

Vivent Health and Affiliates

Consolidated Financial Statements and
Supplementary Information

August 31, 2022 and 2021

Vivent Health and Affiliates

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Independent Auditors' Report

To the Board of Directors of
Vivent Health and Affiliates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vivent Health and Affiliates (the Organization), which comprise the consolidated statements of financial position as of August 31, 2022 and 2021, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of August 31, 2022 and 2021, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information identified in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated 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 March 14, 2023 on our consideration of the Organization'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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
March 14, 2023

Vivent Health and Affiliates

Consolidated Statements of Financial Position
August 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 41,798,168	\$ 33,074,744
Contributions receivable, net	158,188	588,159
Accounts and grants receivable	20,857,177	20,048,531
Inventory	4,132,791	4,893,420
Prepaid expenses	507,433	726,168
Total current assets	<u>67,453,757</u>	<u>59,331,022</u>
Property and Equipment, Net	<u>12,206,579</u>	<u>10,932,212</u>
Other Assets		
Contributions receivable, net current portion	-	24,793
HUD restricted escrow and security deposits	130,136	132,942
Investments	15,483,846	13,916,962
Total other assets	<u>15,613,982</u>	<u>14,074,697</u>
Total assets	<u>\$ 95,274,318</u>	<u>\$ 84,337,931</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 3,634,491	\$ 2,821,717
Accrued expenses	2,878,946	2,602,255
Other current liabilities	774,624	2,071
Capital advance	680,090	680,090
Total current liabilities	<u>7,968,151</u>	<u>6,106,133</u>
Long-Term Liabilities		
Deferred compensation obligation	<u>375,061</u>	<u>285,588</u>
Total liabilities	<u>8,343,212</u>	<u>6,391,721</u>
Net Assets		
Without donor restrictions:		
Undesignated	51,723,662	46,871,065
Board designated	22,205,896	18,500,000
Property and equipment less related debt	11,526,489	10,252,122
Total net assets without donor restrictions	<u>85,456,047</u>	<u>75,623,187</u>
With donor restrictions	<u>1,475,059</u>	<u>2,323,023</u>
Total net assets	<u>86,931,106</u>	<u>77,946,210</u>
Total liabilities and net assets	<u>\$ 95,274,318</u>	<u>\$ 84,337,931</u>

See notes to consolidated financial statements

Vivent Health and Affiliates

Consolidated Statements of Activities
Years Ended August 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With donor restrictions	Total
Revenue						
Government grants	\$ 26,647,434	\$ -	\$ 26,647,434	\$ 24,530,760	\$ -	\$ 24,530,760
Grants and public support	3,684,347	393,468	4,077,815	3,009,134	666,590	3,675,724
Special events:						
Special events revenue	43,469	-	43,469	500,995	-	500,995
Special events expense	(516,632)	-	(516,632)	(338,513)	-	(338,513)
Contractual partnerships	575,045	-	575,045	572,580	-	572,580
Reimbursement for services and pharmacy	213,639,825	-	213,639,825	176,410,284	-	176,410,284
Other income	1,301,271	(208,726)	1,092,545	4,042,294	161,897	4,204,191
Net assets released from restrictions	1,032,706	(1,032,706)	-	1,597,596	(1,597,596)	-
Total revenue	<u>246,407,465</u>	<u>(847,964)</u>	<u>245,559,501</u>	<u>210,325,130</u>	<u>(769,109)</u>	<u>209,556,021</u>
Expenses						
Clinical and program services:						
Medical center	23,319,973	-	23,319,973	18,987,614	-	18,987,614
Pharmacy	167,041,914	-	167,041,914	130,688,091	-	130,688,091
Social services and other	21,163,885	-	21,163,885	19,333,890	-	19,333,890
Prevention services	8,866,928	-	8,866,928	8,383,678	-	8,383,678
Management and general	14,418,416	-	14,418,416	12,645,246	-	12,645,246
Fundraising	1,763,489	-	1,763,489	1,582,301	-	1,582,301
Total expenses	<u>236,574,605</u>	<u>-</u>	<u>236,574,605</u>	<u>191,620,820</u>	<u>-</u>	<u>191,620,820</u>
Change in net assets related to operations	9,832,860	(847,964)	8,984,896	18,704,310	(769,109)	17,935,201
Other Change in Net Assets						
Inherent contribution from acquisitions	-	-	-	1,349,614	-	1,349,614
Change in net assets	9,832,860	(847,964)	8,984,896	20,053,924	(769,109)	19,284,815
Net Assets, Beginning	<u>75,623,187</u>	<u>2,323,023</u>	<u>77,946,210</u>	<u>55,569,263</u>	<u>3,092,132</u>	<u>58,661,395</u>
Net Assets, Ending	<u>\$ 85,456,047</u>	<u>\$ 1,475,059</u>	<u>\$ 86,931,106</u>	<u>\$ 75,623,187</u>	<u>\$ 2,323,023</u>	<u>\$ 77,946,210</u>

See notes to consolidated financial statements

Vivent Health and Affiliates

Consolidated Statements of Cash Flows
Years Ended August 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 8,984,896	\$ 19,284,815
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	2,196,070	1,982,970
Amortization of intangible assets	-	624,111
Gain on disposal of property and equipment	(778,635)	-
Loss on write-off of other assets	-	1,583,419
Deferred compensation	89,473	140,503
Inherent contributions from acquisitions	-	(1,349,614)
Net realized and unrealized (gain) loss on investments	763,725	(324,385)
Forgiveness of Paycheck Protection Program loan	-	(2,978,500)
Changes in operating assets and liabilities:		
Contributions receivable	454,764	424,993
Accounts and grants receivable	(808,646)	(6,339,249)
Inventory	760,629	(1,166,868)
Prepaid expenses	218,735	(74,019)
Change in deposits	5,911	(68,817)
Accounts payable	812,774	(124,547)
Accrued expenses	276,691	(109,770)
Other current liabilities	<u>772,553</u>	<u>(48,267)</u>
Net cash flows from operating activities	<u>13,748,940</u>	<u>11,456,775</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(6,374,791)	(2,079,839)
Proceeds from disposal of property and equipment	3,682,989	-
Purchase of investments	(2,330,609)	(2,072,818)
Cash acquired from acquisitions	-	856,468
Purchase of entities	<u>-</u>	<u>(1,500,000)</u>
Net cash flows from investing activities	<u>(5,022,411)</u>	<u>(4,796,189)</u>
Net change in cash, cash equivalents and restricted cash	8,726,529	6,660,586
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>33,117,957</u>	<u>26,457,371</u>
Cash, Cash Equivalents and Restricted Cash, Ending	<u>\$ 41,844,486</u>	<u>\$ 33,117,957</u>

See notes to consolidated financial statements

Vivent Health and Affiliates

Consolidated Statements of Cash Flows
Years Ended August 31, 2022 and 2021

Reconciliation of cash, cash equivalents and restricted cash to consolidated statements of financial position:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 41,798,168	\$ 33,074,744
HUD restricted escrow	<u>46,318</u>	<u>43,213</u>
Total cash, cash equivalents and restricted cash	<u>\$ 41,844,486</u>	<u>\$ 33,117,957</u>
Noncash Investing and Financing Activities		
Acquisition of Liver Health Connection assets and liabilities	\$ -	\$ 8,986
Acquisition of Thrive Health Connection assets and liabilities	\$ -	\$ 484,160

