Ohio Provider Resource Association and Affiliates

Reviewed Financial Statements

For the Years Ended
December 31, 2019 and 2018

BodinePerry
Certified Public Accountants & Advisors

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Independent Accountants' Review Report

To the Board of Directors
Ohio Provider Resource Associations and Affiliates
Columbus, Ohio

We have reviewed the accompanying consolidated financial statements of Ohio Provider Resource Association (a nonprofit organization) and affiliates, which comprise the consolidated statements of financial position as of December 31, 2019 and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is an expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2018 Financial Statements

The 2018 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated June 18, 2019. We have not performed any auditing procedures since that date.

Columbus, Ohio
June 24, 2020

BodinePerry
Certified Public Accountants & Advisors

Ohio Provider Resource Association and Affiliates

Consolidated Statements of Financial Position
December 31, 2019 and 2018

Assets

	(Reviewed) 2019	(Audited) 2018
Current Assets		
Cash and cash equivalents	$ 239,273	$ 145,302
Accounts receivable	56,879	24,847
Prepaid expenses	51,811	87,590
Investments	2,637,542	2,366,113
Total Current Assets	2,985,505	2,623,852
Property and Equipment		
Building	522,951	522,951
Furniture and equipment	121,860	126,659
Software	21,609	11,547
Computers	24,761	30,037
Total Property and Equipment	691,181	691,194
Less: accumulated depreciation	(271,831)	(253,672)
Net Property and Equipment	419,350	437,522
Total Assets	**$ 3,404,854**	**$ 3,061,374**

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Liabilities and Net Assets

	2019	2018
Current Liabilities		
Accounts payable	$ 14,317	$ 148,692
Credit card payable	16,182	17,827
Accrued expenses	57,617	60,488
Deferred revenue	127,017	110,463
Current portion long-term debt	5,744	4,580
Total Current Liabilities	220,877	342,050
Long-Term Liabilities		
Capital lease	8,163	14,456
Total Long-Term Liabilities	8,163	14,456
Net Assets		
Without donor restrictions	3,114,357	2,634,698
With donor restrictions	61,457	70,170
Total Net Assets	3,175,814	2,704,868
Total Liabilties and Net Assets	**$ 3,404,854**	**$ 3,061,374**

Ohio Provider Resource Association and Affiliates

Consolidated Statements of Activities and Change in Net Assets
For the Year Ended December 31, 2019

	(Reviewed)		
	Net Assets without donor restrictions	Net Assets with donor restrictions	Total
Revenues and Support			
Member dues	$ 1,496,932	$ -	$ 1,496,932
Seminars and education	30,871	-	30,871
Conferences	313,000	-	313,000
Grant income	150,661	-	150,661
Consulting and programs	122,773	-	122,773
Royalty, marketing, publication, and other	27,983	-	27,983
Interest income	418	-	418
Investment income	281,782	-	281,782
Contributions	-	1,343	1,343
Total Revenue	2,424,420	1,343	2,425,763
Expenses			
Employee wages, taxes and benefits	818,693	-	818,693
Professional fees	475,738	-	475,738
Contributions and donations	10,959	-	10,959
Grant	125,088	-	125,088
Conference	169,650	-	169,650
Consulting and programs	104,722	10,056	114,778
Office	59,069	-	59,069
Information technology	41,967	-	41,967
Travel, meals and entertainment	22,622	-	22,622
Depreciation	27,596	-	27,596
Seminars and education	17,853	-	17,853
Committee	16,711	-	16,711
Real estate tax	13,644	-	13,644
Dues and subscriptions	14,203	-	14,203
Bank and credit card fees	9,910	-	9,910
Political action committee	6,751	-	6,751
Insurance	9,309	-	9,309
Interest	1,904	-	1,904
Loss (gain) on sale of assets	(1,625)	-	(1,625)
Total Expenses	1,944,761	10,056	1,954,817
Change in Net Assets	479,659	(8,713)	470,946
Net Assets, Beginning	**2,634,698**	**70,170**	**2,704,868**
Net Assets, End of Year	**$ 3,114,357**	**$ 61,457**	**$ 3,175,814**

See Independent Accountants' Review Report and Notes to Consolidated Financial Statements.

