Transferred from separate account.....

7c(4)

0

(5) Other (specify below)

7c(5)

8265

▶ **LOAN PAYMENTS**

(6) Total additions.....

7c(6)

37530

d Total of balance and additions (add lines **7b** and **7c(6)**)**7d**

354847

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year

7e(1)

0

(2) Administration charge made by carrier

7e(2)

85

(3) Transferred to separate account.....

7e(3)

1611

(4) Other (specify below)

7e(4)

(5) Total deductions.....

7e(5)

1696

f Balance at the end of the current year (subtract line **7e(5)** from line **7d**)**7f**

353151

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A?..... ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan NEWARK COMMUNITY HEALTH CENTERS, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 NEWARK COMMUNITY HEALTH CENTERS, INC.	D Employer Identification Number (EIN) 22-2747589

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

No

Yes

☒
- b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLS FARGO ADVISORS FIN NETWORK

1NORTH JEFFERSON AVE
ST LOUIS, MO 63103

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	26698	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

EMPOWER ANNUITY INSURANCE COMPANY

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	15637	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection
For calendar plan year 2023 or fiscal plan year beginning <u>01/01/2023</u> and ending <u>12/31/2023</u>		
A Name of plan <u>NEWARK COMMUNITY HEALTH CENTERS, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NEWARK COMMUNITY HEALTH CENTERS, INC.</u>	D Employer Identification Number (EIN) <u>22-2747589</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	227034	309209
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	6864036	8424052
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	317317	353151
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	7408387	9086412
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	7408387	9086412

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	412550	
(B) Participants	2a(1)(B)	686234	
(C) Others (including rollovers)	2a(1)(C)	17207	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1115991
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	15969	
(F) Other	2b(1)(F)	4091	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		20060
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	249702	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		249702
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		933852
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		2319605

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	597645	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		597645
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		1600
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Recordkeeping fees.....	2i(3)	15637	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	26698	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		42335
j Total expenses. Add all expense amounts in column (b) and enter total	2j		641580

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1678025
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **COHNREZNICK LLP**

(2) EIN: **22-1478099**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan NEWARK COMMUNITY HEALTH CENTERS, INC. RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 NEWARK COMMUNITY HEALTH CENTERS, INC.		D Employer Identification Number (EIN) 22-2747589
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 20-3691708		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2023 v. 230707		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation. _____

Part VII	IRS Compliance Questions
-----------------	---------------------------------

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☒ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 11 / 14 / 2022 (MM/DD/YYYY) and the Opinion Letter serial number Q702518A.

Newark Community Health Centers, Inc.

**Financial Statements,
Schedule of Expenditures of Federal and
State Awards, Internal Control and Compliance
(With Supplementary Information)
and Independent Auditor's Reports**

December 31, 2023 and 2022

Newark Community Health Centers, Inc.

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Independent Auditor's Report

To the Board of Directors
Newark Community Health Centers, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Newark Community Health Centers, Inc. ("NCHC"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NCHC as of December 31, 2023 and 2022, 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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NCHC 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 NCHC'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, 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 GAAS and *Government Auditing Standards*, we:

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and State of New Jersey, Department of Treasury, Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of disbursements by grant included in the accompanying financial statements on pages 31 to 33 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024, on our consideration of NCHC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NCHC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NCHC's internal control over financial reporting and compliance.



New York, New York
June 21, 2024

Newark Community Health Centers, Inc.

**Statements of Financial Position
December 31, 2023 and 2022**

Assets

	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 16,347,960	\$ 15,134,287
Patient services receivable	3,247,277	3,343,563
340B pharmacy program receivable, net	413,598	592,037
Contracts and other grants receivable	552,393	700,498
Prepaid expenses and other current assets	<u>65,360</u>	<u>65,433</u>
Total current assets	<u>20,626,588</u>	<u>19,835,818</u>
Property and equipment, net	10,989,809	11,418,241
Operating lease assets	10,805,773	13,216,441
Security deposits	<u>111,405</u>	<u>89,605</u>
Total noncurrent assets	<u>21,906,987</u>	<u>24,724,287</u>
Total assets	<u><u>\$ 42,533,575</u></u>	<u><u>\$ 44,560,105</u></u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 713,136	\$ 848,139
Accrued payroll and employee benefits	1,380,447	1,247,846
Current maturities of operating lease liabilities	2,694,495	2,684,569
Current maturities of long-term debt	<u>235,210</u>	<u>224,718</u>
Total current liabilities	<u>5,023,288</u>	<u>5,005,272</u>
Noncurrent liabilities		
Operating lease liabilities, net of current maturities	8,511,607	11,034,172
Long-term debt, less current maturities	<u>3,990,873</u>	<u>4,226,083</u>
Total noncurrent liabilities	<u>12,502,480</u>	<u>15,260,255</u>
Total liabilities	<u>17,525,768</u>	<u>20,265,527</u>
Commitments and contingencies		
Net assets		
Without donor restrictions	<u>25,007,807</u>	<u>24,294,578</u>
Total net assets without donor restrictions	<u>25,007,807</u>	<u>24,294,578</u>
Total liabilities and net assets	<u><u>\$ 42,533,575</u></u>	<u><u>\$ 44,560,105</u></u>

See Notes to Financial Statements.

Newark Community Health Centers, Inc.

**Statements of Activities and Changes in Net Assets
Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenue without donor restrictions		
Patient services (net of contractual allowances and discounts)	\$ 19,929,133	\$ 18,447,110
DHHS grants	10,042,049	12,700,084
Contracts and other grants	965,146	1,079,345
In-kind contributions	3,298,633	2,504,663
340B pharmacy program	4,757,868	3,872,876
Other	<u>907,345</u>	<u>1,123,284</u>
Total revenue without donor restrictions	<u>39,900,174</u>	<u>39,727,362</u>
Expenses		
Salaries and related benefits	23,615,106	21,832,978
Other than personnel services	14,700,414	13,206,095
Depreciation and amortization	734,870	762,509
Interest	<u>222,831</u>	<u>187,829</u>
Total expenses	<u>39,273,221</u>	<u>35,989,411</u>
Income from operations	626,953	3,737,951
Nonoperating revenue		
DHHS capital grants	<u>86,276</u>	<u>117,783</u>
Changes in net assets	713,229	3,855,734
Net assets, beginning	<u>24,294,578</u>	<u>20,438,844</u>
Net assets, end	<u><u>\$ 25,007,807</u></u>	<u><u>\$ 24,294,578</u></u>

See Notes to Financial Statements.