See notes to consolidated financial statements

Vivent Health and Affiliates

Consolidated Statement of Functional Expenses

Year Ended August 31, 2022

	<u>Medical Center</u>	<u>Pharmacy</u>	<u>Social Services and Other</u>	<u>Prevention Services</u>	<u>Total Clinical and Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 10,812,805	\$ 4,991,722	\$ 9,002,309	\$ 3,858,625	\$ 28,665,461	\$ 5,759,105	\$ 923,494	\$ 35,348,060
Payroll taxes	826,194	306,187	669,749	301,391	2,103,521	280,644	63,521	2,447,686
Employee benefits	2,292,505	1,015,141	2,364,845	983,284	6,655,775	1,383,368	173,017	8,212,160
Total personnel expenses	13,931,504	6,313,050	12,036,903	5,143,300	37,424,757	7,423,117	1,160,032	46,007,906
Pharmacy cost of sales	-	158,206,021	-	-	158,206,021	-	-	158,206,021
Contracted program services	2,026,398	-	421,296	57,997	2,505,691	-	-	2,505,691
Client and patient assistance	188,564	-	3,985,882	5,841	4,180,287	-	-	4,180,287
Program materials	891,681	51,861	48,009	1,358,186	2,349,737	417	10,002	2,360,156
Patient medications and laboratory	2,745,582	-	-	16,208	2,761,790	-	-	2,761,790
Employee travel and education	136,913	34,028	604,736	173,293	948,970	185,795	41,371	1,176,136
Office and insurance	540,148	881,842	681,836	371,498	2,475,324	1,054,790	71,106	3,601,220
Professional services	482,779	145,812	208,140	96,625	933,356	2,369,365	241,593	3,544,314
Repairs and maintenance	331,392	51,903	436,945	197,598	1,017,838	180,686	17,128	1,215,652
Occupancy	959,197	192,691	1,255,011	582,094	2,988,993	249,515	46,059	3,284,567
Depreciation and amortization	461,802	102,143	633,658	266,730	1,464,333	707,853	23,884	2,196,070
Information technology	475,628	66,239	742,624	298,225	1,582,716	934,357	91,876	2,608,949
Other expenses	148,385	996,324	108,845	299,333	1,552,887	1,312,520	60,438	2,925,845
Total expenses	<u>\$ 23,319,973</u>	<u>\$167,041,914</u>	<u>\$ 21,163,885</u>	<u>\$ 8,866,928</u>	<u>\$220,392,700</u>	<u>\$ 14,418,416</u>	<u>\$ 1,763,489</u>	<u>\$236,574,605</u>

See notes to consolidated financial statements

Vivent Health and Affiliates

Consolidated Statement of Functional Expenses

Year Ended August 31, 2021

	<u>Medical Center</u>	<u>Pharmacy</u>	<u>Social Services and Other</u>	<u>Prevention Services</u>	<u>Total Clinical and Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 9,567,298	\$ 4,307,857	\$ 8,375,883	\$ 3,553,728	\$ 25,804,766	\$ 5,204,841	\$ 912,579	\$ 31,922,186
Payroll taxes	709,692	268,469	647,231	278,823	1,904,215	269,059	63,925	2,237,199
Employee benefits	1,836,345	909,770	2,111,204	982,515	5,839,834	1,199,128	139,702	7,178,664
Total personnel expenses	12,113,335	5,486,096	11,134,318	4,815,066	33,548,815	6,673,028	1,116,206	41,338,049
Pharmacy cost of sales	608	123,281,596	-	2,250	123,284,454	-	-	123,284,454
Contracted program services	1,399,960	-	608,609	110,762	2,119,331	-	-	2,119,331
Client and patient assistance	94,052	-	3,989,996	31,597	4,115,645	-	-	4,115,645
Program materials	532,493	56,265	58,688	1,379,087	2,026,533	791	48	2,027,372
Patient medications and laboratory	1,984,325	-	-	3,000	1,987,325	-	-	1,987,325
Employee travel and education	99,688	24,830	436,364	115,023	675,905	95,863	16,983	788,751
Office and insurance	385,579	782,309	460,351	296,633	1,924,872	1,344,715	53,897	3,323,484
Professional services	192,467	51,459	221,802	89,667	555,395	1,468,691	213,234	2,237,320
Repairs and maintenance	305,369	52,205	388,045	154,253	899,872	206,134	19,013	1,125,019
Occupancy	647,784	249,252	924,129	522,953	2,344,118	170,966	42,181	2,557,265
Depreciation and amortization	322,238	90,659	498,798	567,674	1,479,369	1,104,299	23,413	2,607,081
Information technology	842,579	94,891	567,478	232,615	1,737,563	753,778	66,116	2,557,457
Other expenses	67,137	518,529	45,312	63,098	694,076	826,981	31,210	1,552,267
Total expenses	<u>\$ 18,987,614</u>	<u>\$130,688,091</u>	<u>\$ 19,333,890</u>	<u>\$ 8,383,678</u>	<u>\$177,393,273</u>	<u>\$ 12,645,246</u>	<u>\$ 1,582,301</u>	<u>\$191,620,820</u>

See notes to consolidated financial statements

Vivent Health and Affiliates

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

1. Organization, Nature of Activities and Basis of Consolidation

Vivent Health and Affiliates (the Organization) is a provider of HIV health care, social services and prevention services in the States of Wisconsin, Colorado, Missouri, Texas and Kansas. The Vivent Health Medical Center has been designated by the Centers for Medicare and Medicaid as the nation's only HIV Medical Home with integrated medical, dental, mental health, pharmacy and social services for all people with HIV disease. The Organization operates in Denver, Colorado, St. Louis, Missouri, Austin, Texas, Kansas City, Missouri, Kansas City, Kansas and throughout Wisconsin with locations in Appleton, Beloit, Eau Claire, Green Bay, La Crosse, Kenosha, Madison, Milwaukee, Schofield/Wausau and Superior.

The consolidated financial statements include the accounts of Vivent Health (Vivent) and the following entities: Milwaukee AIDS Housing Corporation, Inc. (MAHC), Vivent Health Pharmacy, LLC (VH Pharmacy), CARES Pharmacy, LLC (CARES Pharmacy), EFA Pharmacy, LLC (EFA Pharmacy), AIDS Services of Austin, Inc. (ASA), AIDS Services of Austin Pharmacy, LLC (VH Texas Pharmacy) and Vivent Health Endowment Fund, Inc. (the Endowment). MAHC is registered under Section 811 of the National Affordable Housing Act of 1990. The pharmacies exclusively service HIV patients as limited liability companies and are solely owned by Vivent. Vivent is the sole corporate member of MAHC, ASA and the Endowment. All significant intercompany transactions and accounts are eliminated.

2. Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization is required to report information regarding its net assets and its activities on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization are classified and reported in the following two classes:

Without Donor Restriction - Net assets that are not subject to donor-imposed stipulations.

