

Access Now, Inc.

Financial Statements

December 31, 2020

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, 2020, 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, 2020, 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.

Richmond, Virginia
Date

*Access Now, Inc.**Statement of Financial Position
December 31, 2020***Assets****Current Assets**

Cash and cash equivalents	\$ 434,771
Certificates of deposit	258,072
Grants receivable	25,000
Contract assets	44,791
Prepaid expenses	4,167
Total current assets	766,801

Property and Equipment

Office furniture and fixtures	23,304
Office equipment	15,330
Telephone system	1,527
Leasehold improvements	3,844
	<u>44,005</u>
Less accumulated depreciation	38,340
	<u>5,665</u>

Total assets	\$ 772,466
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Liabilities and Net Assets**Current Liabilities**

Accounts payable and other current liabilities	\$ 14,558
Total current liabilities	14,558

Net Assets

With donor restrictions	25,000
Without donor restrictions	732,908
Total net assets	757,908

Total liabilities and net assets	\$ 772,466
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See Notes to Financial Statements

*Access Now, Inc.**Statement of Activities
Year Ended December 31, 2020*

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets			
Revenues and support			
Contributions and grants	\$ 326,924	\$ 25,000	\$ 351,924
Contract revenue	152,034	-	152,034
Contributed services	4,361,239	-	4,361,239
Interest income	1,754	-	1,754
Payroll Protection Program grant	45,661	-	45,661
Net assets released from restrictions	25,000	(25,000)	-
Total revenues and support	4,912,612	-	4,912,612
Expenses			
Program	4,815,102	-	4,815,102
Administrative and general	38,261	-	38,261
Fundraising	10,155	-	10,155
Total expenses	4,863,518	-	4,863,518
Change in net assets	49,094	-	49,094
Net assets, beginning	683,814	25,000	708,814
Net assets, ending	\$ 732,908	\$ 25,000	\$ 757,908

See Notes to Financial Statements

*Access Now, Inc.**Statement of Functional Expenses
Year Ended December 31, 2020*

	Program	Administrative and General	Fundraising	Total
RAM personnel support reimbursement				
Payroll	\$ 191,795	\$ 1,469	\$ 2,937	\$ 196,201
Benefits and payroll taxes	40,401	309	619	41,329
Management fee	129,433	16,375	3,692	149,500
Accounting	-	12,200	-	12,200
Depreciation	2,495	19	38	2,552
Dues and conferences	3,284	355	455	4,094
Equipment lease	6,843	52	105	7,000
Insurance	5,585	1,096	15	6,696
Legal fees	-	442	-	442
Medical services	4,361,239	-	-	4,361,239
Meetings	785	2,457	-	3,242
Miscellaneous	471	897	-	1,368
Office expense	8,234	178	94	8,506
Postage	4,915	-	-	4,915
Public relations	5,711	1,903	1,805	9,419
Rent	18,772	144	287	19,203
Software and computer support	17,756	286	-	18,042
Taxes and licenses	474	25	-	499
Telephone	7,027	54	108	7,189
VAFC grant administration fee	9,882	-	-	9,882
	\$ 4,815,102	\$ 38,261	\$ 10,155	\$ 4,863,518

See Notes to Financial Statements

*Access Now, Inc.**Statement of Cash Flows
Year Ended December 31, 2020*

Cash Flows from Operating Activities	
Change in net assets	\$ 49,094
 <i>Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities</i>	
Depreciation	2,552
Appreciation in certificates of deposit	(1,481)
<i>Changes in operating assets</i>	
Contract assets	(6,835)
Prepaid expenses	(1,476)
<i>Changes in operating liabilities</i>	
Accounts payable and other current liabilities	(2,860)
Net cash and cash equivalents provided by operating activities	<u>38,994</u>
 Net change in cash and cash equivalents	 38,994
 Cash and cash equivalents, beginning	 <u>395,777</u>
 Cash and cash equivalents, ending	 <u>\$ 434,771</u>

See Notes to Financial Statements

Access Now, Inc.**Notes to Financial Statements****December 31, 2020**

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, 2020, the Organization had balances that were in excess of insured limits.

