



# Access Now, Inc.

## Financial Statements

December 31, 2019

# ***Access Now, Inc.***

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## ***Independent Auditor's Report***

Board of Directors  
Access Now, Inc.  
Richmond, Virginia

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Access Now, Inc., which comprise the statement of financial position as of December 31, 2019, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Access Now, Inc., as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Mitchell Wiggins*

Richmond, Virginia  
April 17, 2020

***Access Now, Inc.***

***Statement of Financial Position  
December 31, 2019***

**Assets**

**Current Assets**

Cash and cash equivalents	\$ 395,777
Certificates of deposit	256,591
Grants receivable	25,000
Contract assets	37,956
Prepaid expenses	2,691
<b>Total current assets</b>	<b>718,015</b>

**Property and Equipment**

Office furniture and fixtures	23,304
Office equipment	18,007
Telephone system	1,527
Leasehold improvements	3,844
	<u>46,682</u>
Less accumulated depreciation	38,465
	<u>8,217</u>

<b>Total assets</b>	<b>\$ 726,232</b>
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**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable and other current liabilities	\$ 17,418
<b>Total current liabilities</b>	<b>17,418</b>

**Net Assets**

With donor restrictions	25,000
Without donor restrictions	683,814
<b>Total net assets</b>	<b>708,814</b>

<b>Total liabilities and net assets</b>	<b>\$ 726,232</b>
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*See Notes to Financial Statements*

***Access Now, Inc.***

***Statement of Activities***

***Year Ended December 31, 2019***

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Changes in Net Assets</b>			
Revenues and support			
Contributions and grants	\$ 374,758	\$ 25,000	\$ 399,758
Contract revenue	153,501	-	153,501
Contributed services	4,685,283	-	4,685,283
Interest income	6,542	-	6,542
<b>Total revenues and support</b>	<b>5,220,084</b>	<b>25,000</b>	<b>5,245,084</b>
Expenses			
Program	5,102,153	-	5,102,153
Administrative and general	56,961	-	56,961
Fundraising	29,328	-	29,328
<b>Total expenses</b>	<b>5,188,442</b>	<b>-</b>	<b>5,188,442</b>
<b>Change in net assets</b>	<b>31,642</b>	<b>25,000</b>	<b>56,642</b>
Net assets, beginning	652,172	-	652,172
Net assets, ending	\$ 683,814	\$ 25,000	\$ 708,814

*See Notes to Financial Statements*

***Access Now, Inc.***

***Statement of Functional Expenses  
Year Ended December 31, 2019***

	Program	Administrative and General	Fundraising	Total
RAM personnel support reimbursement				
Payroll	\$ 183,430	\$ 9,214	\$ 3,943	\$ 196,587
Benefits and payroll taxes	39,193	1,855	742	41,790
Management fee	99,104	26,802	19,594	145,500
Accounting	-	8,300	-	8,300
Depreciation	3,467	169	68	3,704
Dues and conferences	3,747	330	200	4,277
Equipment lease	8,425	411	164	9,000
Insurance	3,129	1,531	9	4,669
Legal fees	-	115	-	115
Medical services	4,685,283	-	-	4,685,283
Meetings	1,332	3,011	-	4,343
Miscellaneous	195	978	-	1,173
Office expense	12,556	784	153	13,493
Postage	3,045	-	2,030	5,075
Public relations	5,726	1,909	1,957	9,592
Rent	17,323	845	338	18,506
Software and computer support	18,705	358	-	19,063
Taxes and licenses	479	25	-	504
Telephone	6,647	324	130	7,101
VAFC grant administration fee	10,367	-	-	10,367
	<b>\$ 5,102,153</b>	<b>\$ 56,961</b>	<b>\$ 29,328</b>	<b>\$ 5,188,442</b>

*See Notes to Financial Statements*

***Access Now, Inc.***

***Statement of Cash Flows***  
***Year Ended December 31, 2019***

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<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 56,642
<b><i>Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities</i></b>	
Depreciation	3,704
Appreciation in certificates of deposit	(3,787)
<b><i>Changes in operating assets</i></b>	
Grants receivable	(5,000)
Contract assets	(5)
Prepaid expenses	291
<b><i>Changes in operating liabilities</i></b>	
Accounts payable and other current liabilities	<u>(56,128)</u>
<b>Net cash and cash equivalents (used in) operating activities</b>	<u>(4,283)</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of property and equipment	<u>(3,577)</u>
<b>Net cash and cash equivalents (used in) investing activities</b>	<u>(3,577)</u>
<b>Net change in cash and cash equivalents</b>	(7,860)
Cash and cash equivalents, beginning	<u>403,637</u>
Cash and cash equivalents, ending	<u>\$ 395,777</u>

*See Notes to Financial Statements*

## ***Access Now, Inc.***

### ***Notes to Financial Statements***

***December 31, 2019***

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#### ***Note 1. Nature of Organization and Summary of Significant Accounting Policies***

##### ***Nature of organization***

Access Now, Inc. (the Organization) is a nonprofit corporation organized under the laws of Virginia with a sole member, Richmond Academy of Medicine, Inc., a Virginia nonprofit corporation. The Organization operates as a community partnership to improve access to health care for low-income, uninsured residents of the greater Richmond metropolitan area. The Organization connects the care received in a local clinic or health system with donated medical care in a coordinated referral program. The Organization's network includes over 1,000 providers who have generously volunteered to provide free specialty care to uninsured, low-income patients. The Organization's volunteers provided more than four million dollars in pro-bono medical care in 49 medical specialties. The Organization's leadership and volunteers are committed to serving the medical needs of the Richmond community. The Organization's support comes primarily from contributions and grants.

