

ACCESS NOW, INC.
Richmond, Virginia

FINANCIAL STATEMENTS
December 31, 2008

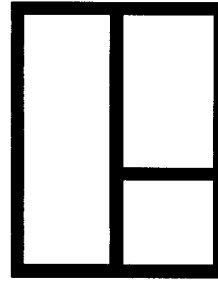
ACCESS NOW, INC.
FINANCIAL STATEMENTS
For the Year Ended December 31, 2008

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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, 2008, 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, 2008 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
December 10, 2009

ACCESS NOW, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS

Current assets		
Cash and cash equivalents	\$	4,255
Contribution receivable		33,659
Prepaid expenses		14,596
Deposit		<u>4,741</u>
Total current assets	\$	57,251
Property, plant, and equipment		
Office furniture and fixtures		12,475
Office equipment		590
Leasehold improvements		<u>6,732</u>
Total property, plant, and equipment		19,797
Less accumulated depreciation		<u>(1,701)</u>
Property and equipment, net		<u>18,096</u>
Total assets	\$	<u><u>75,347</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$	6,926
Accrued vacation		2,062
Deferred revenue		<u>3,500</u>
Total liabilities	\$	12,488
Net assets		
Unrestricted		20,704
Temporarily restricted		<u>42,155</u>
Total net assets		<u>62,859</u>
Total liabilities and net assets	\$	<u><u>75,347</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

ACCESS NOW, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support			
Current year contributions	\$ 268,360	\$ 50,488	\$ 318,848
Gifts in-kind	1,060,000		1,060,000
Interest and dividend income	1,258		1,258
Net assets released from restrictions	8,333	(8,333)	0
Total support and revenue	<u>1,337,951</u>	<u>42,155</u>	<u>1,380,106</u>
Expenses and losses			
Program expenses	1,222,796		1,222,796
Administrative expenses	67,097		67,097
Fundraising expenses	27,354		27,354
Total expenses	<u>1,317,247</u>		<u>1,317,247</u>
Total expenses and losses	<u>1,317,247</u>		<u>1,317,247</u>
Change in net assets	<u>20,704</u>	<u>42,155</u>	<u>62,859</u>
Net assets at beginning of period	<u>0</u>	<u>0</u>	<u>0</u>
Net assets at end of period	<u>\$ 20,704</u>	<u>\$ 42,155</u>	<u>\$ 62,859</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

ACCESS NOW, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2008

Cash flows from operating activities		
Increase in net assets		\$ 62,859
Adjustments to reconcile increase in net assets to net cash flow from operating activities:		
Depreciation and amortization expense	\$ 1,701	
(Increase) decrease in operating assets		
Contribution receivable	(33,659)	
Prepaid expenses	(14,596)	
Deposit	(4,741)	
Increase (decrease) in operating liabilities		
Accounts payable	6,926	
Accrued vacation	2,062	
Deferred revenue	3,500	(38,807)
Net cash provided by operating activities		<u>24,052</u>
Cash flows from investing activities		
Purchase of furniture and fixtures	(12,475)	
Purchase of office equipment	(590)	
Purchase of leasehold improvements	(6,732)	
Net cash used by investing activities		<u>(19,797)</u>
Net increase in cash and cash equivalents		4,255
Cash and cash equivalents, beginning of period		<u>0</u>
Cash and cash equivalents, end of period		<u><u>\$ 4,255</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, 2008

	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Wages	\$ 83,958	40,070	22,070	\$ 146,098
Payroll taxes	6,457	3,082	1,698	11,237
Employee benefits	8,836	4,659	2,542	16,037
Depreciation and amortization		1,701		1,701
Medical Services	1,060,000			1,060,000
Malpractice insurance	3,422			3,422
Insurance	95	2,699		2,794
Office expense	4,571	3,729		8,300
Postage	805		804	1,609
Meetings		2,747	240	2,987
Equipment lease	3,719	1,239		4,958
Rent and utilities	9,000	3,000		12,000
Software and computer support	4,597	576		5,173
Staff development	2,743			2,743
Taxes and licenses		804		804
Consulting	16,115			16,115
Miscellaneous		2,791		2,791
Telephone	134			134
Marketing	18,344			18,344
Total expenses	\$ 1,222,796	\$ 67,097	\$ 27,354	\$ 1,317,247

ACCESS NOW, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2008

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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 800 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 one million dollars in pro-bono medical care in 36 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: 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. Financial Statement Presentation: In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, 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. The net assets classes are summarized as follows:

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 SFAS 116, *Accounting for Contributions Received and Contributions Made*, 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

ACCESS NOW, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2008

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restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases 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. **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.
- E. **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.
- F. **Deferred Revenue:** Casino Night revenue is reported as income in the period in which the revenue is earned.
- G. **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.
- 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.

ACCESS NOW, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2008

2. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2008, consists of the following:

Office furniture and fixtures	\$ 12,475
Leasehold improvements	<u>6,732</u>
	19,207
Less accumulated depreciation	<u>(1,681)</u>
	<u>\$ 17,526</u>

Depreciation expense for the year was \$1,681.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31, 2008:

Salary for project manager	\$ <u>42,155</u>
	<u>\$ 42,155</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 2008 was \$1,060,000.

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 2008, the Organization paid \$4,959 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, 2008 was \$12,000.

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 \$173,372 and are allocated as follows: \$99,251 program expenses, \$47,811 administrative expenses, and \$26,310 fundraising.

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For the Year December 31, 2008

7. CONCENTRATION OF FUNDERS

During the year, 70.3% of the Organization's total cash support and revenue came from four donors. Of these donations, 66.7% were from area hospitals.