

ACCESS NOW, INC.
FINANCIAL REPORT
December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Access Now, Inc.
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of Access Now, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Glen Allen, Virginia
April 14, 2023

ACCESS NOW, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 311,502
Grants receivable	50,000
Accounts receivable	37,615
Investments (Notes 2 and 7)	393,298
Prepaid expenses	11,490
Total current assets	<u>803,905</u>

PROPERTY AND EQUIPMENT

Office furniture and fixtures	23,304
Office equipment	34,095
Telephone system	1,527
Leasehold improvements	3,844
	<u>62,770</u>
Less accumulated depreciation	40,692
Total property and equipment, net	<u>22,078</u>

\$ 825,983

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and other current liabilities	\$ 8,272
Total current liabilities	<u>8,272</u>

NET ASSETS

With donor restrictions (Note 4)	25,000
Without donor restrictions	792,711
Total net assets	<u>817,711</u>

\$ 825,983

The Notes to Financial Statements are an integral part of these statements.

ACCESS NOW, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS			
REVENUES AND SUPPORT			
Contributions and grants	\$ 375,963	\$ 25,000	\$ 400,963
Contract revenue (Note 1)	142,497	-	142,497
Contributed services (Note 1)	7,236,501	-	7,236,501
Interest income	36	-	36
Net investment loss (Note 2)	(64,538)	-	(64,538)
Loss on sale of assets	(443)	-	(443)
Net assets released from restrictions	25,000	(25,000)	-
Total revenues and support	7,715,016	-	7,715,016
EXPENSES			
Program	7,713,053	-	7,713,053
Administrative and general	43,030	-	43,030
Fundraising	8,081	-	8,081
Total expenses	7,764,164	-	7,764,164
Change in net assets	(49,148)	-	(49,148)
NET ASSETS, beginning	841,859	25,000	866,859
NET ASSETS, ending	\$ 792,711	\$ 25,000	\$ 817,711

The Notes to Financial Statements are an integral part of these statements.

ACCESS NOW, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program	Administrative and General	Fundraising	Total
RAM personnel support reimbursement (Note 3)				
Payroll	\$ 215,296	\$ 1,455	\$ 1,455	\$ 218,206
Benefits and payroll taxes	54,892	371	371	55,634
Management fee	118,807	24,599	4,094	147,500
Accounting	-	9,535	-	9,535
Depreciation	2,463	17	17	2,497
Dues and conferences	2,835	815	199	3,849
Shared equipment costs (Note 3)	7,815	53	53	7,921
Insurance	4,815	1,162	-	5,977
Medical services	7,236,501	-	-	7,236,501
Meetings	369	2,324	-	2,693
Miscellaneous	549	160	-	709
Office expense	10,358	169	56	10,583
Postage	4,425	-	-	4,425
Public relations	-	1,766	1,657	3,423
Occupancy (Note 3)	19,784	133	133	20,050
Software and computer support	18,027	300	-	18,327
Taxes and licenses	532	25	-	557
Telephone	6,837	46	46	6,929
VAFC grant administration fee	8,748	100	-	8,848
	<u>\$ 7,713,053</u>	<u>\$ 43,030</u>	<u>\$ 8,081</u>	<u>\$ 7,764,164</u>

The Notes to Financial Statements are an integral part of these statements.

ACCESS NOW, INC.

STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

OPERATING ACTIVITIES

Change in net assets	\$ (49,148)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Depreciation	2,497
Unrealized loss on investments	73,147
Loss on sale of assets	443
Changes in operating assets:	
Grants receivable	(25,000)
Accounts receivable	197
Other receivable	50,949
Prepaid expenses	(7,410)
Changes in operating liabilities:	
Accounts payable and other current liabilities	1,659
Net cash and cash equivalents provided by operating activities	<u>47,334</u>

INVESTING ACTIVITIES

Purchase of investments	(208,609)
Purchase of property and equipment	<u>(21,000)</u>
Net cash and cash equivalents used in investing activities	<u>(229,609)</u>
Net change in cash and cash equivalents	(182,275)

CASH AND CASH EQUIVALENTS, beginning 493,777

CASH AND CASH EQUIVALENTS, ending \$ 311,502

The Notes to Financial Statements are an integral part of these statements.

ACCESS NOW, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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 seven million dollars in pro-bono medical care in 52 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, 2022, the Organization had balances that were in excess of insured limits. Cash and cash equivalents does not include amounts that are part of managed investments. These amounts are included with investments on the statement of financial position.

(Continued)

ACCESS NOW, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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

Grants and contributions receivable

Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions and grants 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 and grants are recognized.