Ohio Provider Resource Association and Affiliates

Consolidated Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2018

	(Audited)		
	Net Assets without donor restrictions	Net Assets with donor restrictions	Total
Revenues and Support			
Member dues	$ 1,467,790	$ -	$ 1,467,790
Seminars and education	48,160	-	48,160
Conferences	298,300	-	298,300
Grant income	268,935	-	268,935
Consulting and programs	136,915	-	136,915
Royalty, marketing, publication, and other	37,877	-	37,877
Interest income	119	-	119
Investment income	(32,466)	-	(32,466)
Contributions	-	70,170	70,170
Total Revenue	2,225,630	70,170	2,295,799
Expenses			
Employee wages, taxes and benefits	1,008,468	-	1,008,468
Professional fees	534,825	-	534,825
Contributions and donations	219,640	-	219,640
Grant	241,072		241,072
Conference	161,862	-	161,862
Consulting and programs	120,443	-	120,443
Office	67,702	-	67,702
Information technology	60,368	-	60,368
Travel, meals and entertainment	33,805	-	33,805
Depreciation	30,689	-	30,689
Seminars and education	18,246	-	18,246
Committee	14,059	-	14,059
Real estate tax	13,660	-	13,660
Dues and subscriptions	13,531	-	13,531
Bank and credit card fees	8,979	-	8,979
Political action committee	5,708	-	5,708
Insurance	5,335	-	5,335
Interest	2,453	-	2,453
Loss (gain) on sale of assets	-	-	-
Total Expenses	2,560,846	-	2,560,846
Change in Net Assets	(335,216)	70,170	(265,046)
Net Assets, Beginning	**2,969,914**	**-**	**2,969,914**
Net Assets, End of Year	**$ 2,634,698**	**$ 70,170**	**$ 2,704,868**

See Independent Accountants' Review Report and Notes to Consolidated Financial Statements.

Ohio Provider Resource Association and Affiliates

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	(Reviewed) 2019	(Audited) 2018
Cash Flows from Operating Activities		
Change in Net Assets	$ 470,946	$ (265,046)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	27,596	30,689
Gain on disposition of assets	(1,625)	-
Net realized losses (gain) on investments	3,955	46,645
Net unrealized losses (gain) on investments	(146,410)	122,962
(Increase) decrease in operating assets:		
Accounts receivable	(32,032)	5,225
Prepaid expenses	35,779	(34,325)
Increase (decrease) in operating liabilities		
Accounts payable	(134,375)	98,099
Credit card payable	(1,645)	7,319
Accrued expenses	(2,871)	(85,829)
Deferred revenue	16,554	(89,339)
Net Cash Provided by Operating Activities	235,873	(163,601)
Cash Flows from Investing Activities		
Purchase of property and equipment	(9,424)	(9,864)
Purchases of investments	(388,940)	(142,546)
Proceed from sale of equipment	1,625	219,595
Proceed from sale of investments	249,993	(9,864)
Net Cash Used by Investing Activities	(137,322)	67,185
Cash Flows from Financing Activities		
Payments on capital lease obligations	(4,580)	(4,580)
Net Cash Used by Financing Activities	(4,580)	(4,580)
Net Increase (Decrease) in Cash	93,971	(100,996)
Beginning Cash Balance	145,302	246,298
Ending Cash Balance	$ 239,273	$ 145,302
Supplementary Cash Flow Disclosures		
Cash paid for interest	$ 1,904	$ 2,453

Ohio Provider Resource Association and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2019
(Reviewed)