With Donor Restriction - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization or passage of time or net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Board Designated Net Assets

The Organization's Board of Directors has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. See Note 18 for more information regarding the amount and purpose of board designated net assets of the Organization.

Vivent Health and Affiliates

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

Use of Estimates

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

Risks and Uncertainties

The Organization invests in investment securities, which are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in these consolidated financial statements.

Tax-Exempt Status

Vivent Health, MAHC, ASA and the Endowment are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Vivent Health, MAHC, ASA and the Endowment qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations under section 509(a)(2). Vivent Health, MAHC, ASA and the Endowment are also exempt from state income taxes.

Cash and Cash Equivalents

For purposes of the consolidated financial statements, cash and cash equivalents include all highly liquid instruments with original maturities of three months or less.

Concentration of Credit Risk

The Organization maintains cash accounts, various certificates of deposit and money market accounts at financial institutions. Deposits with the financial institutions are insured by the Federal Deposit Insurance Corporation in the amount of \$250,000 per official custodian. The Organization's cash deposits, certificates of deposit and money market balances may exceed these federally insured limits at times during the year. The Organization has not experienced any losses on these accounts and management believes the Organization is not exposed to any significant credit risk.

Contributions Receivable

Contributions made to the Organization are recorded in the year the unconditional promise is made. Any contributions that are expected to be collected after one year are discounted and are reflected in the consolidated financial statements at their net present value. The allowance for uncollectible contributions is based on previous experiences, adjusted for current conditions.

Accounts and Grants Receivable

Accounts and grants receivable consist of insurance and patient receivables, government grants receivable and other receivables. The Organization assesses collectibility of insurance and patient receivables when revenue is recognized. These receivables are recorded at the net realizable value when the amounts are due in accordance with contracts with customers. Accounts are written-off through bad debt expense when the Organization has exhausted all collection efforts and determines accounts are impaired based on changes in credit worthiness.

Vivent Health and Affiliates

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

Government grants receivable and other receivables are recorded net of estimated uncollectible amounts. Management of the Organization reviews the collectibility of these receivables on an ongoing basis based on previous experience and the current status of the receivables. At August 31, 2022 and 2021, no allowance was considered necessary for these receivables. Government grants receivable and other receivables are written off against the allowance when deemed uncollectible.

Inventory

Inventory is comprised of pharmaceuticals held at the VH Pharmacy, CARES Pharmacy, EFA Pharmacy and VH Texas Pharmacy. Inventory is valued at the lower of cost, determined using the average cost method, or market.

Property and Equipment

Property and equipment is recorded at cost if purchased and at fair value at date of the gift if donated. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the remaining lease term or the estimated useful life of the asset. All acquisitions of equipment in excess of \$5,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs and minor improvements are expensed as incurred.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of the asset. During 2022 and 2021, \$0 and \$394,500, respectively, of intangible assets were written-off due to a change in operations plan decreasing the value of the assets.

Investments

The Organization has engaged professional investment advisors to manage its portfolio. The Organization's investments are stated at fair value based upon quoted market prices, when available, or estimates of fair value. The Board of Directors has provided the firm with guidelines consistent with a socially responsible prudent investment policy and the conservative nature of the Organization. Gains and losses that result from market fluctuations are recorded in the period in which the fluctuation occurs.

Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation).

Refundable Advance

Vivent participated in and received funds in April 2020 under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief and Economic Security (CARES) Act in the amount of \$4,978,500. The PPP is designed to provide a direct financial incentive for small businesses to keep their workers on the payroll. The program will forgive loan balances to the extent employees are kept on the payroll and the loan principal is used for payroll, rent, mortgage interest, or utilities during the eight or twenty-four week period following receipt. Any portion of the loan that is not forgiven will carry interest at 1 percent and is due to be paid back within two years. The first payment can be deferred until ten months after the end of the twenty-four week covered period.

Vivent Health and Affiliates

Notes to Consolidated Financial Statements
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Vivent determined this was a conditional contribution when received and concluded that the right of return and barriers associated with forgiveness were not met prior to August 31, 2020. During 2020, Vivent returned \$2,000,000 of the funds to the lender and considered the remaining PPP funding to be a refundable advance as of August 31, 2020. Vivent applied for forgiveness in February 2021. In June of 2021, the SBA forgave the PPP loan and reimbursed Vivent Health for the initial \$4,978,500. The full amount was recognized as revenue in fiscal year 2021 and is included in other income on the consolidated statements of activities.

Fiscal Agent

The Organization acts as a fiscal agent for the Latino Health Council. The Organization coordinates the financial activities on behalf of the Latino Health Council through receipt and disbursement of funds. Cash receipts in excess of disbursements are reflected in accounts payable in the consolidated statements of financial position.

Revenue Recognition

A portion of the the Organization's revenue results from the sale of goods and services under contracts with customers. Revenue under contracts with customers is recognized when the customer obtains control of the good or service and is recognized to depict the transfer of promised goods or services in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

A performance obligation is a distinct good, service or a bundle of goods and services promised in a contract. The Organization identifies performance obligations at the inception of a contract and allocates the transaction price to individual performance obligations to appropriately depict the Organization's performance in transferring control of the promised goods or services to the customer. Contracts with customers do not include a significant financing component.

Reimbursement for services and pharmacy revenues are for pharmaceutical sales or treatment services the Organization provides to its customers and are subsequently reimbursed for, either by the patient or via third-party payers on behalf of the patients. Each patient enters into an implicit contract with the Organization when they register, detailing the medication or treatment to be provided and the payment terms. Net transaction price for the contract is determined and recorded using a portfolio approach, relative to the medication provided or services to be performed and the insurance status of the patient. Revenue is recognized upon the delivery of the medication or performance of the treatment as the performance obligation is satisfied at that point in time.

Certain clinical and program services are billed to third-party payers, including insurance companies, managed care plans and governmental payors. Revenue for services are recognized when the services are delivered. Revenue is recorded net of estimated differences between charges and amounts expected to be collected from third-party payors to reach the net transaction price.

Unconditional contributions or grants are recognized when cash, securities, other assets, or promises to give are received. Conditional contributions or grants, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Most of the Organization's federal, state and other grants or contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of August 31, 2022 and 2021 there was approximately \$15,314,816 and \$12,500,000, respectively, of conditional grant revenue, which is expected to be recognized in future years when the conditions are met.

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Contributions restricted for a specific purpose by a donor are recorded as contributions with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as contributions without donor restrictions. When a donor restriction is met or expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All grants with government agencies are reported as without donor restrictions when the Organization satisfies any conditions.

Advertising Costs

The Organization uses advertising to promote its programs and special events and for recruiting employees. The costs of communicating advertisements are expensed as the items or services are received. Advertising costs recognized by the Organization were \$344,511 and \$353,187 for the years ended August 31, 2022 and 2021, respectively.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Expenses are directly charged throughout the year to the appropriate program or supporting service. Certain costs, such as personnel expenses have been allocated based on time and effort of employees. Expenses such as occupancy, depreciation and information technology are allocated based on full-time equivalents within departments.

