

**Access HealthColumbus d/b/a Healthcare Collaborative of
Greater Columbus and Subsidiary**

Consolidated Financial Statements

December 31, 2020 and 2019

with Independent Auditors' Report

TABLE OF CONTENTS

Independent Auditors' Report	1
Consolidated Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to the Financial Statements	6-11

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Access HealthColumbus d/b/a Healthcare Collaborative of Greater Columbus and Subsidiary
Columbus, Ohio

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Access HealthColumbus d/b/a Healthcare Collaborative of Greater Columbus and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Access HealthColumbus d/b/a Healthcare Collaborative of Greater Columbus and Subsidiary as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 14, 2021

Access HealthColumbus d/b/a Healthcare Collaborative of
Greater Columbus and Subsidiary
Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents	\$ 666,691	\$ 521,013
Accounts receivable	5,619	21,808
Contributions receivable	305,928	260,000
Prepaid assets	7,034	3,106
Beneficial interest in assets held by others	19,581	18,031
	1,004,853	823,958
Property and equipment:		
Furniture and fixtures	19,256	19,256
Computer hardware	12,470	12,470
Leasehold improvements	3,215	3,215
	34,941	34,941
Accumulated depreciation	29,856	27,914
	5,085	7,027
Deposits		
	1,616	1,616
	\$ 1,011,554	\$ 832,601
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 167,710	\$ 70,209
Accrued compensation	126,089	89,133
	293,799	159,342
Net Assets:		
Without donor restrictions	314,894	200,405
With donor restrictions	402,861	472,854
	717,755	673,259
	\$ 1,011,554	\$ 832,601

See accompanying notes to the consolidated financial statements.

Access HealthColumbus d/b/a Healthcare Collaborative of
Greater Columbus and Subsidiary
Consolidated Statements of Activities
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:						
Other grants and contributions	\$ 1,031,344	\$ 375,134	\$ 1,406,478	\$ 314,701	\$ 1,100,228	\$ 1,414,929
Consulting - HCGC	189,692	-	189,692	210,735	-	210,735
Earnings on assets held by others	1,550	-	1,550	953	-	953
Interest	321	-	321	436	-	436
Ohio workers compensation refunds	2,059	-	2,059	-	-	-
Net assets released from restrictions	<u>445,127</u>	<u>(445,127)</u>	<u>-</u>	<u>1,196,830</u>	<u>(1,196,830)</u>	<u>-</u>
Total revenues and support	<u>1,670,093</u>	<u>(69,993)</u>	<u>1,600,100</u>	<u>1,723,655</u>	<u>(96,602)</u>	<u>1,627,053</u>
Expenses:						
Community programs	1,404,930	-	1,404,930	1,844,924	-	1,844,924
Fundraising	75,275	-	75,275	102,497	-	102,497
Administrative	75,275	-	75,275	102,497	-	102,497
Social enterprise	124	-	124	129	-	129
Total expenses	<u>1,555,604</u>	<u>-</u>	<u>1,555,604</u>	<u>2,050,047</u>	<u>-</u>	<u>2,050,047</u>
Change in net assets	114,489	(69,993)	44,496	(326,392)	(96,602)	(422,994)
Net assets - beginning of year	<u>200,405</u>	<u>472,854</u>	<u>673,259</u>	<u>526,797</u>	<u>569,456</u>	<u>1,096,253</u>
Net assets - end of year	\$ <u>314,894</u>	\$ <u>402,861</u>	\$ <u>717,755</u>	\$ <u>200,405</u>	\$ <u>472,854</u>	\$ <u>673,259</u>

See accompanying notes to the consolidated financial statements.

Access HealthColumbus d/b/a Healthcare Collaborative of
Greater Columbus and Subsidiary
Consolidated Statements of Functional Expenses
Years Ended December 31, 2020 and 2019

	2020					2019				
	Management and General					Management and General				
	Community Programs	Fundraising	Administrative	Social Enterprise	Total	Community Programs	Fundraising	Administrative	Social Enterprise	Total
Personnel costs	\$ 947,277	\$ 52,627	\$ 52,627	\$ -	\$ 1,052,531	\$ 785,767	\$ 43,654	\$ 43,654	\$ -	\$ 873,075
Professional fees	244,754	13,598	13,598	-	271,950	868,567	48,254	48,254	-	965,075
Space and occupancy costs	32,978	1,832	1,832	-	36,642	27,566	1,531	1,531	-	30,628
Meetings and programs	37,674	2,093	2,093	-	41,860	64,564	3,587	3,587	-	71,738
Communications	10,726	596	596	-	11,918	10,737	597	597	-	11,931
Travel costs	6,186	344	344	-	6,874	24,297	1,350	1,350	-	26,997
Postage and printing	274	15	15	-	304	371	21	21	-	413
Depreciation	1,748	97	97	-	1,942	3,354	186	186	-	3,726
Insurance	12,168	676	676	-	13,520	12,076	671	671	-	13,418
Grant funding	50,000	-	-	-	50,000	-	-	-	-	-
Other	61,145	3,397	3,397	124	68,063	47,625	2,646	2,646	129	53,046
Total expenses	\$ 1,404,930	\$ 75,275	\$ 75,275	\$ 124	\$ 1,555,604	\$ 1,844,924	\$ 102,497	\$ 102,497	\$ 129	\$ 2,050,047

See accompanying notes to the consolidated financial statements.