Newark Community Health Centers, Inc.

**Statement of Functional Expenses
Year Ended December 31, 2023**

	Program services	General and administrative	Total
Salaries and wages	\$ 16,019,772	\$ 3,281,158	\$ 19,300,930
Fringe benefits	3,580,766	733,410	4,314,176
Insurance	186,866	62,288	249,154
Professional fees	922,915	1,593,767	2,516,682
Medical supplies and lab costs	1,414,958	-	1,414,958
Pharmaceuticals	3,564,965	-	3,564,965
Donated vaccines and supplies	3,154,133	-	3,154,133
Equipment rental and maintenance	402,134	82,365	484,499
Occupancy	936,903	312,301	1,249,204
Printing, postage and publications	16,228	3,324	19,552
Public information	6,900	1,413	8,313
Dues and subscriptions	35,143	7,198	42,341
Travel, conferences and meetings	152,849	31,307	184,156
Staff education	25,708	5,265	30,973
Telephone	803,794	164,632	968,426
Interest	184,950	37,881	222,831
Other	414,755	84,950	499,705
Bad debt	313,353	-	313,353
Depreciation and amortization	551,152	183,718	734,870
	<u>\$ 32,688,244</u>	<u>\$ 6,584,977</u>	<u>\$ 39,273,221</u>
Total functional expenses	<u>\$ 32,688,244</u>	<u>\$ 6,584,977</u>	<u>\$ 39,273,221</u>

See Notes to Financial Statements.

Newark Community Health Centers, Inc.

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

	Program services	General and administrative	Total
Salaries and wages	\$ 14,458,387	\$ 3,391,473	\$ 17,849,860
Fringe benefits	3,226,326	756,792	3,983,118
Insurance	208,484	69,495	277,979
Professional fees	1,193,731	1,121,047	2,314,778
Medical supplies and lab costs	1,446,026	-	1,446,026
Pharmaceuticals	2,551,058	-	2,551,058
Donated vaccines and supplies	2,368,663	-	2,368,663
Equipment rental and maintenance	504,325	118,298	622,623
Occupancy	1,311,070	437,024	1,748,094
Printing, postage and publications	26,586	6,236	32,822
Public information	1,958	459	2,417
Dues and subscriptions	53,449	12,537	65,986
Travel, conferences and meetings	106,411	24,960	131,371
Staff education	23,911	5,609	29,520
Telephone	590,301	138,466	728,767
Interest	152,141	35,688	187,829
Other	519,153	121,777	640,930
Bad debt	245,061	-	245,061
Depreciation and amortization	571,882	190,627	762,509
	<u>\$ 29,558,923</u>	<u>\$ 6,430,488</u>	<u>\$ 35,989,411</u>
Total functional expenses	<u>\$ 29,558,923</u>	<u>\$ 6,430,488</u>	<u>\$ 35,989,411</u>

See Notes to Financial Statements.

Newark Community Health Centers, Inc.

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Cash received from patient services and pharmacy program	\$ 24,961,726	\$ 22,414,903
Cash received from contracts and other grants	11,155,300	13,216,116
Cash received from other	4,205,978	1,123,284
Cash paid to employees	(23,482,505)	(21,743,668)
Cash paid to vendors	(14,959,115)	(10,150,737)
Interest paid	<u>(222,831)</u>	<u>(187,829)</u>
Net cash provided by operating activities	<u>1,658,553</u>	<u>4,672,069</u>
Cash flows from investing activity - purchase of property and equipment	<u>(306,438)</u>	<u>(369,719)</u>
Cash flows from financing activities		
Proceeds from nonoperating capital grants	86,276	117,783
Repayment of long-term debt	<u>(224,718)</u>	<u>(196,208)</u>
Net cash used in financing activities	<u>(138,442)</u>	<u>(78,425)</u>
Net increase in cash and cash equivalents	1,213,673	4,223,925
Cash and cash equivalents, beginning	<u>15,134,287</u>	<u>10,910,362</u>
Cash and cash equivalents, end	<u><u>\$ 16,347,960</u></u>	<u><u>\$ 15,134,287</u></u>

Newark Community Health Centers, Inc.

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of changes in net assets to net cash provided by operating activities		
Changes in net assets	\$ 713,229	\$ 3,855,734
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Nonoperating capital grants	(86,276)	(117,783)
Depreciation and amortization	734,870	762,509
Deferred rent	-	(124,948)
Operating lease assets	2,410,668	(13,216,441)
Changes in operating assets and liabilities		
Patient services receivable	96,286	218,702
340B pharmacy program receivable, net	178,439	(123,785)
Contracts and other grants receivable	148,105	(563,313)
Prepaid expenses and other current assets	73	1,182
Security deposit	(21,800)	(14,893)
Accounts payable and accrued expenses	(135,003)	187,054
Accrued payroll and employee benefits	132,601	89,310
Operating lease liabilities	<u>(2,512,639)</u>	<u>13,718,741</u>
Net cash provided by operating activities	<u>\$ 1,658,553</u>	<u>\$ 4,672,069</u>
Supplemental cash flow information		
Right-of-use assets obtained in exchange for operating lease liabilities	<u>\$ -</u>	<u>\$ 13,216,441</u>

See Notes to Financial Statements.

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

Note 1 - Organization and summary of significant accounting policies

Organization

Newark Community Health Centers, Inc. ("NCHC") operates healthcare centers in Essex County, New Jersey. NCHC provides a broad range of health services to a largely medically underserved population.