Measure of Operations

The consolidated statements of activities include change in net assets related to operations that represents the results of operations. Other activities which are excluded from change in net assets related to operations include activities incidental to the operations of the Organization including the inherent contributions from the acquisitions.

Reclassification

For comparability, certain 2021 amounts have been reclassified to conform with classifications adopted in 2022. The reclassifications had no effect on the reported amounts of net assets or change in net assets.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)* that amends the treatment for leases. The new accounting model for leases capitalizes all leases greater than twelve months, both capital and operating, as assets and liabilities on the statement of financial position. The Organization will be required to apply the standard for fiscal years and reporting periods beginning after December 15, 2021 (2023). Management is currently assessing the effect that ASU No. 2016-02 will have on its consolidated financial statements.

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3. Availability of Financial Assets

The following represents the Organization's financial assets at August 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 41,798,168	\$ 33,074,744
Contributions receivable, net	158,188	612,952
Accounts and grants receivable	20,857,177	20,048,531
Investments	15,483,846	13,916,962
Less cash and cash equivalents held for others	(85,119)	(81,592)
Less net assets with donor restrictions	(1,475,059)	(2,323,023)
Less board designated net assets	<u>(22,205,896)</u>	<u>(18,500,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 54,531,305</u>	<u>\$ 46,748,574</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. If needed, the Board designated funds could be released for general expenditures after receiving Board approval. In addition, as referenced in Note 14, the Organization has a line of credit of \$10,000,000 that could be drawn upon to support expenditures, if needed.

4. Merger of Liver Health Connections

On December 1, 2020, Vivent merged operations with Liver Health Connections (an unrelated non-profit organization) to expand Colorado Prevention operations. Under terms of the transaction, no consideration was transferred to either organization and Liver Health Connection was dissolved and included in the operations of Vivent. Pursuant to generally accepted accounting principles, the Organization accounted for the transactions as an acquisition recognizing the underlying assets and liabilities acquired at fair value, resulting in an inherent contribution of \$227,091 recognized in the consolidated statements of activities.

The valuation of net assets acquired at December 1, 2020 for Liver Health Connection was as follows:

Cash	\$ 218,105
Accounts and grants receivable	35,841
Accrued expenses	<u>(26,855)</u>
Inherent contribution recognized on acquisition of Liver Health Connections	<u>\$ 227,091</u>

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5. Acquisition of Apex Research and Apex Family Medicine

On October 1, 2020 and January 4, 2021, the Organization acquired Apex Research and Apex Family Medicine, respectively, (an unrelated for-profit organizations) to expand operations of the Organization in an existing market. Under terms of the Intellectual Property Assignment transaction, a one-time \$500,000 payment was made by Vivent for Apex Research on October 1, 2020. Under terms of the Purchase Agreement, Vivent also paid \$1,000,000 on January 4 for a portion of Apex Family Medicine. Additional payments, up to \$500,000 can be earned by the sellers contingent upon meeting future benchmarks. During fiscal year 2021, the HIV operations of Apex Family Medicine and several clinical staff were transferred to Vivent. Pursuant to generally accepted accounting principles, the Organization accounted for the transactions as an acquisition recognizing the underlying assets and liabilities acquired at fair value. The valuation of assets and net assets acquired for Apex Research and Apex Family Medicine was \$1,500,000. The asset was written-off during 2021. No liabilities were acquired as part of the transaction.

6. Merger of Thrive Health Connection

On June 1, 2021, Vivent merged operations with Thrive Health Connection (Thrive) (an unrelated non-profit organization) to expand operations of the Organization into a new market. Under terms of the transaction, no consideration was transferred to either organization and Vivent became the sole corporate member of Thrive. Pursuant to generally accepted accounting principles, the Organization accounted for the transactions as an acquisition recognizing the underlying assets and liabilities acquired at fair value, resulting in an inherent contribution of \$1,122,523 recognized in the consolidated statements of activities.

The valuation of net assets acquired at June 1, 2021 for Thrive was as follows:

Cash	\$	638,363
Accounts and grants receivable		584,304
Prepaid expenses		60,762
Accounts payable		(130,803)
Accrued expenses		<u>(30,103)</u>
Inherent contribution recognized on acquisition of Thrive	\$	<u>1,122,523</u>

7. Merger of Austin Harm Reduction Coalition

On January 14, 2021, Vivent merged operations with Austin Harm Reduction Coalition (AHRC) (an unrelated non-profit organization) to expand Prevention operations of the Organization in Texas. Under terms of the transaction, no consideration was transferred to either organization and Vivent became the sole corporate member of AHRC. Pursuant to generally accepted accounting principles, the Organization would account for the transactions as an acquisition recognizing the underlying assets and liabilities acquired at fair value, resulting in an inherent contribution. Prior to merger, AHRC had received a \$30,000 advance from Vivent to continue limited operations. Upon merger, Vivent transitioned AHRC operations into Vivent and closed all bank accounts. The transaction did not result in any material net asset gain or loss to Vivent.

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8. Fair Value Measurements

The Organization follows authoritative accounting guidance which provides a framework for measuring, reporting and disclosing fair value under generally accepted accounting principles. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

As defined in these standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible the Organization attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

Bond and Equity Mutual Funds - Valued at the daily closing price as reported by the funds. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are actively traded and are recorded at fair value based on quoted prices and are classified as level 1 investments.

Certificates of Deposit - Valued at the closing price as reported by the funds and institutions issuing the certificates of deposit. These certificates of deposit are not traded on a regular basis and therefore are classified as level 2 investments.

Real Estate - Investment represents a timeshare in certain property and is valued at the estimated fair market value and classified as level 3 investment.

The preceding valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The following tables provide by level, within the fair value hierarchy, the Organization's investment assets as of August 31:

	2022			Total
	Level 1	Level 2	Level 3	
Investments:				
Bond mutual funds	\$ 3,005,785	\$ -	\$ -	\$ 3,005,785
Equity mutual funds	1,421,365	-	-	1,421,365
Certificates of deposit	-	4,534,432	-	4,534,432
Real estate	-	-	8,000	8,000
Total investments at fair value	<u>\$ 4,427,150</u>	<u>\$ 4,534,432</u>	<u>\$ 8,000</u>	8,969,582
Money market fund				<u>6,514,264</u>
Total investments				<u>\$ 15,483,846</u>

	2021			Total
	Level 1	Level 2	Level 3	
Investments:				
Bond mutual funds	\$ 3,085,409	\$ -	\$ -	\$ 3,085,409
Equity mutual funds	1,691,469	-	-	1,691,469
Certificates of deposit	-	4,840,348	-	4,840,348
Real estate	-	-	8,000	8,000
Total investments at fair value	<u>\$ 4,776,878</u>	<u>\$ 4,840,348</u>	<u>\$ 8,000</u>	9,625,226
Money market fund				<u>4,291,736</u>
Total investments				<u>\$ 13,916,962</u>

Investments at August 31 are as follows:

	2022	2021
Endowment investments	\$ 851,069	\$ 1,059,794
Investments held for non-qualified deferred compensation	547,510	548,656
Other investments	<u>14,085,267</u>	<u>12,308,512</u>
Total	<u>\$ 15,483,846</u>	<u>\$ 13,916,962</u>

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Notes to Consolidated Financial Statements
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9. Contributions Receivable

Contributions receivable at August 31 are as follows:

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 158,188	\$ 621,186
One to five years	-	26,683
	158,188	647,869
Less allowance for uncollectible contributions	-	(33,027)
Less discount to present value	-	(1,890)
	158,188	612,952
Contributions receivable, current portion	<u>(158,188)</u>	<u>(588,159)</u>
Contributions receivable, long-term portion	<u>\$ -</u>	<u>\$ 24,793</u>

Contributions receivable to be collected in excess of one year are discounted using a rate of 5 percent and 2 percent as of August 31, 2022 and 2021, respectively.

