

ACCESS NOW, INC.
Richmond, Virginia

FINANCIAL STATEMENTS
December 31, 2009

ACCESS NOW, INC.
FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

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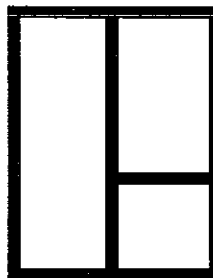
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Access Now, Inc.
Richmond, Virginia

We have audited the accompanying statement of financial position of Access Now, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the management of Access Now, Inc. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lane & Associates, P.C.

Certified Public Accountants
Richmond, Virginia
June 16, 2010

ACCESS NOW, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2009

ASSETS

Current assets		
Cash and cash equivalents	\$ 118,565	
Contributions receivable	40,244	
Prepaid expenses	13,167	
Total current assets		\$ 171,976
Property, plant, and equipment		
Office furniture and fixtures	22,380	
Office equipment	590	
Leasehold improvements	6,732	
Total property, plant, and equipment	29,702	
Less accumulated depreciation	(5,039)	
Property and equipment, net		24,663
Total assets		<u>\$ 196,639</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 12,786	
Accrued vacation	1,987	
Deferred revenue	4,500	
Total liabilities		\$ 19,273
Net assets		
Unrestricted	129,209	
Temporarily restricted	48,157	
Total net assets		177,366
Total liabilities and net assets		<u>\$ 196,639</u>

ACCESS NOW, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Current year contributions	\$ 296,875	\$ 67,866	\$ 364,741
Special event, net of \$7,111 costs	15,573	-	15,573
Gifts in-kind	3,080,785	-	3,080,785
Interest and dividend income	282	-	282
Net assets released from restrictions	61,864	(61,864)	-
Total support and revenue	<u>3,455,379</u>	<u>6,002</u>	<u>3,461,381</u>
Expenses and losses			
Program expenses	3,285,030	-	3,285,030
Administrative expenses	28,996	-	28,996
Fundraising expenses	32,848	-	32,848
Total expenses	<u>3,346,874</u>	<u>-</u>	<u>3,346,874</u>
Total expenses and losses	<u>3,346,874</u>	<u>-</u>	<u>3,346,874</u>
Change in net assets	<u>108,505</u>	<u>6,002</u>	<u>114,507</u>
Net assets at beginning of period	<u>20,704</u>	<u>42,155</u>	<u>62,859</u>
Net assets at end of period	<u>\$ 129,209</u>	<u>\$ 48,157</u>	<u>\$ 177,366</u>

ACCESS NOW, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2009

Cash flows from operating activities		
Increase in net assets		\$ 114,507
Adjustments to reconcile increase in net assets to net cash flow from operating activities:		
Depreciation and amortization expense	\$ 3,339	
(Increase) decrease in operating assets		
Contributions receivable	(6,585)	
Prepaid expenses	1,429	
Deposit	4,741	
Increase (decrease) in operating liabilities		
Accounts payable	5,860	
Accrued vacation	(75)	
Deferred revenue	1,000	9,709
Net cash provided by operating activities		<u>124,216</u>
Cash flows from investing activities		
Purchase of furniture and fixtures	<u>(9,906)</u>	
Net cash used by investing activities		<u>(9,906)</u>
Net increase in cash and cash equivalents		114,310
Cash and cash equivalents, beginning of period		<u>4,255</u>
Cash and cash equivalents, end of period		<u><u>\$ 118,565</u></u>

Supplemental cash flow information:

No cash paid during the period for interest or income taxes.

ACCESS NOW, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2009

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	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Wages	\$ 128,236	5,100	25,690	\$ 159,026
Payroll taxes	9,281	369	1,860	11,510
Employee benefits	21,955	873	4,398	27,226
Payroll service	1,235	49	247	1,531
Accounting	-	3,410	-	3,410
Consulting	13,669	300	-	13,969
Depreciation and amortization	-	3,339	-	3,339
Dues and conferences	3,414	-	-	3,414
Equipment lease	4,616	1,539	-	6,155
Insurance	310	1,501	-	1,811
Marketing	261	-	-	261
Medical Services	3,070,205	-	-	3,070,205
Meetings	2,201	-	-	2,201
Miscellaneous	-	1,734	-	1,734
Office expense	5,206	4,260	-	9,466
Postage	653	-	653	1,306
Rent and utilities	10,065	3,355	-	13,420
Software and computer support	11,872	1,319	-	13,191
Staff development	68	-	-	68
Taxes and licenses	-	390	-	390
Telephone	1,783	1,458	-	3,241
Total expenses	\$ 3,285,030	\$ 28,996	\$ 32,848	\$ 3,346,874