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

Basis of presentation

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

Adoption of new accounting pronouncement

On January 1, 2023, NCHC adopted Accounting Standards Update No. 2022-02, *Credit Losses* (Topic 326), and its related amendments using the prospective method. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, NCHC will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with Topic 326, NCHC evaluates certain criteria, including aging and historical write-offs, current economic condition of specific payors and future economic conditions to determine the appropriate allowance for credit losses. The impact of the adoption of Topic 326 to NCHC's opening balance of net assets without donor restrictions was not material.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

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.

Classification of net assets

NCHC reports information regarding its financial position and activities according to the following two categories:

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NCHC. These net assets may be used at the discretion of NCHC's management and the board of directors.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NCHC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. There are no net assets with donor restrictions at December 31, 2023 and 2022.

Cash and cash equivalents

All highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

NCHC maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. NCHC has not experienced any losses in such accounts. NCHC's bank deposits exceeded Federal Deposit Insurance Corporation limits at various times during the years ended December 31, 2023 and 2022.

Grants and contracts receivable

Grants and contracts receivable consist of costs under the grant and contract agreements which were incurred prior to year-end for which payment has not been received. Grants and contracts receivable credit risk is limited due to the nature of the grants and contracts. NCHC regularly monitors its grants and contracts receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. NCHC considers all grants and contracts as collectible.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. Leasehold improvements are amortized over the shorter of the useful life of the asset or the lease term. Expenditures over \$1,000 are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are included in changes in net assets.

According to federal regulations, any property and equipment obtained through federal funds are subject to a lien by the federal government. Provided that NCHC maintains its tax-exempt status and the property and equipment are used for their intended purpose, NCHC is not required to reimburse the federal government. If the stated requirements are not met, NCHC would be obligated to the federal government in an amount equal to the fair value of the property and equipment.

Impairment of long-lived assets

NCHC reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, NCHC compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. NCHC does not believe that any material impairment currently exists related to its long-lived assets.

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

Pharmacy receivable and revenue

In April 2014, NCHC began participating in Section 340B of the Public Health Service Act ("PHS Act"), *Limitation on Prices of Drugs Purchased by Covered Entities*. Participation in this program allows NCHC to purchase pharmaceuticals at discounted rates for prescriptions to eligible patients. Pharmacy revenue is generated through its agreements with third parties. Under this program, NCHC uses third parties as its agent for the purpose of operating and managing the pharmacy and providing pharmacy services.

Revenue for performance obligations satisfied at a point in time is generally recognized when the prescriptions are provided to NCHC's pharmacy patients and NCHC does not believe it is required to provide additional goods or services related to that sale. NCHC recognized pharmacy revenue of \$4,757,868 and \$3,872,876 for the years ended December 31, 2023 and 2022, respectively, and pharmacy receivable of \$413,598 and \$592,037 as of December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, NCHC recognized an allowance for credit loss of \$78,391 and \$0, respectively. The pharmacy receivable at January 1, 2022 was \$468,252.

Because all of its performance obligations relate to pharmacy sales contracts with a duration of less than one year, NCHC has elected to apply the optional exemption and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. NCHC's performance obligations in relation to pharmacy revenue consist primarily of pharmacy sales that occur as the patient purchases the drugs; thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

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

Net patient services revenue and receivables

Patient care service revenue is reported at the amount that reflects the consideration to which NCHC expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, NCHC bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

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

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

Because all of its performance obligations relate to contracts with a duration of less than one year, NCHC has elected to apply the optional exemption and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. NCHC's performance obligations consist primarily of outpatient services that occur within one day of a patient's visit; thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

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

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicaid - Reimbursements for Medicaid services are generally paid at prospectively determined rates per visit or per covered member.

Medicare - Outpatient services are paid using prospectively determined rates.

Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per visit, discounts from established charges, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge NCHC's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have on NCHC. In addition, the contracts NCHC has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and NCHC's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in 2023.

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. NCHC also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. NCHC estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended December 31, 2023 and 2022, there was no additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years.

Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with NCHC's mission, care is provided to patients regardless of their ability to pay. Therefore, NCHC has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts NCHC expects to collect based on its collection history with those patients.

NCHC is open to all patients, regardless of their ability to pay. In the ordinary course of business, NCHC renders services to patients who are financially unable to pay for healthcare. NCHC provides care to these patients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than the established rates. Charity care services are computed using a sliding fee scale based on patient income and family size.

NCHC maintains records to identify and monitor the level of sliding fee discount it provides. For uninsured self-pay patients that do not qualify for charity care, NCHC recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy. On the basis of historical experience, a significant portion of NCHC's uninsured patients will be unable or unwilling to pay for the services provided. Thus, NCHC records an explicit concession to uninsured patients in the period the services are provided based on historical experience.

Community benefit represents the cost of services for Medicaid, Medicare, and other public patients for which NCHC is not reimbursed.

Based on the cost of patient services, charity care and community benefit for the years ended December 31 amounted to the following:

	2023	2022
Charity care	\$ 3,700,000	\$ 4,700,000
Community benefits	\$ 2,911,000	\$ 2,961,000

Such amounts determined to qualify as charity care are not reported as revenue.

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

NCHC has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized.

NCHC has elected the practical expedient and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to NCHC's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, NCHC does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

NCHC has applied the practical expedient and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that NCHC otherwise would have recognized is one year or less in duration.

Grants and contracts revenue

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. When the resource provider receives commensurate value in return for the resources transferred to NCHC, the revenue from the grant or contract is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, NCHC deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. The execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider.

Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. Grants and contracts awarded for the acquisition of long-lived assets are reported as nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as refundable advances.

Grants and contract transactions where the resource provider does not receive commensurate value are accounted for as a contribution.

Contributions

Transactions where the resource provider often receives value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where NCHC has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if NCHC fails to overcome the barrier. NCHC recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

Contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

At December 31, 2023, NCHC has received grants and contracts from governmental entities, accounted for as either exchange transactions or conditional contributions, in the aggregate amount of approximately \$4,000,000 that have not been recorded in the accompanying financial statements. These grants and contracts require NCHC to complete certain performance obligations during specified periods. If such performance obligations are not provided during the specified periods, the governmental entities are not obligated to expend the funds allotted under the contracts.