10. Accounts and Grants Receivable

Accounts and grants receivable consists of the following as of August 31:

	<u>2022</u>	<u>2021</u>
Government grants receivable	\$ 5,577,190	\$ 5,996,645
Insurance and patient receivables	13,983,784	13,117,036
340b and other receivables	<u>1,296,203</u>	<u>934,850</u>
Net accounts and grants receivable	<u>\$ 20,857,177</u>	<u>\$ 20,048,531</u>

11. Restrictions on Cash

MAHC maintains a separate, restricted cash account as required by the U.S. Department of Housing and Urban Development (HUD). Monthly deposits are made as required by HUD for the reserve for replacement and are maintained in an interest bearing account separate from the operating account of MAHC. Disbursements are restricted to replacement of structural elements or equipment and may be made only upon approval by HUD. Upon satisfaction of the mortgage note related to the capital advance (see Note 15), the balance in this fund reverts to the benefit of MAHC. At August 31, 2022 and 2021, the reserve for replacement of MAHC included within HUD restricted escrow and other assets on the consolidated statements of financial position was \$46,318 and \$43,213, respectively.

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12. Property and Equipment

Property and equipment consists of the following at August 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 201	\$ 134,811
Garden View Apartments	717,536	717,536
Leasehold improvements	15,897,817	10,441,882
Furniture and fixtures	1,268,719	1,268,719
Office equipment and technology	1,032,522	2,263,745
Motor vehicles	524,195	384,111
Health care equipment	2,697,600	2,239,668
Leased office equipment	105,136	105,136
Buildings	-	3,698,179
Construction in progress	127,781	517,552
Total	22,371,507	21,771,339
Less accumulated depreciation	<u>(10,164,928)</u>	<u>(10,839,127)</u>
Net property and equipment	<u>\$ 12,206,579</u>	<u>\$ 10,932,212</u>

13. Operating Leases

The Organization has several non-cancelable operating leases for the rental of buildings in Beloit, Eau Claire, Green Bay, Kenosha, La Crosse, Wausau, Madison, and Milwaukee, Wisconsin, Denver, Colorado, St. Louis and Kansas City, Missouri and Austin, Texas with expirations at various dates through 2030.

Future minimum lease payments under operating leases are as follows:

Years ending August 31,	
2023	\$ 3,068,516
2024	3,649,478
2025	3,322,394
2026	3,316,920
2027	3,399,033
Thereafter	<u>12,694,791</u>
	<u>\$ 29,451,132</u>

Total rent and related occupancy expenses was \$3,059,745 and \$2,077,870 for the years ended August 31, 2022 and 2021, respectively.

14. Line of Credit

The Organization has a \$10,000,000 line of credit with a bank. The line of credit has an interest rate of the secured overnight financing rate plus 10 basis points (3.67 percent as of August 31, 2022) and matures on September 30, 2025. The line of credit is secured by the assets of the Organization. The line of credit had no outstanding balance at August 31, 2022 and 2021.

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15. Capital Advance

HUD advanced MAHC funds that were used in the construction of MAHC's Garden View Apartments to house people with HIV and AIDS. HUD will not require repayment of these funds provided MAHC continues to provide housing for low income persons with disabilities, as defined in Section 811 of the National Affordable Housing Act of 1990 and applicable HUD regulations. Failure to meet this restriction, which expires July, 2037, would result in the full balance, including interest from inception, to become payable to HUD. As of August 31, 2022 and 2021, the total HUD capital advances were \$680,090. The entire amount is recorded in capital advance on the accompanying consolidated statements of financial position. At August 31, 2022 and 2021 the capital advance is classified as a current liability due to management working with HUD to settle the advance.

16. Letter of Credit For Unemployment Compensation

The Organization is self-funded for state unemployment compensation purposes. In accordance with state laws and regulations, a \$146,184 letter of credit in favor of the Wisconsin unemployment reserve fund is maintained which is collateralized by substantially all assets of the Organization.

17. Deferred Compensation Plan

The Organization and members of management have entered into deferred compensation agreements whereby the Organization is obligated to make quarterly contributions, as defined in the agreement, on behalf of the executives. The cumulative contribution payments are maintained in a separate investment account in the Organization's name. Each annual contribution amount will individually vest over a five year period or until the executives' attainment of age 65 as well as other contractual provisions. As of August 31, 2022 and 2021, investments of \$547,510 and \$548,656 are reflected as investments and an accrued liability for the earned deferred compensation obligation of \$375,061 and \$285,588 are included in the accompanying consolidated statements of financial position. Deferred compensation expense was \$180,733 and \$68,980 for the years ended August 31, 2022 and 2021, respectively.

18. Net Assets

The Organization's Board of Directors created a board designated fund to establish a reserve and ensure continued success and long-term financial stability for the Organization. The reserves are available for future critical needs of the Organization and use of these reserves require Board of Directors approval. The amount of Board designated net assets is as follows at August 31:

	<u>2022</u>	<u>2021</u>
Board designated reserve	\$ 22,205,896	\$ 18,500,000

Net assets with donor restrictions as of August 31 consist of the following:

	<u>2022</u>	<u>2021</u>
United Way	\$ 158,188	\$ 246,836
Other time restricted	150,000	366,116
Unappropriated endowment earnings	304,608	513,334
AIDS Services of Austin, Inc.	321,114	655,588
Investments held in perpetuity	541,149	541,149
Total net assets with donor restrictions	<u>\$ 1,475,059</u>	<u>\$ 2,323,023</u>

Vivent Health and Affiliates

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19. Endowment

The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds. A key component of the guidance and UPMIFA is a requirement to classify the portion of a donor-restricted endowment fund as net assets with donor restrictions until appropriated for expenditure. Another key component of the guidance is a requirement for expanded disclosures about all endowments.

The Board of Directors of the Endowment has adopted a policy that there shall be no active fundraising for the Endowment until the Vivent strategic plan financial reserve goal is achieved.