ACCESS NOW, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2009

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1. NATURE OF ORGANIZATION

Access Now, Inc. is a community partnership to improve access to health care for low-income, uninsured residents of the greater Richmond metropolitan area. Access Now, Inc. connects the care received in a local clinic or health system with donated physician care in a coordinated referral program. Access Now's network includes over 850 physicians who have generously volunteered to provide free specialty care to uninsured, low-income patients in their offices. Access Now Volunteer Physicians provided more than three million dollars in pro-bono medical care in 28 specialty areas. Access Now's leadership and Volunteers are committed to serving the medical needs of the Richmond community.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Accounting: The books of the Organization are maintained on the accrual basis of accounting. Using the accrual method, revenues are recognized when earned and expenses are recognized when incurred.
- B. Basis of Presentation: Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Accounting Standards Codification Topic (ASC) 958 *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are net assets that are not subject to donor imposed stipulations.

Temporarily restricted net assets are net assets subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When the restriction is met in the same period the contribution is received then the contribution is recorded as unrestricted for financial statement purposes.

Permanently restricted net assets are subject to donor imposed stipulations that they be maintained permanently by the Organization to use all or part of the income earned from any related investments for general or specific purposes.

- C. Contributions: In accordance with FASB ASC 958 *Not-for-Profit Entities*, all contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are earned once an unconditional promise to give has been received by the Organization. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases

ACCESS NOW, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2009

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those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

- D. **Accounts Receivable:** The Organization has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however the effect of using the direct write-off method is not materially different from the amount that would have been obtained under the allowance method.
- E. **Property and Depreciation:** Acquisitions of property and equipment of \$500 or greater are capitalized. Furniture and equipment are stated at cost. Furniture and equipment are depreciated straight line over estimated useful lives of seven years. Leasehold improvements are depreciated over an estimated useful life of fifteen years.
- F. **Cash and Cash Equivalents:** For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.
- G. **Deferred Revenue:** Casino Night revenue is reported as income in the period in which the revenue is earned.
- H. **Income Taxes:** The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. However, income from certain activities not directly related to the Foundation's tax-exempt purpose could be subject to taxation as unrelated business income.
- I. **Use of Estimates:** The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from these estimates.

ACCESS NOW, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2009

2. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2009, consists of the following:

Office furniture and fixtures	\$ 22,970
Leasehold improvements	<u>6,732</u>
	29,702
Less accumulated depreciation	(<u>5,040</u>)
	<u>\$ 24,662</u>

Depreciation expense for the year was \$3,339.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31, 2009:

Salary for Project Manager	\$ 31,657
Salary for Referral Coordinator	<u>16,500</u>
	<u>\$ 48,157</u>

4. DONATED GOODS AND SERVICES

The Organization recognized contribution revenue for contributed medical services provided by the specialty doctors and the related costs. Contribution revenue was measured based on the usual and customary charges for those services. The amount of those services for 2009 was \$3,070,205.

The Organization also recognized contribution revenue for contributed services provided by the Director, donated by the Richmond Academy of Medicine. The amount of those services for 2009 was \$10,580.

5. OPERATING LEASES

The Organization entered into multiple month-to-month leases with the Richmond Academy of Medicine to lease telephones and computer equipment. These leases will continue until the equipment is returned to the leasing agency or to the Richmond Academy of Medicine. As the leased equipment is changed, the monthly lease payment is adjusted. During 2009, the Organization paid \$6,156 in lease payments. The Organization also entered into a month-to-month lease arrangement to lease office space from the Richmond Academy of Medicine. The total rent expense for office space for the year ending December 31, 2009 was \$13,421.

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6. ALLOCATION OF JOINT COSTS

The Organization incurred joint costs for program, administrative, and fundraising purposes. Joint costs include salaries, payroll tax, and employee benefits. These costs have been allocated by management between the categories. Total joint costs are \$199,293 and are allocated as follows: \$160,707 program expenses, \$6,391 administrative expenses, and \$32,195 fundraising.

7. CONCENTRATION OF CONTRIBUTORS AND CONTRIBUTIONS RECEIVABLE

During the year, 52.5% of the Organization's total non in-kind support and revenue came from four donors. As of December 31, 2009, all of the Organization's contributions receivable were from two donors.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2010, the date which the financial statements were available to be issued.