In-kind contributions

In-kind contributions are recognized in the accompanying financial statements based on their fair values. See Note 11 for details.

Functional expenses

Expenses are charged to program services or general and administrative based on a combination of specific identification and allocation determined by management on an equitable basis. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort, square footage and full time equivalent.

Performance indicator

The statements of activities and changes in net assets include operating income prior to nonoperating revenue as the performance indicator. Changes in net assets which are excluded from the performance indicator, consistent with industry practice, include contracts services and other grants for capital additions. NCHC differentiates its operating activities through the use of income from operations as an intermediate measure of operations. For this purpose, the nonoperating revenue of contract services and other grants for capital additions is excluded from the income from operations in the statements of activities and changes in net assets.

Interest earned on federal funds

Interest earned on federal funds is recorded as a payable to the United States Public Health Service (the "PHS") in compliance with the regulations of the United States Office of Management and Budget.

Tax status

NCHC was incorporated as a not-for-profit corporation under the laws of the State of New Jersey and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, there is no provision for income taxes.

Management has analyzed the tax positions taken by NCHC and has concluded that, as of December 31, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Management continually evaluates expiring statutes of limitations, audits, proposed settlements,

Newark Community Health Centers, Inc.

**Notes to Financial Statements
December 31, 2023 and 2022**

changes in tax law and new authoritative rulings. NCHC's federal and state income tax returns prior to fiscal year 2020 are closed.

NCHC has filed all required payroll tax returns and payroll taxes due have been paid.

If applicable, NCHC will recognize interest and penalties associated with tax matters as operating expenses and include accrued interest and penalties with accrued expenses in the statements of financial position. There were no interest or penalties for the years ended December 31, 2023 and 2022.

Subsequent events

NCHC has evaluated subsequent events through June 21, 2024, which is the date the financial statements were available to be issued.

Note 2 - Net patient services revenue and patient services receivable

The composition of patient services revenue by primary payor for the years ended December 31 is as follows:

	2023	2022
Medicaid	\$ 2,597,301	\$ 1,598,484
Medicare	339,448	90,487
Medicaid managed care	13,512,053	12,978,778
Self-pay	939,603	867,834
Private insurance	1,226,244	1,205,488
New Jersey uncompensated care	1,314,484	1,706,039
Total	<u>\$ 19,929,133</u>	<u>\$ 18,447,110</u>

Revenue from patient deductibles and coinsurance is included in the preceding categories based on the primary payor.

Patient services receivable consist of amounts due from government programs, commercial insurance companies, other group insurance programs, and private pay patients. Patient services receivable consist of the following at December 31:

	2023	2022
Medicaid	\$ 573,490	\$ 478,591
Medicare	41,706	57,084
Medicaid managed care	2,334,980	2,449,598
Self-pay	5,156	5,647
Private insurance	77,511	82,139
New Jersey uncompensated care	214,434	270,504
Total	<u>\$ 3,247,277</u>	<u>\$ 3,343,563</u>

The patient services receivable at January 1, 2022 was \$3,562,265. NCHC's concentration of credit risk relating to patient services receivable primarily relates to uninsured patient accounts and

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

patient accounts for which the primary insurance payor has paid, but patient responsibility amounts remain outstanding. NCHC recognized \$189,021 and \$245,061 of patient receivable impairment or bad debt for the years ended December 31, 2023 and 2022, respectively, based on patient-specific impairment events.

Note 3 - Contracts and other grants receivable

Contracts and other grants receivable consist of the following at December 31:

	2023	2022
U.S. Department of Health and Human Services		
Healthy Start Initiative	\$ 32,533	\$ 32,533
Grants to Provide Outpatient Early Intervention		
Services with Respect to HIV Disease	-	1,803
Health Center Cluster	211,962	70,949
City of Newark Department of Health and Community		
Wellness	80,845	183,477
New Jersey Department of Banking and Insurance	-	56,293
State of New Jersey Department of Health	140,560	253,031
State of New Jersey Department of Human Services	86,493	102,412
Total	<u>\$ 552,393</u>	<u>\$ 700,498</u>

Grants and contracts receivable credit risk is limited due to the nature of the grants and contracts. NCHC regularly monitors its grants and contracts receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. NCHC estimates doubtful accounts based on historical bad debts, factors related to specific grantor's ability to pay and current economic trends. NCHC writes off grants and contracts receivable against the allowance when a balance is determined to be uncollectible. As of December 31, 2023 and 2022, there was no allowance for doubtful grants and contracts receivable.

Note 4 - Property and equipment

Property and equipment consist of the following at December 31:

	2023	2022
Buildings	\$ 16,832,907	\$ 16,773,082
Building and leasehold improvements	2,428,764	2,341,250
Vehicles	405,407	405,407
Furniture and fixtures	787,837	786,537
Equipment	3,451,868	3,294,071
Subtotal	23,906,783	23,600,347
Less accumulated depreciation and amortization	<u>(12,916,974)</u>	<u>(12,182,106)</u>
Total	<u>\$ 10,989,809</u>	<u>\$ 11,418,241</u>

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

In the event the DHHS grants are terminated, the DHHS reserves the right to transfer all property and equipment purchased with grant funds to the PHS or third parties.

Depreciation and amortization expense amounted to \$734,870 and \$762,509 in 2023 and 2022, respectively.

Note 5 - Leases

NCHC leases buildings and office equipment. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, NCHC recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. NCHC has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. NCHC remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

NCHC determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, NCHC uses rates on U.S. government securities for periods comparable with lease terms as risk-free rates, which are determined at either lease commencement or when a lease liability is remeasured.

For accounting purposes, NCHC's leases commence on the earlier of (i) the date upon which NCHC obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of NCHC leases coincides with the contractual effective date. NCHC's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of NCHC, and when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts.