The Organization's endowment net asset composition by type of fund is as follows for the years ended August 31:

	2022		
	Accumulated Earnings	Original Gift	Total
Donor restricted	\$ 304,608	\$ 541,149	\$ 845,757

	2021		
	Accumulated Earnings	Original Gift	Total
Donor restricted	\$ 513,334	\$ 541,149	\$ 1,054,483

Changes in endowment investment and net asset composition for the years ended August 31 are provided as follows:

	2022		
	Accumulated Earnings	Original Gift	Total
Endowment net assets, beginning	\$ 513,334	\$ 541,149	\$ 1,054,483
Investment loss, net	(208,726)	-	(208,726)
Endowment net assets, ending	\$ 304,608	\$ 541,149	\$ 845,757

	2021		
	Accumulated Earnings	Original Gift	Total
Endowment net assets, beginning of year	\$ 351,437	\$ 541,149	\$ 892,586
Investment income, net	161,897	-	161,897
Endowment net assets, ending	\$ 513,334	\$ 541,149	\$ 1,054,483

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20. Uncompensated Care and Treatment

The Organization provided the following uncompensated care and treatment to its medical, dental and mental health patients for the years ended August 31:

	<u>2022</u>	<u>2021</u>
Contractual allowances	\$ 6,115,997	\$ 4,809,030
Patient subsidy	3,821,271	2,677,752
Patient medications	1,134,314	1,521,784
Patient laboratory testing	615,436	464,326
Patient assistance	1,964,197	908,376
Total	<u>\$ 13,651,215</u>	<u>\$ 10,381,268</u>

21. Medical Center and Social Services Expenses

The Organization provides integrated health and social services in its HIV medical home model of care to achieve the best clinical outcomes for its patients and clients. The Organization's consolidated statements of activities identify expenses for the Medical Center and Social Services. These expenses include professional staff expense for physicians, nurse practitioners, nurses, dentists, dental hygienists, mental health therapists, attorneys, social workers and other staff serving HIV patients and clients.

Following is an itemization of the health and social services expenses for the years ended August 31:

	<u>2022</u>	<u>2021</u>
Medical Center:		
Medical Clinic	\$ 10,667,903	\$ 11,122,033
Dental Clinic	5,488,085	5,386,117
Behavioral Health and Wellness Clinic	2,132,348	2,479,464
Total Medical Center expenses	<u>\$ 18,288,336</u>	<u>\$ 18,987,614</u>
	<u>2022</u>	<u>2021</u>
Social Services and other:		
Case management	\$ 13,535,329	\$ 16,506,830
Food services	1,885,910	2,048,517
Legal services	683,537	778,543
Total Social Services and other expenses	<u>\$ 16,104,776</u>	<u>\$ 19,333,890</u>

22. Retirement Plans

The Organization maintains a flexible investment in a safe harbor 401(k) plan. The Organization matched up to 5 percent of gross wages for all participating employees. Total employer contributions to the 401(k) plan were \$958,796 and \$1,062,316 for the years ended August 31, 2022 and 2021, respectively.

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23. Contingencies

In the normal course of business, the Organization is involved in litigation incidental to the conduct of the business. The Organization does not believe that the ultimate disposition of currently pending claims, individually or in the aggregate, would have a material adverse effect on their consolidated financial position, results of activities or cash flows.

Financial awards from federal, state and local governments in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

24. Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through March 14, 2023, the date on which the consolidated financial statements were available to be issued.

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Consolidating Schedule of Financial Position

August 31, 2022

	Vivent Health	Vivent Health Pharmacy, LLC	CARES Pharmacy, LLC	EFA Pharmacy, LLC	AIDS Services of Austin Pharmacy, LLC	AIDS Services of Austin	Vivent Health Endowment Fund, Inc.	Milwaukee AIDS Housing Corporation, Inc.	Eliminations	Consolidated
Current Assets										
Cash and cash equivalents	\$ 9,254,095	\$ 4,623,071	\$ 3,800,444	\$ 3,806,254	\$ 4,289,129	\$ 15,926,191	\$ -	\$ 98,984	\$ -	\$ 41,798,168
Contributions receivable, net	158,188	-	-	-	-	-	-	-	-	158,188
Accounts and grants receivable	5,406,645	5,428,666	3,579,270	3,788,507	1,790,470	863,619	-	-	-	20,857,177
Inventory	-	1,766,962	974,358	891,375	500,096	-	-	-	-	4,132,791
Prepaid expenses	386,935	57,189	37,573	13,910	6,231	-	-	5,595	-	507,433
Amounts due from affiliates	<u>51,628,050</u>	<u>20,001,020</u>	<u>3,089,175</u>	<u>5,002,904</u>	<u>13,356,496</u>	<u>15,532,972</u>	-	-	<u>(108,610,617)</u>	-
Total current assets	<u>66,833,913</u>	<u>31,876,908</u>	<u>11,480,820</u>	<u>13,502,950</u>	<u>19,942,422</u>	<u>32,322,782</u>	-	<u>104,579</u>	<u>(108,610,617)</u>	<u>67,453,757</u>
Property and Equipment, Net	<u>8,036,744</u>	<u>15,481</u>	<u>260,766</u>	<u>316,638</u>	<u>282,621</u>	<u>3,211,303</u>	-	<u>83,026</u>	-	<u>12,206,579</u>
Other Assets										
HUD restricted escrow and security deposits	83,818	-	-	-	-	-	-	46,318	-	130,136
Investment in subsidiaries	3,666,720	-	-	-	-	-	-	-	(3,666,720)	-
Investments	14,632,777	-	-	-	-	-	851,069	-	-	15,483,846
Total other assets	<u>18,383,315</u>	-	-	-	-	-	<u>851,069</u>	<u>46,318</u>	<u>(3,666,720)</u>	<u>15,613,982</u>
Total assets	<u>\$ 93,253,972</u>	<u>\$ 31,892,389</u>	<u>\$ 11,741,586</u>	<u>\$ 13,819,588</u>	<u>\$ 20,225,043</u>	<u>\$ 35,534,085</u>	<u>\$ 851,069</u>	<u>\$ 233,923</u>	<u>\$ (112,277,337)</u>	<u>\$ 95,274,318</u>
Current Liabilities										
Accounts payable	\$ 2,847,402	\$ 648,240	\$ 31,525	\$ 6,450	\$ 3,096	\$ 97,553	\$ -	\$ 225	\$ -	\$ 3,634,491
Accrued expenses	1,687,366	587,422	222,690	220,206	38,862	122,400	-	-	-	2,878,946
Other current liabilities	774,286	-	-	-	-	-	-	338	-	774,624
Capital advance	-	-	-	-	-	-	-	680,090	-	680,090
Amounts due to affiliates	<u>28,737,277</u>	<u>13,568,487</u>	<u>5,635,929</u>	<u>9,188,804</u>	<u>19,287,778</u>	<u>31,320,020</u>	<u>5,312</u>	<u>867,010</u>	<u>(108,610,617)</u>	-
Total current liabilities	<u>34,046,331</u>	<u>14,804,149</u>	<u>5,890,144</u>	<u>9,415,460</u>	<u>19,329,736</u>	<u>31,539,973</u>	<u>5,312</u>	<u>1,547,663</u>	<u>(108,610,617)</u>	<u>7,968,151</u>
Long-Term Liabilities										
Deferred compensation obligation	375,061	-	-	-	-	-	-	-	-	375,061
Total liabilities	<u>34,421,392</u>	<u>14,804,149</u>	<u>5,890,144</u>	<u>9,415,460</u>	<u>19,329,736</u>	<u>31,539,973</u>	<u>5,312</u>	<u>1,547,663</u>	<u>(108,610,617)</u>	<u>8,343,212</u>
Net Assets (Deficit)										
Undesignated (deficit)	28,281,752	17,072,759	5,590,676	4,087,490	612,686	461,695	-	(716,676)	(3,666,720)	51,723,662
Board designated	22,205,896	-	-	-	-	-	-	-	-	22,205,896
Property and equipment less related debt (deficit)	<u>8,036,744</u>	<u>15,481</u>	<u>260,766</u>	<u>316,638</u>	<u>282,621</u>	<u>3,211,303</u>	-	<u>(597,064)</u>	-	<u>11,526,489</u>
Total net assets without donor restrictions	<u>58,524,392</u>	<u>17,088,240</u>	<u>5,851,442</u>	<u>4,404,128</u>	<u>895,307</u>	<u>3,672,998</u>	-	<u>(1,313,740)</u>	<u>(3,666,720)</u>	<u>85,456,047</u>
With donor restrictions	308,188	-	-	-	-	321,114	845,757	-	-	1,475,059
Total net assets	<u>58,832,580</u>	<u>17,088,240</u>	<u>5,851,442</u>	<u>4,404,128</u>	<u>895,307</u>	<u>3,994,112</u>	<u>845,757</u>	<u>(1,313,740)</u>	<u>(3,666,720)</u>	<u>86,931,106</u>
Total liabilities and net assets	<u>\$ 93,253,972</u>	<u>\$ 31,892,389</u>	<u>\$ 11,741,586</u>	<u>\$ 13,819,588</u>	<u>\$ 20,225,043</u>	<u>\$ 35,534,085</u>	<u>\$ 851,069</u>	<u>\$ 233,923</u>	<u>\$ (112,277,337)</u>	<u>\$ 95,274,318</u>