	Program Services			
	Member Development	Lobbying	Management and General	Total
Employee wages, taxes and benefits	$ 615,693	$ -	$ 205,231	$ 820,924
Professional fees	303,563	70,987	101,188	475,738
Contributions and donations	10,959	-	-	10,959
Grant	125,088	-	-	125,088
Conference	169,650	-	-	169,650
Consulting and programs	86,083	-	28,694	114,777
Office	44,302	-	14,767	59,069
Information technology	31,475	-	10,492	41,967
Travel, meals and entertainment	15,293	-	5,098	20,391
Depreciation	-	-	27,596	27,596
Seminars and education	13,390	-	4,463	17,853
Committee	12,533	-	4,178	16,711
Real estate tax	-	-	13,644	13,644
Dues and subscriptions	10,652	-	3,551	14,203
Bank and credit card fees	7,433	-	2,478	9,911
Political action committee	5,063	-	1,688	6,751
Insurance	6,981	-	2,327	9,308
Interest	-	-	1,904	1,904
Loss (gain) on sale of assets	-	-	(1,625)	(1,625)
Total	$ 1,458,158	$ 70,987	$ 425,674	$ 1,954,817

Ohio Provider Resource Association and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2018
(Audited)

	Program Services			
	Member Development	Lobbying	Management and General	Total
Employee wages, taxes and benefits	$ 756,351	$ -	$ 252,117	$ 1,008,468
Professional fees	401,119	82,926	50,780	534,825
Contributions and donations	219,640	-	-	219,640
Grant	253,072	-	-	253,072
Conference	161,862	-	-	161,862
Consulting and programs	81,332	-	27,111	108,443
Office	50,776	-	16,925	67,701
Information technology	45,276	-	15,092	60,368
Travel, meals and entertainment	25,354	-	8,451	33,805
Depreciation	-	-	30,689	30,689
Seminars and education	18,246	-	-	18,246
Committee	10,544	-	3,515	14,059
Real estate tax		-	13,660	13,660
Dues and subscriptions	10,148	-	3,383	13,531
Bank and credit card fees	6,734	-	2,245	8,979
Political action committee	4,281	-	1,427	5,708
Insurance	4,001	-	1,334	5,335
Interest	-	-	2,453	2,453
Total	$ 2,048,737	$ 82,926	$ 429,183	$ 2,560,846

Ohio Provider Resource Association and Affiliates

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2019 and 2018

Note A – Summary of Significant Accounting Policies

Organization and Business Activity

Ohio Provider Resource Association (OPRA) is a non-profit charitable organization in Columbus, Ohio. OPRA's purpose is to address the concerns of private providers of services for the developmentally disabled population across the state of Ohio, serving as a resource for information affecting the state budget and laws, departmental rules, and practices. OPRA represents over 100 providers, which in turn, provide support for over 15,000 individuals receiving a variety of services: licensed housing, ICF services, supported living, and many different waiver services – like the Individual Options Waiver.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accrual basis accounting allows for revenue to be recognized when earned and expenses to be recognized when goods or services are received, without regard to the receipt or payment of cash.

Financial Statement Presentation

The financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of CPA's (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective as of January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

> <u>Net assets without donor restrictions:</u> Net assets that are no subject to donor-imposed restrictions and may be expensed for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.
>
> <u>Net assets with donor restrictions:</u> Net asset subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Principles of Consolidation

Generally accepted accounting principles require related nonprofit organizations to present their financial statements on a consolidated basis if certain conditions related to control and economic interests between the organizations are met. The Ohio Provider Resource Association, which includes its wholly owned subsidiary OPRA Properties, LLC, and its sister organization, The OPRA Foundation, includes the accounts OPRA, OPRA Properties, LLC and The OPRA Foundation (collectively known as the "Organization"). All material inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates in the Preparation of Financial Statements

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 the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Note A – Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts Receivable, which is stated at the unpaid balances less an allowance for doubtful accounts, consists of amounts due to the Organization for membership dues, fees for conferences and training, and sponsorships of conferences. Credit is generally extended on a short-term basis thus accounts receivable do not bear interest. The allowance is reviewed and updated by management each year based on historical experience and knowledge of individual circumstances of the organizations with outstanding balances. The allowance for doubtful accounts and bad debt expense were $0 for the years ended December 31, 2019 and 2018.