Unless NCHC determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

NCHC includes variable rental payments based on a rate or an index such as the Consumer Price index ("CPI") in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving real estate

Leases of healthcare sites have lease terms that range from six to seven years, which terms have been incorporated into NCHC's measurement of the related right-of-use assets and lease liabilities. Although most of its real estate leases include one or more options to renew that can extend the contractual terms, those renewal options are exercisable solely at NCHC's discretion and have

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

been excluded from lease term measurements. Real estate leases generally require reimbursement of real estate taxes, common area maintenance, and insurance.

Rental payments on these leases typically provide for fixed minimum payments that increase over the lease term at predetermined amounts. Certain leases of real estate provide for rental increases based on the CPI, which are included in NCHC's measurement of lease payments based on the rate or index in effect at lease commencement and are therefore included in the measurement of the lease liabilities. One health site location has been sublet to third parties, but NCHC remains the primary obligor to the landlord under the original lease. NCHC's subleases are generally classified as operating leases.

Effective July 1, 2021, a portion of the leased space was subleased to an unaffiliated organization. This sublease terminates in June 2031. Rental income under the sublease was \$87,709 for 2023 and \$85,154 for 2022.

Leases involving equipment

Equipment leases have lease terms that generally range from less than one year to three years and generally do not have renewal options. Rental payments on these leases typically provide for fixed payments that increase over the lease term at predetermined amounts, are included in the measurement of lease payments, and are therefore included in the measurement of lease liabilities. Some of the NCHC's leases involving equipment have purchase options. When those options are reasonably certain of being exercised, NCHC will reflect such purchase options when measuring the lease term and lease payments for those leases.

The following provides information about NCHC's right-of-use assets and lease liabilities for its operating leases as of December 31, 2023 and 2022:

	Statements of Financial Position Classification	2023	2022
Right-of-use assets			
Operating leases	Operating lease assets	<u>\$ 10,805,773</u>	<u>\$ 13,216,441</u>
Lease liabilities			
Current			
Operating leases	Current maturities of operating lease liabilities	\$ 2,694,495	\$ 2,684,569
Noncurrent			
Operating leases	Operating lease liabilities, net of current maturities	<u>8,511,607</u>	<u>11,034,172</u>
Total lease liabilities		<u>\$ 11,206,102</u>	<u>\$ 13,718,741</u>

The components of NCHC's lease cost for the years ended December 31, 2023 and 2022 are as follows:

	Statements of Activities and Changes in Net Assets Classification	2023	2022
Operating lease cost, net			
Rent expense	Other than personnel services	<u>\$ 2,582,604</u>	<u>\$ 1,550,529</u>

Newark Community Health Centers, Inc.

**Notes to Financial Statements
December 31, 2023 and 2022**

Weighted average remaining lease term and weighted average discount rate for NCHC's leases as of December 31, 2023 are as follows:

<u>Year ended December 31, 2023</u>	<u>Operating leases</u>
Weighted average remaining term (in years)	4.5
Weighted average discount rate (1)	1.40%

(1) NCHC has elected to use the risk-free rate as the discount rate for all its leases.

Annual maturity analysis of NCHC's lease liabilities as of December 31, 2023 is as follows:

	2024	\$ 2,694,495
	2025	2,621,986
	2026	2,272,821
	2027	2,245,099
	2028	1,567,184
	Thereafter	<u>162,379</u>
Total lease payments		11,563,964
Less interest on lease liabilities		<u>(357,862)</u>
Present value of lease liabilities		11,206,102
Less current maturities of lease liabilities		<u>(2,694,495)</u>
Operating lease liabilities, net of current maturities		<u><u>\$ 8,511,607</u></u>

Newark Community Health Centers, Inc.

**Notes to Financial Statements
December 31, 2023 and 2022**

Note 6 - Long-term debt

Long-term debt consists of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Effective January 18, 2022, NCHC entered into a refinancing agreement with a financial institution holding its construction and term loans. NCHC received an amount of \$4,781,841. The loan is secured by NCHC's property at 741 Broadway, Newark, New Jersey, and is payable in 60 equal monthly installments of \$36,178 (including interest at 4.75% per annum) starting March 1, 2022, and a balloon payment of \$3,462,039 on February 1, 2027. At December 31, 2023, the property at 741 Broadway, Newark, New Jersey had a carrying value of \$12,193,536.	\$ 4,226,083	\$ 4,450,801
Less current maturities	<u>(235,210)</u>	<u>(224,718)</u>
Long-term portion	<u><u>\$ 3,990,873</u></u>	<u><u>\$ 4,226,083</u></u>

The future scheduled maturities of long-term debt are as follows:

2024	\$ 235,210
2025	247,364
2026	259,543
2027	<u>3,483,966</u>
Total	<u><u>\$ 4,226,083</u></u>

NCHC is required to comply with certain covenants under its long-term debt.

Newark Community Health Centers, Inc.

**Notes to Financial Statements
December 31, 2023 and 2022**

Note 7 - DHHS grants

For the years ended December 31, 2023 and 2022, NCHC recognized grant revenue from the DHHS as follows:

<u>Grant number</u>	<u>Grant period</u>	<u>Total grant</u>	<u>Revenue recognized</u>
<u>Operating grants</u>			
2 H80CS00062-21-05	02/01/22 - 01/31/23	\$ 5,678,253	\$ 897,330
6 H80CS00062-22-06	02/01/23 - 01/31/24	5,653,065	4,908,424
3 H8FCS40600-01-01	04/01/21 - 03/31/23	10,510,375	1,681,137
1 H8LCS51853-01-00	09/01/23 - 12/31/24	143,247	53,353
4 H8GCS48799-01-01	12/01/22 - 05/31/23	495,999	425,050
6 P06HA47295-01-01	09/01/22 - 08/31/23	150,000	148,197
6 H76HA00054-31-02	01/01/23 - 12/31/23	475,559	475,559
5 U1VMC46319-02-00	09/01/23 - 08/31/24	500,000	253,033
6 H49MC27814-10-01	04/01/23 - 03/31/24	1,159,121	778,457
3 H49MC27814-09-03	04/01/22 - 03/31/23	1,324,121	<u>421,509</u>
			10,042,049
<u>Capital grant</u>			
6 C8ECS44188-01-04	09/15/21 - 09/14/24	1,068,227	<u>86,276</u>
Total DHHS revenue 2023			<u><u>\$ 10,128,325</u></u>

Newark Community Health Centers, Inc.