Vivent Health and Affiliates

Consolidating Schedule of Financial Position

August 31, 2021

	Vivent Health	Vivent Health Pharmacy, LLC	CARES Pharmacy, LLC	EFA Pharmacy, LLC	AIDS Services of Austin Pharmacy, LLC	AIDS Services of Austin	Vivent Health Endowment Fund, Inc.	Milwaukee AIDS Housing Corporation, Inc.	Eliminations	Consolidated
Current Assets										
Cash and cash equivalents	\$ 8,427,252	\$ 6,410,169	\$ 5,140,202	\$ 4,619,134	\$ 2,460,505	\$ 5,902,983	\$ -	\$ 114,499	\$ -	\$ 33,074,744
Contributions receivable, net	588,159	-	-	-	-	-	-	-	-	588,159
Accounts and grants receivable	5,273,634	5,688,116	3,823,675	2,558,330	1,263,088	1,441,688	-	-	-	20,048,531
Inventory	-	2,193,557	1,405,633	1,037,482	256,748	-	-	-	-	4,893,420
Prepaid expenses	626,309	52,425	30,212	10,281	2,238	-	-	4,703	-	726,168
Amounts due from affiliates	39,621,111	16,131,441	1,523,343	1,570,069	1,308,215	3,481,608	-	-	(63,635,787)	-
Total current assets	54,536,465	30,475,708	11,923,065	9,795,296	5,290,794	10,826,279	-	119,202	(63,635,787)	59,331,022
Property and Equipment, Net	7,209,783	32,873	463,029	170,345	166,578	2,778,041	-	111,563	-	10,932,212
Other Assets										
Contributions receivable, net										
current portion	24,793	-	-	-	-	-	-	-	-	24,793
HUD restricted escrow and security deposits	89,729	-	-	-	-	-	-	43,213	-	132,942
Investment in subsidiaries	3,666,720	-	-	-	-	-	-	-	(3,666,720)	-
Investments	12,857,168	-	-	-	-	-	1,059,794	-	-	13,916,962
Total other assets	16,638,410	-	-	-	-	-	1,059,794	43,213	(3,666,720)	14,074,697
Total assets	\$ 78,384,658	\$ 30,508,581	\$ 12,386,094	\$ 9,965,641	\$ 5,457,372	\$ 13,604,320	\$ 1,059,794	\$ 273,978	\$ (67,302,507)	\$ 84,337,931
Current Liabilities										
Accounts payable	\$ 2,400,016	\$ 362,983	\$ 10,329	\$ 3,340	\$ 1,319	\$ 43,564	\$ -	\$ 166	\$ -	\$ 2,821,717
Accrued expenses	1,591,982	582,535	224,423	181,295	22,020	-	-	-	-	2,602,255
Other current liabilities	1,733	-	-	-	-	-	-	338	-	2,071
Capital advance	-	-	-	-	-	-	-	680,090	-	680,090
Amounts due to affiliates	20,267,814	13,982,433	6,917,225	6,397,856	4,945,927	10,261,481	5,311	857,740	(63,635,787)	-
Total current liabilities	24,261,545	14,927,951	7,151,977	6,582,491	4,969,266	10,305,045	5,311	1,538,334	(63,635,787)	6,106,133
Long-Term Liabilities										
Deferred compensation obligation	285,588	-	-	-	-	-	-	-	-	285,588
Total liabilities	24,547,133	14,927,951	7,151,977	6,582,491	4,969,266	10,305,045	5,311	1,538,334	(63,635,787)	6,391,721
Net Assets (Deficit)										
Undesignated (deficit)	27,514,790	15,547,757	4,771,088	3,212,805	321,528	(134,354)	-	(695,829)	(3,666,720)	46,871,065
Board designated	18,500,000	-	-	-	-	-	-	-	-	18,500,000
Property and equipment less related debt (deficit)	7,209,783	32,873	463,029	170,345	166,578	2,778,041	-	(568,527)	-	10,252,122
Total net assets without donor restrictions	53,224,573	15,580,630	5,234,117	3,383,150	488,106	2,643,687	-	(1,264,356)	(3,666,720)	75,623,187
With donor restrictions	612,952	-	-	-	-	655,588	1,054,483	-	-	2,323,023
Total net assets	53,837,525	15,580,630	5,234,117	3,383,150	488,106	3,299,275	1,054,483	(1,264,356)	(3,666,720)	77,946,210
Total liabilities and net assets	\$ 78,384,658	\$ 30,508,581	\$ 12,386,094	\$ 9,965,641	\$ 5,457,372	\$ 13,604,320	\$ 1,059,794	\$ 273,978	\$ (67,302,507)	\$ 84,337,931