Contributions and grants receivable are periodically evaluated for collectability based on past history and current financial condition. If necessary, an allowance for loss on contributions and grants receivable is provided based on management's evaluation of the collectability of individual contributions and grants. At December 31, 2022, no allowance was deemed necessary by management.

Investments

Investments in all debt and equity securities with readily determinable market values are recorded at fair market value under current accounting standards. Realized gains and losses are recorded on the trade date based upon the specific identification method for cost purposes. Dividends are recorded on the ex-dividend date.

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, 2019.

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, 2022.

(Continued)

ACCESS NOW, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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 \$142,497 for the year ended December 31, 2022.

Accounts receivable consist of amounts due related to performance obligations which were satisfied during the year. Accounts receivable at January 1, 2022 were \$37,812.

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. Contributions of services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The recorded donations in-kind relate to medical services provided by doctors and totaled \$7,236,501 for the year ended December 31, 2022.

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. Also, some providers cannot distinguish between provider and hospital charges; therefore, these amounts are not recorded in the 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.

(Continued)

ACCESS NOW, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Note 2. Investments

Investments are carried at fair value and consist of the following at December 31, 2022:

	Fair Value	Cost
Mutual Funds	\$ 388,835	\$ 457,669
Money Market Funds	4,463	4,463
	<u>\$ 393,298</u>	<u>\$ 462,132</u>

Net investment loss consists of the following for the year ended December 31, 2022:

Unrealized loss	\$ (73,147)
Interest and dividend income	8,609
	<u><u>\$ (64,538)</u></u>

Note 3. Related-Party Transactions

The Organization has a shared equipment arrangement with Richmond Academy of Medicine, Inc. to use telephones and computer equipment. This arrangement will continue until the equipment is returned to Richmond Academy of Medicine, Inc. During 2022, the Organization paid \$7,921 to Richmond Academy of Medicine, Inc. under this arrangement.

The Organization also maintains a shared office space arrangement with Richmond Academy of Medicine, Inc. The Organization paid \$20,050 under this arrangement during the year ended December 31, 2022.

Richmond Academy of Medicine, Inc. also provides administrative support to the Organization. For the years ended December 31, 2022, reimbursements for personnel support totaled \$421,340. Amounts due to the Richmond Academy of Medicine, Inc. as of December 31, 2022 for personnel support, administrative support, and supplies total \$1,428.

Note 4. 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, 2022, net assets with donor restrictions consists of \$25,000 which is time restricted for use in 2023.

(Continued)

ACCESS NOW, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Note 5. 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, 2022:

Cash and cash equivalents	\$ 311,502
Grants receivable	50,000
Accounts receivable	37,615
Investments	<u>393,298</u>
Total financial assets	<u>\$ 792,415</u>
Amounts available for general expenditures within one year	<u>\$ 792,415</u>

As part of its liquidity management, the Organization holds cash and investments 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 6. Concentration of Contributions

During 2022, 50% of the Organization's total non-in-kind support and revenue came from three donors. Accounts and grants receivable from these donors totaled 43% of total contract and accounts receivable.

Note 7. Fair Value Measurements

Financial accounting standards for fair value measurement define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under current accounting standards are described below:

Level 1. Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2. Valuations for assets and liabilities traded in less active dealer or broker markets, including those where the investee has the ability to redeem its investment at its net asset value per share at the measurement date. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

(Continued)

ACCESS NOW, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Note 7. Fair Value Measurements (Continued)

Level 3. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are determined using pricing models, and the inputs to those pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically reported trades and broker-dealer quotes. When quoted prices in active markets and observable market inputs in active markets are not available, fair values are determined using unobservable pricing inputs. Unobservable inputs require significant management judgment or estimation. Investments in this category generally include alternative investments, such as ownership interests in pass-through entities.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2022.

Money market funds

Valued at cost, which approximates fair value.

Mutual funds

Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

(Continued)

ACCESS NOW, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 7. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Small blend	\$ 15,309	\$ -	\$ -	\$ 15,309
Large value	197,549	-	-	197,549
Mid-cap blend	14,725	-	-	14,725
Large growth	44,782	-	-	44,782
Short-term bond	60,166	-	-	60,166
Intermediate core bond	56,304	-	-	56,304
	388,835	-	-	388,835
Other managed investments				
Money market funds	4,463	-	-	4,463
	Total assets at fair value	\$ -	\$ -	\$ 393,298
	\$ 393,298	\$ -	\$ -	\$ 393,298

Note 8. Subsequent Events

Management has evaluated subsequent events through April 14, 2023, the date the financial statements were available for issue.