**Notes to Financial Statements
December 31, 2023 and 2022**

<u>Grant number</u>	<u>Grant period</u>	<u>Total grant</u>	<u>Revenue recognized</u>
<u>Operating grants</u>			
6 H80CS00062-20-06	02/01/21 - 01/31/22	\$ 5,762,032	\$ 782,875
6 H80CS00062-21-05	02/01/22 - 01/31/23	5,678,253	4,780,923
3 H8FCS40600-01-01	04/01/21 - 03/31/23	10,510,375	5,347,613
4 H8GCS48799-01-01	12/01/22 - 05/31/23	495,999	70,949
6 H49MC27814-08-02	04/01/21 - 03/31/22	1,224,121	337,750
6 H49MC27814-09-03	04/01/22 - 03/31/23	1,324,121	902,612
6 H76HA00054-30-02	01/01/22 - 12/31/22	475,559	475,559
6 P06HA47295-01-01	09/01/22 - 08/31/23	150,000	1,803
			<u>12,700,084</u>
<u>Capital grant</u>			
6 C8ECS44188-01-04	09/15/21 - 09/14/24	1,068,227	<u>117,783</u>
Total DHHS revenue 2022			<u><u>\$ 12,817,867</u></u>

Note 8 - Contracts and other grants

For the years ended December 31, 2023 and 2022, contracts and other grants revenue consists of the following:

	<u>2023</u>	<u>2022</u>
City of Newark Department of Health and Community Wellness	\$ 293,587	\$ 374,882
Gilead Sciences, Inc.	20,000	-
The Burke Foundation, Inc	10,000	-
State of New Jersey Department of Human Services	310,604	279,642
State of New Jersey Department of Health	330,955	282,111
New Jersey Primary Care Association	-	14,600
New Jersey Department of Banking and Insurance	-	128,110
Total	<u><u>\$ 965,146</u></u>	<u><u>\$ 1,079,345</u></u>

Note 9 - Retirement plan

The Newark Community Health Centers, Inc. Employees' Retirement Plan (the "Plan") is a defined contribution plan established on January 1, 2001. It is available to substantially all employees of the NCHC who have attained 21 years of age and who have completed one year of eligible service with a minimum of 1,000 hours of service. Contributions may be invested in available investment funds elected by the employee. The Plan has met the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and is, therefore, subject to the provisions of ERISA. The Plan provides for benefit distributions to Plan participants or their beneficiaries upon the participant's

Newark Community Health Centers, Inc.

Notes to Financial Statements December 31, 2023 and 2022

retirement, termination of employment or death. Any participant may apply to borrow all or part of his or her vested account balance subject to criteria in the Plan set by Internal Revenue Service regulations and limits and the approval of the Plan administrator. Participants are fully vested after five years of service in the employer match but forfeit all the employer contributions and earnings thereon if the participant leaves with less than two years of service. Pension expense for 2023 and 2022 amounted to \$400,604 and \$350,249, respectively.

Note 10 - Commitments and contingencies

NCHC has contracted with various funding agencies to perform certain healthcare services and receives Medicaid and Medicare revenue from the state and federal governments. Reimbursements received under these contracts and payments under Medicaid and Medicare are subject to audit by the federal and state governments and other agencies. Upon audit, if discrepancies are discovered, NCHC may be required to refund the amounts in question.

NCHC maintains its medical malpractice coverage under the Federal Tort Claims Act ("FTCA"). FTCA provides malpractice coverage to eligible PHS-supported programs and applies to NCHC and its employees while providing services within the scope of employment included under grant-related activities. The Attorney General, through the U.S. Department of Justice, has the responsibility for the defense of the individual and/or grantee for malpractice cases approved for FTCA coverage.

The healthcare industry is subject to voluminous and complex laws and regulations of federal, state and local governments. 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. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws, and false claims prohibitions. In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursements, false claims, anti-kickback and anti-referral statutes and regulation by healthcare providers. NCHC believes that it is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Upon audit, if discrepancies are discovered, NCHC could be held responsible for refunding the amount in question.

NCHC is involved in claims and legal actions in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters will not have a material adverse impact on the financial position, results of operations or cash flows of NCHC.

Newark Community Health Centers, Inc.

**Notes to Financial Statements
December 31, 2023 and 2022**

Note 11 - In-kind contributions

NCHC occupies certain buildings rent free. These buildings are owned by the City of Newark. Management uses an estimated market rate per square foot to determine the fair rental value of the spaces. NCHC receives donated vaccines from the New Jersey Department of Health and Senior Services ("NJDHSS"), which are recorded at fair value as determined by NJDHSS. Following is a detailed breakdown of in-kind contributions:

	<u>2023</u>	<u>2022</u>
Donated rent	\$ 144,500	\$ 136,000
Donated vaccines	<u>3,154,133</u>	<u>2,368,663</u>
Total in-kind contributions	<u>\$ 3,298,633</u>	<u>\$ 2,504,663</u>

Note 12 - Availability and liquidity

On a regular basis, NCHC monitors the availability of resources required to meet its operating needs and other contractual commitments. For the purposes of analyzing resources available to meet general expenditures over a 12-month period, NCHC considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support these activities to be general expenditures.

The following represents NCHC's financial assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 16,347,960	\$ 15,134,287
Patient services receivable	3,247,277	3,343,563
340B pharmacy program receivable, net	413,598	592,037
Contracts and other grants receivable	<u>552,393</u>	<u>700,498</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 20,561,228</u>	<u>\$ 19,770,385</u>

In addition to the assets available to meet general expenditures over the next 12 months, NCHC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 13 - Subsequent events

On March 28, 2024, NCHC purchased a previously leased property located in Irvington, New Jersey for cash of \$4,200,000.