Access Now, Inc.**Notes to Financial Statements****December 31, 2020**

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, 2020, 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, 2017.

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, 2020.

Access Now, Inc.**Notes to Financial Statements****December 31, 2020**

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

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 \$152,034 for the year ended December 31, 2020.

Contract assets consist of amounts due related to performance obligations which were satisfied during the year. Contract assets at December 31, 2020 and 2019 were \$44,791 and \$37,956, respectively.

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 \$4,361,239 for the year ended December 31, 2020.

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. Such estimates also affect 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 and supporting area.

Access Now, Inc.**Notes to Financial Statements****December 31, 2020**

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 2020, the Organization paid \$7,000 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, 2020 was \$19,203.

Richmond Academy of Medicine, Inc. also provides administrative support to the Organization. For the year ended December 31, 2020, reimbursements for personnel support totaled \$387,030. Amounts due to the Richmond Academy of Medicine, Inc. as of December 31, 2020 for personnel support, administrative support, and supplies total \$2,097.

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, 2020, net assets with donor restrictions consists of \$25,000 which is time restricted for use in 2021.

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, 2020 are:

Cash and cash equivalents	\$ 434,771
Certificates of deposit	258,072
Grants receivable	25,000
Contract assets	44,791
Total financial assets	<u>762,634</u>

Amounts available for general expenditures within one year	<u>\$ 762,634</u>
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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.

Note 5. Concentration of Contributions

During 2020, 55% of the Organization's total non-in-kind support and revenue came from three donors.

Access Now, Inc.**Notes to Financial Statements****December 31, 2020**

Note 6. Payroll Protection Program Grant

In March 2020, Congress established the Paycheck Protection Program (PPP) to provide relief to small businesses during the coronavirus pandemic (COVID-19) as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The legislation authorized Treasury to use the Small Business Administration's (SBA) 7(a) small business lending program to fund forgivable loans that qualifying businesses could spend to cover payroll, mortgage interest, rent and utilities during the "Covered Period" defined as the 8-week period starting on the date the PPP loan proceeds are received. Upon meeting certain criteria as specified in the PPP, the loans are eligible for partial or total forgiveness.

On June 5, 2020, the PPP Flexibility Act of 2020 (the "Act") was signed into law, giving borrowers flexibility with certain criteria under the PPP including extension of the Covered Period to 24 weeks from 8 weeks, reduction to 60% of the payroll costs requirement (previously 75%), extension of the payment deferral period, extension of the full-time equivalent (FTE) restoration deadline to December 31, 2020, and safe harbor provisions to remove the FTE reduction in forgiveness under limited circumstances.

The Organization applied for and received proceeds of \$45,661 through the PPP on April 15, 2020, prior to the enactment of the Act. The Organization recorded the PPP proceeds as a conditional contribution in accordance with ASC Topic 958-605. Based on the flexibility provided under the Act, the Organization elected to extend its Covered Period to 24 weeks. The Organization determined both through internal calculations and those provided by the AICPA's forgiveness model, that all criteria for forgiveness based on both the CARES Act and the Act have been met and that the PPP loan will be 100% forgiven. As of December 31, 2020, the Organization determined that all conditions related to the PPP proceeds had been met and accordingly has recognized \$45,661 as grant income.

Note 7. Other Matters – COVID-19

On March 10, 2020, the World Health Organization declared COVID-19 as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. Actions taken to mitigate the spread of COVID-19 have had, and may to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, COVID-19 may continue to have an impact on future operations.

Access Now, Inc.

Notes to Financial Statements

December 31, 2020

Note 8. Subsequent Events

In January 2021, the Organization received confirmation from Truist Bank that the SBA had approved loan forgiveness in the amount of \$45,661, effective January 14, 2021.

Based on criteria established by the SBA in December 2020, Management applied for and received a PPP loan from the SBA for approximately \$46,000 in March 2021. This loan is intended to support the Organization's operations over a short-term period. Management has evaluated subsequent events through _____, the date which the financial statements were available for issue.