A summary of the Organization's significant accounting policies follows:

##### ***Financial statement presentation***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions include resources available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions include contributions with donor-imposed restrictions that may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or that may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

##### ***Cash and cash equivalents***

The Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. The Organization, at times, may have cash and investments in excess of insured limits. At December 31, 2019, the Organization had balances that were in excess of insured limits.



## ***Access Now, Inc.***

### ***Notes to Financial Statements***

***December 31, 2019***

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#### ***Note 1. Nature of Organization and Summary of Significant Accounting Policies (continued)***

##### ***Certificates of deposit***

Certificates of deposits have a maturity greater than three months. The Organization values these amounts at original cost plus accrued interest, which approximates fair value.

##### ***Grants and contributions receivable***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions receivable are periodically evaluated for collectability based on past history and current financial condition. If necessary, an allowance for loss on contributions receivable is provided based on management's evaluation of the collectability of individual contributions. At December 31, 2019, no allowance was deemed necessary by management.

##### ***Property and equipment***

Acquisitions of property and equipment are recorded at cost. Major repairs and betterments are capitalized, and normal maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

##### ***Income taxes***

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Organization is subject to tax on any unrelated business income that it may generate.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is no longer subject to income tax examinations by the taxing authorities for years ending before December 31, 2016.

The Organization includes penalties and interest assessed by income taxing authorities in administrative and general expenses. The Organization did not have penalties and interest relating to income taxes for the year ended December 31, 2019.

##### ***Revenue recognition***

The Financial Accounting Standards Board Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for determining when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has implemented Topic 606 and adjusted the presentation in these financial statements accordingly.

***Access Now, Inc.***

***Notes to Financial Statements***

***December 31, 2019***

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***Note 1. Nature Organization and Summary of Significant Accounting Policies (continued)***

***Revenue recognition (continued)***

The Organization has two primary sources of revenue: contribution revenue and contract revenue. Contribution revenue is scoped out of Topic 606 and is recognized in the period the award is made. The Organization's contract revenue consists of one contract to provide health care services to low-income, uninsured patients for a period of one year. The contract consists of multiple similar performance obligations with the same measurement of progress toward completion. Management has determined the performance obligations related to the contract are satisfied over time because the customer simultaneously receives and consumes the economic benefits provided by the Organization's performance. Total revenue recognized over time was \$153,501 for the year ended December 31, 2019.

Contract assets consist of amounts due related to performance obligations which were satisfied during the year.

***Donations in-kind***

Revenue and expenses are recognized for the estimated fair value of goods and services contributed by donors in support of the Organization. The recorded donations in-kind relate to medical services provided by doctors and totaled \$4,685,283 for the year ended December 31, 2019.

Some practices or physicians may report to the Organization values of donated services provided in the current year after the audit report date. Such values are not included in the audited financial statements.

***Use of estimates***

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

***Functional expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among program and supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include indirect expenses such as personnel costs, management fees, rent, and office expenses. These are allocated based on the percentage of staff time spent in each program & supporting area.

## ***Access Now, Inc.***

### ***Notes to Financial Statements***

***December 31, 2019***

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#### ***Note 2. Related-Party Transactions***

The Organization has multiple month-to-month leases with Richmond Academy of Medicine, Inc. to lease telephones and computer equipment. These leases will continue until the equipment is returned to the leasing agency or to Richmond Academy of Medicine, Inc. As the leased equipment is changed, the monthly lease payment is adjusted. During 2019, the Organization paid \$9,000 in lease payments.

The Organization has a month-to-month lease arrangement to lease office space from Richmond Academy of Medicine, Inc. The total rent expense for office space for the year ended December 31, 2019 was \$18,506.

Richmond Academy of Medicine, Inc. also provides administrative support to the Organization. For the year ended December 31, 2019, reimbursements for personnel support totaled \$383,877. Amounts due to the Richmond Academy of Medicine, Inc. as of December 31, 2019 for personnel support, administrative support, and supplies total \$2,406.

#### ***Note 3. Net Assets with Donor Restrictions***

As stated in Note 1, net assets with donor restrictions consist of contributions received from donors who have specified how the contribution will be utilized. As of December 31, 2019, net assets with donor restrictions consists of \$25,000 which is time restricted for use in 2020.

#### ***Note 4. Liquidity and Availability***

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 are:

Cash and cash equivalents	\$ 395,777
Certificates of deposit	256,591
Grants receivable	25,000
Contributions receivable	<u>37,956</u>
Total financial assets	715,324
Amounts available for general expenditures within one year	<u>\$ 715,324</u>

As part of its liquidity management, the Organization holds cash and certificates of deposit which could be redeemed in the short term if needed. Management and the Board of Directors regularly monitor the liquidity needs of the Organization.

***Access Now, Inc.***

***Notes to Financial Statements***

***December 31, 2019***

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***Note 5. Concentration of Contributions***

During 2019, 41% of the Organization's total non-in-kind support and revenue came from two donors.

***Note 6. Subsequent Events***

***COVID-19***

As of the date through which the Organization has evaluated subsequent events, the Organization believes it understands the risk associated with Covid-19. The Organization is in the process of implementing risk mitigation tactics for the Organization as to the risk of the impact, if any, of Covid-19 related to all aspects of the Organization's transactions with customers and vendors, and human interaction within and outside of the Organization.

Management has evaluated subsequent events through April 17, 2020, the date which the consolidated financial statements were available for issue.