Supplementary Information

Newark Community Health Centers, Inc.

Schedule of Expenditures of Federal and State Awards Year Ended December 31, 2023

Federal / State grantor / Pass-through grantor / program or cluster title	Federal Assistance Listing / State Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Total Federal and State Expenditures
Federal awards:				
U.S. Department of Health and Human Services:				
Direct programs:				
Health Center Program Cluster				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	N/A	\$ -	\$ 711,461
COVID-19 - Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	N/A	-	1,681,137
Subtotal - Assistance Listing Number 93.224			-	2,392,598
Grants for New and Expanded Services under the Health Center Program	93.527	N/A	-	5,094,293
COVID-19 - Grants for New and Expanded Services under the Health Center Program	93.527	N/A	-	478,403
Subtotal - Assistance Listing Number 93.527			-	5,572,696
Subtotal - Health Center Program Cluster			-	7,965,294
COVID-19 - Grants for Capital Development in Health Centers	93.526	N/A	-	86,276
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	-	475,559
COVID-19 - Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	-	148,197
Subtotal - Assistance Listing Number 93.918			-	623,756
Healthy Start Initiative	93.926	N/A	-	1,452,999
Passed through State of New Jersey Department of Human Services Refugee and Entrant Assistance State / Replacement Designee Administered Programs	93.566	2301NJRCMA-00 2401NJRCMA-00	-	310,604
Passed through State of New Jersey Department of Health COVID-19 - Immunization Cooperative Agreements	93.268	DCHS22VXC026	-	330,955
Passed through City of Newark Department of Health and Community Wellness				
HIV Emergency Relief Project Grants	93.914	Not available	-	293,587
Total expenditures of federal awards			-	11,063,471
State awards:				
New Jersey Department of Health and Senior Services Preventive and Primary Care Program	DCHS23FQH11L	N/A	-	*
Total state awards			-	-
Total expenditures of federal and state awards			\$ -	\$ 11,063,471

* See Note 4 of Notes to Schedule of Expenditures of Federal and State Awards.

See Notes to Schedule of Expenditures of Federal and State Awards.

Newark Community Health Centers, Inc.

Notes to Schedule of Expenditures of Federal and State Awards December 31, 2023

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state awards of Newark Community Health Centers, Inc. ("NCHC") under programs of the federal and New Jersey state governments for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and State of New Jersey, Department of Treasury, Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the Schedule presents only a selected portion of the operations of NCHC, it is not intended to and does not present the financial position, change in net assets, or cash flows of NCHC.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State of New Jersey, Department of Treasury, Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

NCHC has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Preventive and primary care program

NCHC contracted with the State of New Jersey Department of Health and Senior Services to provide health and medical services to the uninsured population under the Preventive and Primary Care Program. This letter of agreement pays NCHC a fixed amount per visit regardless of the actual costs incurred. During the year ended December 31, 2023, the amount earned and recognized as net revenue under this letter of agreement for the contract period July 1, 2022 to June 30, 2023 was \$640,744 and for the contract period July 1, 2023 to June 30, 2024 was \$673,740. Revenue for this program is included in patient services revenue in the basic financial statements. Allowances are calculated based on expected cash collections.

Newark Community Health Centers, Inc.

**Schedule of Disbursements by Grant
Year Ended December 31, 2023**

Award: Refugee Health Center
Contract Year: October 1, 2022 - September 30, 2023
Contract Number: 2301NJRCMA-00

Category	(Unaudited) Final Budget	Prior Year Expenditures	Current Year Expenditures	Final Program Expenditures	Questioned Costs
Personnel:					
Salaries	\$ 215,112	\$ 53,642	\$ 161,470	\$ 215,112	\$ -
Fringe benefits	53,778	13,410	40,368	53,778	-
Total personnel	268,890	67,052	201,838	268,890	-
Other cost categories:					
Supplies	17,800	4,450	13,350	17,800	-
Other	11,900	2,975	8,925	11,900	-
Total direct costs	298,590	74,477	224,113	298,590	-
Indirect costs	-	-	-	-	-
Total costs	298,590	74,477	224,113	298,590	-
Less program income	-	-	-	-	-
Net total costs	\$ 298,590	\$ 74,477	\$ 224,113	\$ 298,590	\$ -

See Independent Auditor's Report.

Newark Community Health Centers, Inc.

**Schedule of Disbursements by Grant
Year Ended December 31, 2023**

Award: Refugee Health Center
 Contract Year: October 1, 2023 - September 30, 2024
 Contract Number: 2401NJRCMA-00

Category	(Unaudited) Final Budget	Prior Year Expenditures	Current Year Expenditures	Final Program Expenditures	Questioned Costs
Personnel:					
Salaries	\$ 256,672	\$ -	\$ 63,933	\$ 63,933	\$ -
Fringe benefits	64,168	-	15,983	15,983	-
Total personnel	320,840	-	79,916	79,916	-
Other cost categories:					
Supplies	17,800	-	4,450	4,450	-
Other	8,500	-	2,125	2,125	-
Total direct costs	347,140	-	86,491	86,491	-
Indirect costs	-	-	-	-	-
Total costs	347,140	-	86,491	86,491	-
Less program income	-	-	-	-	-
Net total costs	\$ 347,140	\$ -	\$ 86,491	\$ 86,491	\$ -

See Independent Auditor's Report.

Newark Community Health Centers, Inc.