Access HealthColumbus d/b/a Healthcare Collaborative of
Greater Columbus and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 44,496	\$ (422,994)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,942	3,726
Earnings on assets held by others	(1,550)	(953)
Net decrease in agency funds	-	(5,163)
Changes in operating assets and liabilities:		
Accounts receivable	16,189	(15,858)
Contributions receivable	(45,928)	(13,709)
Prepaid and other assets	(3,928)	-
Accounts payable and accrued expenses	97,501	14,860
Accrued compensation	36,956	16,607
Deferred revenue	<u>-</u>	<u>(5,025)</u>
Net cash from operating activities	145,678	(428,509)
Cash and cash equivalents - beginning of year	<u>521,013</u>	<u>949,522</u>
Cash and cash equivalents - end of year	\$ <u>666,691</u>	\$ <u>521,013</u>

See accompanying notes to the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Access HealthColumbus d/b/a Healthcare Collaborative of Greater Columbus and Subsidiary (collectively, the Organizations) are set forth to facilitate the understanding of data presented in the consolidated financial statements.

Nature of Operations

Access HealthColumbus doing business as (d/b/a) Healthcare Collaborative of Greater Columbus (“HCGC”) was incorporated in 2002 as a not-for-profit organization dedicated to improving access to health care for vulnerable persons residing in Franklin County, Ohio. To better meet new and emerging community needs in the rapidly changing healthcare environment, HCGC evolved its vision, mission and name. This evolution builds off of HCGC’s collaborative work and provides improved clarity on our future direction. The revised mission of HCGC is to transform healthcare delivery and value for all people in Greater Columbus through collaboration with consumers, providers, and purchasers.

During 2014, HCGC formed AHC Enterprises, LLC (“AHCE”) as a for-profit limited liability company, whose sole member is HCGC. AHCE provides consulting services using a collaborative planning process that brings clarity to the purpose, key questions, strategic areas of focus/impact and next steps and measures of success for the organizations it works with. HCGC charges AHCE a fee for use of HCGC personnel, office space, office equipment, and supplies on a monthly basis.

Revenue Recognition

The Organizations’ revenue is obtained from providing monthly organizational support services to customers. Revenues are recognized when these services are provided to their customers, in an amount that reflects the consideration the Organizations expect to be entitled to in exchange for those services. Incidental items that are immaterial in the context of the contract are recognized as expense. The Organizations do not have any significant financing components as payment is received at or shortly after the point of sale.

Revenues earned by the Organizations are recognized over time. Revenues are earned based on the contracted rates. For performance obligations related to the services provided, the customer consumes the benefit immediately. Revenue is recognized on the satisfaction of those performance obligations based on an input method, based on the time incurred.

Principles of Consolidation

The consolidated financial statements include the financial statements of HCGC and AHCE, a wholly owned subsidiary, collectively referred to as “the Organizations”. All intercompany transactions and balances have been eliminated in the consolidation.

Basis of Accounting

These consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Adoption of New Account Standard

During 2020, the Organizations have adopted ASU 2018-13, *Fair Value Measurement*. The standard modifies certain disclosure requirements required by Topic 820, *Fair Value Measurement*. The Organizations have adjusted the presentation of these consolidated financial statements accordingly.

Basis of Presentation

The consolidated financial statements of the Organizations have been prepared in accordance with U.S. GAAP which requires the Organizations to report information regarding their financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organizations. These net assets may be used at the discretion of the Organizations' management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organizations or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

HCGC records contributions received as revenue in the year pledged at their fair values. Also, HCGC records contributions based on their related restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period in which they are received are recognized as support without donor restriction.

Cash and Cash Equivalents

The Organizations consider all highly liquid investments with initial maturities of three month or less to be cash equivalents.

Receivables

Accounts receivable consists of consulting fees earned at year-end and contributions receivable consist of contributions pledged but not received at year-end. The receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a charge to bad debt expense in the statement of activities and a credit to a valuation allowance based on its assessment of the current status of the individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. The Organizations consider receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. All contributions receivable at December 31, 2020 and 2019 are expected to be collected in less than one year.

Property and Equipment

The Organizations capitalize all expenditures for property and equipment in excess of \$1,000 and with useful lives greater than one year. Property and equipment is carried at cost or, if donated, at estimated fair value at the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the asset's estimated useful lives, which range from three to seven years. Major improvements and betterments are capitalized and depreciated; maintenance and repairs, which do not improve or extend the life of the respective asset, are charged to expenses as incurred. Upon disposal of assets, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported on the consolidated statement of activities.

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more resident service or administrative function of the Organizations. Those expenses include depreciation and administration. These expenses are allocated based on estimates of time and effort.