Vivent Health and Affiliates

Consolidating Schedule of Activities

Year Ended August 31, 2022

	Vivent Health	Vivent Health Pharmacy, LLC	CARES Pharmacy, LLC	EFA Pharmacy, LLC	AIDS Services of Austin Pharmacy, LLC	AIDS Services of Austin	Vivent Health Endowment Fund, Inc.	Milwaukee AIDS Housing Corporation, Inc.	Eliminations	Consolidated
Revenue										
Government grants	\$ 20,390,213	\$ -	\$ -	\$ -	\$ -	\$ 6,257,221	\$ -	\$ -	\$ -	\$ 26,647,434
Grants and public support	2,069,467	-	-	-	-	2,008,348	-	-	-	4,077,815
Special events:										
Special events revenue	78,080	-	-	-	-	(34,611)	-	-	-	43,469
Special events expense	(483,944)	-	-	-	-	(32,688)	-	-	-	(516,632)
Contractual partnerships	575,045	-	-	-	-	-	-	-	-	575,045
Reimbursement for services and pharmacy	3,843,661	93,361,889	57,366,379	40,639,934	17,855,533	572,429	-	-	-	213,639,825
Other income	401,414	-	170,240	-	(148,189)	877,800	(208,726)	6	-	1,092,545
Total revenue	26,873,936	93,361,889	57,536,619	40,639,934	17,707,344	9,648,499	(208,726)	6	-	245,559,501
Expenses										
Clinical and program services:										
Medical center	19,367,384	-	-	-	-	3,952,589	-	-	-	23,319,973
Pharmacy	-	75,468,648	49,340,093	28,926,840	13,306,333	-	-	-	-	167,041,914
Social services and other	17,239,840	-	-	-	-	3,874,655	-	49,390	-	21,163,885
Prevention services	7,461,353	-	-	-	-	1,405,575	-	-	-	8,866,928
Management and general	4,492,049	2,817,144	2,023,272	1,503,312	239,004	3,343,635	-	-	-	14,418,416
Fundraising	1,631,475	-	-	-	-	132,014	-	-	-	1,763,489
Total expenses	50,192,101	78,285,792	51,363,365	30,430,152	13,545,337	12,708,468	-	49,390	-	236,574,605
Change in net assets related to operations	(23,318,165)	15,076,097	6,173,254	10,209,782	4,162,007	(3,059,969)	(208,726)	(49,384)	-	8,984,896
Other Changes in Net Assets										
Transfer from related parties	28,313,220	-	-	-	-	3,754,806	-	-	(32,068,026)	-
Transfer to related parties	-	(13,568,487)	(5,555,929)	(9,188,804)	(3,754,806)	-	-	-	32,068,026	-
Total other changes in net assets	28,313,220	(13,568,487)	(5,555,929)	(9,188,804)	(3,754,806)	3,754,806	-	-	-	-
Change in net assets	4,995,055	1,507,610	617,325	1,020,978	407,201	694,837	(208,726)	(49,384)	-	8,984,896
Net Assets (Deficit), Beginning	53,837,525	15,580,630	5,234,117	3,383,150	488,106	3,299,275	1,054,483	(1,264,356)	(3,666,720)	77,946,210
Net Assets (Deficit), Ending	\$ 58,832,580	\$ 17,088,240	\$ 5,851,442	\$ 4,404,128	\$ 895,307	\$ 3,994,112	\$ 845,757	\$ (1,313,740)	\$ (3,666,720)	\$ 86,931,106

Vivent Health and Affiliates

Consolidating Schedule of Activities

Year Ended August 31, 2021

	<u>Vivent Health</u>	<u>Vivent Health Pharmacy, LLC</u>	<u>CARES Pharmacy, LLC</u>	<u>EFA Pharmacy, LLC</u>	<u>AIDS Services of Austin Pharmacy, LLC</u>	<u>AIDS Services of Austin</u>	<u>Vivent Health Endowment Fund, Inc.</u>	<u>Milwaukee AIDS Housing Corporation, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue										
Government grants	\$ 18,329,039	\$ -	\$ -	\$ -	\$ -	\$ 6,201,721	\$ -	\$ -	\$ -	\$ 24,530,760
Grants and public support	2,213,671	-	-	-	-	1,869,553	-	-	(407,500)	3,675,724
Special events:										
Special events revenue	256,101	-	-	-	-	244,894	-	-	-	500,995
Special events expense	(320,494)	-	-	-	-	(18,019)	-	-	-	(338,513)
Contractual partnerships	572,580	-	-	-	-	-	-	-	-	572,580
Reimbursement for services and pharmacy	3,638,921	86,882,525	52,328,683	27,260,732	5,659,697	639,726	-	-	-	176,410,284
Other income	2,151,242	-	784,716	-	-	263,832	161,897	4	842,500	4,204,191
Total revenue	<u>26,841,060</u>	<u>86,882,525</u>	<u>53,113,399</u>	<u>27,260,732</u>	<u>5,659,697</u>	<u>9,201,707</u>	<u>161,897</u>	<u>4</u>	<u>435,000</u>	<u>209,556,021</u>
Expenses										
Clinical and program services:										
Medical center	16,089,499	-	-	-	-	2,898,115	-	-	-	18,987,614
Pharmacy	-	66,468,497	42,701,029	18,158,793	3,707,272	-	-	-	(347,500)	130,688,091
Social services and other	15,402,367	-	-	-	-	3,884,345	-	47,178	-	19,333,890
Prevention services	6,453,597	-	-	-	-	1,930,081	-	-	-	8,383,678
Management and general	6,708,255	2,124,456	1,189,404	571,464	-	2,111,667	-	-	(60,000)	12,645,246
Fundraising	1,301,038	-	-	-	-	281,263	-	-	-	1,582,301
Total expenses	<u>45,954,756</u>	<u>68,592,953</u>	<u>43,890,433</u>	<u>18,730,257</u>	<u>3,707,272</u>	<u>11,105,471</u>	<u>-</u>	<u>47,178</u>	<u>(407,500)</u>	<u>191,620,820</u>
Change in net assets related to operations	(19,113,696)	18,289,572	9,222,966	8,530,475	1,952,425	(1,903,764)	161,897	(47,174)	842,500	17,935,201
Other Changes in Net Assets										
Inherent contribution from acquisitions	1,349,614	-	-	-	-	-	-	-	-	1,349,614
Transfer from related parties	28,496,579	-	-	-	-	-	-	-	(28,496,579)	-
Transfer to related parties	-	(13,717,179)	(6,917,225)	(6,397,856)	(1,464,319)	-	-	-	28,496,579	-
Total other changes in net assets	<u>29,846,193</u>	<u>(13,717,179)</u>	<u>(6,917,225)</u>	<u>(6,397,856)</u>	<u>(1,464,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,349,614</u>
Change in net assets	10,732,497	4,572,393	2,305,741	2,132,619	488,106	(1,903,764)	161,897	(47,174)	842,500	19,284,815
Net Assets (Deficit), Beginning	<u>43,105,028</u>	<u>11,008,237</u>	<u>2,928,376</u>	<u>1,250,531</u>	<u>-</u>	<u>5,203,039</u>	<u>892,586</u>	<u>(1,217,182)</u>	<u>(4,509,220)</u>	<u>58,661,395</u>
Net Assets (Deficit), Ending	<u>\$ 53,837,525</u>	<u>\$ 15,580,630</u>	<u>\$ 5,234,117</u>	<u>\$ 3,383,150</u>	<u>\$ 488,106</u>	<u>\$ 3,299,275</u>	<u>\$ 1,054,483</u>	<u>\$ (1,264,356)</u>	<u>\$ (3,666,720)</u>	<u>\$ 77,946,210</u>