**Schedule of Disbursements by Grant
Year Ended December 31, 2023**

Award: COVID-19 Vaccination Program Activity C 2022
 Contract Year: April 1, 2022 - March 31, 2025
 Contract Number: DCHS22VXC026

Category	(Unaudited) Final Budget	Prior Year Expenditures	Current Year Expenditures	Final Program Expenditures	Questioned Costs
Personnel:					
Salaries	\$ 635,652	\$ 220,640	\$ 259,408	\$ 480,048	\$ -
Fringe benefits	158,915	55,161	64,852	120,013	-
Total personnel	794,567	275,801	324,260	600,061	-
Other cost categories:					
Supplies	18,572	4,500	3,980	8,480	-
Travel	1,000	-	-	-	-
Other	1,170	1,810	2,715	4,525	-
Total direct costs	815,309	282,111	330,955	613,066	-
Indirect costs	-	-	-	-	-
Total costs	815,309	282,111	330,955	613,066	-
Less program income	-	-	-	-	-
Net total costs	\$ 815,309	\$ 282,111	\$ 330,955	\$ 613,066	\$ -

See Independent Auditor's Report.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Newark Community Health Centers, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Newark Community Health Centers, Inc. ("NCHC"), which comprise the statement of financial position as of December 31, 2023, 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 and have issued our report thereon dated June 21, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CohnReznick LLP

New York, New York
June 21, 2024

Independent Auditor's Report on Compliance for Each Major Federal and
State Program and Report on Internal Control over Compliance Required by
the Uniform Guidance and New Jersey OMB Circular 15-08

To the Board of Directors
Newark Community Health Centers, Inc.

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Newark Community Health Centers, Inc.'s ("NCHC") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and State of New Jersey, Department of Treasury, Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* ("New Jersey OMB Circular 15-08") that could have a direct and material effect on each of NCHC's major federal and state programs for the year ended December 31, 2023. NCHC's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NCHC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular 15-08. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NCHC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of NCHC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NCHC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about NCHC's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding NCHC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of NCHC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of NCHC's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



New York, New York
June 21, 2024

Newark Community Health Centers, Inc.

**Schedule of Findings and Questioned Costs
December 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal and State Awards:

Internal control over major programs:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or NJ OMB Circular 15-08? _____ yes ✓ no

Identification of major programs:

Federal Assistance Listing
Number(s) and State Number(s)

Name of Federal and State Programs

	U.S. Department of Health and Human Services:
	Health Center Program Cluster:
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)
93.224	COVID-19 - Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)
93.527	Grants for New and Expanded Services Under the Health Center Program
93.527	COVID-19 - Grants for New and Expanded Services Under the Health Center Program

	State of New Jersey Department of Health and Senior Services:
DCHS23FQH11L	Preventive and Primary Care Program

Newark Community Health Centers, Inc.

**Schedule of Findings and Questioned Costs
December 31, 2023**

Dollar threshold used to distinguish
between type A and B programs:

\$750,000

Auditee qualified as low-risk auditee?

✓ yes no

Section II - Financial Statement Findings

No matters reported

Section III - Federal and State Award Findings and Questioned Costs

No matters reported



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SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Newark Community Health Centers, Inc. Retirement Plan
01-JAN-23 to 31-DEC-23

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INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
IRFTTX			61,780.74	62,558.69
IRFJTX			572,836.93	581,483.01
IRRCTX			845,617.71	863,271.61
IRFDTX			1,427,658.45	1,460,329.00
IRFETX			1,595,142.26	1,643,653.11
IRFFTX			1,239,982.64	1,282,285.96
IRFGTX			497,033.67	516,199.80
IRFHTX			450,618.51	468,953.34
IRFITX			241,061.40	251,315.80
IRFKTX			168,260.84	175,664.94
IRFUTX			53,670.94	55,997.99
IRFVTX			21,196.12	22,165.93
IDFCEX			34,020.06	35,672.35
IVGSLX			37,949.56	38,103.99
IJGMNX			53,329.42	47,583.35
IVSMAX			24,718.23	34,717.17
IPMAQX			73,803.64	77,195.81
IVIMAX			39,334.75	53,776.99
IAPGZX			10,366.33	14,033.40
IVFIAX			295,230.26	434,162.57
IRLBGX			107,416.62	121,538.67
IMPHQX			90,274.49	78,219.96
IPFORX			31,357.63	32,534.63
ISTRKX			19,616.43	17,383.90
IPHYZX			23,742.74	21,812.64
IVAIPX			39,611.01	33,437.70
IKGPF		1.300	332,919.28	353,089.65
			8,388,550.66	8,777,141.96
PARTICIPANT LOANS	VARIOUS	4.250-9.500	309,473.40	309,209.05
FORFEITURES			41.12	61.43

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SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Newark Community Health Centers, Inc. Retirement Plan
01-JAN-23 to 31-DEC-23

Page 2 of 2

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INVESTMENT OPTION

MATURITY DATE

INTEREST RATE

COST OF ASSETS

CURRENT VALUE

LEGEND

INVESTMENT OPTION:

1RFITX American Funds 2010 Trgt Date Retire R6
1RRCTX American Funds 2020 Trgt Date Retire R6
1RFETX American Funds 2030 Trgt Date Retire R6
1RFGTX American Funds 2040 Trgt Date Retire R6
1RFITX American Funds 2050 Trgt Date Retire R6
1RFUTX American Funds 2060 Trgt Date Retire R6
1DFCEX DFA Emerging Markets Core Equity I
1JGMNX Janus Henderson Triton N
1PMAQX Principal MidCap R6
1APGZX AB Large Cap Growth Z
1RLBGX American Funds American Balanced R6
1PFORX PIMCO Int Bond (USD-Hedged) Inst
1PHYZX PGIM High Yield Z
1KGPX Key Guaranteed Portfolio Fund

1RFITX American Funds 2015 Trgt Date Retire R6
1RFDTX American Funds 2025 Trgt Date Retire R6
1RFFTX American Funds 2035 Trgt Date Retire R6
1RFHTX American Funds 2045 Trgt Date Retire R6
1RFKTX American Funds 2055 Trgt Date Retire R6
1RFVFX American Funds 2065 Trgt Date Retire R6
1VGSFX Vanguard Real Estate Index Admiral
1VSMAX Vanguard Small Cap Index Adm
1VIMAX Vanguard Mid Cap Index Fund - Admiral
1VFIAX Vanguard 500 Index Admiral
1MPHQX BlackRock Total Return K
1STRKX Pioneer Strategic Income K
1VAIPX Vanguard Inflation-Protected Secs Adm

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year