Income Tax Status

HCGC is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, HCGC qualifies for the charitable contribution deduction under 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

ACHE has elected to be treated as a corporation for tax purposes.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organizations evaluate events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through June 14, 2021 the date on which the consolidated financial statements were available to be issued.

2. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS:

Certain assets of HCGC are held at Columbus Medical Association Foundation for the use of HCGC. These funds are subject to the variance power of the Board of Trustees of Columbus Medical Association Foundation. The variance power permits Columbus Medical Association Foundation's Board of Trustees, in its sole discretion to redirect all or part of the funds' income and/or assets to another organization in the event that HCGC ceases to exist. The HCGC Board of Directors is authorized to recommend distributions of the net income and up to 100% of the fund's principal in any given year to fulfill the mission of HCGC.

3. FAIR VALUE MEASUREMENTS:

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Beneficial interest in trust is valued on Level 3 inputs based on the present value of the future payments stream, which approximates the fair value of the underlying assets of the trust.

Assets measured at fair value on a recurring basis at December 31, 2020 and 2019 were as follows:

<u>December 31, 2020</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in trust	\$ <u>19,581</u>	<u>-</u>	<u>-</u>	\$ <u>19,581</u>
<u>December 31, 2019</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in trust	\$ <u>18,031</u>	<u>-</u>	<u>-</u>	\$ <u>18,031</u>

4. OPERATING LEASES:

The Organizations lease office space under a noncancelable lease expiring in March 2023. Future minimum lease payments for years ending after December 31, 2020 are as follows:

<u>Year Ended</u>	<u>Amount</u>
2021	\$ 21,020
2022	21,653
2023	<u>5,453</u>
	\$ <u>48,126</u>

Rent expense was \$36,642 and \$30,628 for the years ended December 31, 2020 and 2019, respectively.

5. ECONOMIC DEPENDENCY AND CONCENTRATION OF CREDIT RISK:

During 2020, receipts from the Columbus Medical Association Foundation (the Foundation), Franklin County Public Health CDC - Overdose Action Grant, and Ohio Commission on Minority Health comprised approximately 47% of HCGC's total contribution revenue and 19% of total contributions receivable. During 2019, receipts from the Columbus Medical Association Foundation (the Foundation), Patient-Centered Outcomes Research Institute, Celebrate One - Columbus Foundation, and the Motts Foundation comprised approximately 68% of HCGC's total contribution revenue and 88% of total contributions receivable.

The Organizations maintains their cash balances at one financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2020 and 2019. The Organizations have not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash and cash equivalents.

6. RETIREMENT PLAN:

The Organizations leases their employees from the Foundation. These leased employees are eligible to participate in the Foundation's qualified defined contribution salary deferral 401(k) plan for all employees who have met the service requirements. Each eligible employee's deferral contribution is matched by the employer at 100% of 4% of the eligible employee's compensation. In addition, the employer may make a discretionary profit sharing contribution at year end. The Organizations made contributions to the plan totaling \$22,119 and \$21,407 for the years ended December 31, 2020 and 2019, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	<u>2020</u>	<u>2019</u>
Future operations	\$ 33,199	\$ 3,320
OPCPCC Conference	10,065	11,631
Pathways HUB	-	19,519
PCORI	115,000	150,000
Ohio After School Network	<u>244,597</u>	<u>288,384</u>
	<u>\$ 402,861</u>	<u>\$ 472,854</u>

8. PAYCHECK PROTECTION PROGRAM LOAN:

The Organizations received a Paycheck Protection Program (PPP) loan as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act for \$130,900 in May 2020. The PPP program allows for a portion of the loan (up to the full amount) to be forgiven based on qualifying expenses. Repayments of unforgiven principal and interest at 1% begins in the tenth month following the date of the note in equal installments until maturity in May 2022. The Organization considers the loan a conditional contribution in accordance with ASU 2018-08, which encompasses conditional cancellation of liabilities. During 2020, the Organizations incurred qualifying expenses and has recognized the full amount in other grants and contributions on the consolidated statements of activities.

9. RISKS AND UNCERTANTIES:

An outbreak of a novel strain of coronavirus (COVID-19) has disrupted supply chains and affected production and sales across a range of industries. The extent of the impact of COVID-19 on the Organizations' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Impact of the customers, employees, and vendors cannot be predicted, and the extent to which COVID-19 may impact the Organizations' financial condition or results of the operations is uncertain at this time.

10. LIQUIDITY DISCLOSURES:

The Organizations are substantially supported by contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organizations must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organizations invest cash in excess of daily requirements in investments as deemed appropriate.

Access HealthColumbus d/b/a Healthcare Collaborative of
Greater Columbus and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2020 and 2019

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 666,691	521,013
Receivables	<u>311,547</u>	<u>281,808</u>
Financial assets available at year-end	978,238	802,821
Less those unavailable for general expenditures within one year due to:		
Restrictions by donor for time or purpose	<u>(402,861)</u>	<u>(472,854)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>575,377</u></u>	<u><u>329,967</u></u>