Investment Valuation and Income Recognition

Investments are reported at fair value. 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. See Note C for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold, as well as held during the year.

Property and Equipment

Property and equipment is depreciated on the straight-line method over their estimated useful lives of 3 to 39 years. Leasehold improvements are amortized by the straight-line method over the shorter of their estimated useful life or term of the lease. Maintenance and repairs are charged to expense when incurred. Assets with a useful life beyond one year or repairs and maintenance that extend the useful life of an asset beyond one year are capitalized and depreciated over the assets useful life.

Deferred Revenue

Deferred revenue represents membership dues and seminar and training fees received from certain members prior to the year to which they relate, and cash received for grants that have not yet been expended as of year-end.

Revenue Recognition

Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received and are recognized as revenue over the membership period. Payments are required at the time of sale or start of the membership period; amounts received in advance are deferred to the applicable period. Special events revenue is recorded equal to the fair value of direct benefits to donors, and contribution revenue for the difference, if any. With the exception of goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Grant revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenses have been in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Note A – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses have been allocated based on employee time and effort and square footage.

Note B – Investments

The investments held at December 31, 2019 consisted of the following:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and equivalents	$ 11,541	$ 11,541	$ -
Mutual funds	2,405,718	2,526,010	120,292
Fixed income	97,038	99,991	2,953
Total investments	$ 2,514,297	$ 2,637,542	$ 123,245

The fair market value of investments held by the Association and the Foundation at December 31, 2019 totaled $2,276,905 and $360,637, respectively.

The investments held at December 31, 2018 consisted of the following:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and equivalents	$ 18,155	$ 18,155	$ -
Mutual funds	2,074,192	2,049,721	(24,471)
Fixed income	297,453	298,237	784
Total investments	$ 2,389,800	$ 2,366,113	$ (23,687)

The fair market value of investments held by the Association and the Foundation at December 31, 2018 totaled $2,045,158 and $320,955, respectively.

Investment income consisted of the following for the year ended December 31:

	2019	2018
Interest and dividends	$ 139,327	$ 137,141
Realized gain/ (loss) on investments	(3,955)	(46,645)
Unrealized gain/ (loss) on investments	146,410	(122,962)
	$ 281,782	$ (32,466)

Note C – Fair Value Measurements

FASB ASC Topic 820 *Fair Value Measurements and Disclosures,* establishes a framework for measuring fair value. The 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 value hierarchy under FASB ASC Topic 820 are described as follows:

Note C – Fair Value Measurements (continued)

Level 1 Fair Value Measurements

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Fair Value Measurements

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are delivered principally from or corroborated by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The asset 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 to maximize the use of observable inputs and minimize the use of unobservable measurements.

All of the Organization's investments in securities are recorded at fair market values defined under Level 1.

Note D – Capital Lease Obligations

In April 2017, the Organization entered into a capital lease to acquire a copier. The agreement requires sixty monthly payments of $586. The fair market value of the equipment, $26,726, was capitalized and the corresponding liability recorded at the inception of the lease using a stated interest rate of 11.4%. The equipment is being amortized over five years and the related amortization expense is included in depreciation expense in the consolidated statement of activities.

Future lease payments are as follows:

2020	$ 7,033
2021	7,033
2022	1,764
Total	15,830
Less: amount representing interest	(1,923)
Present value of net lease payments	$ 13,907

Note E – Net Assets with Donor Restrictions

In December 2018, the Organization received a $70,170 contribution from Ohio Association of Adult Services (OAAS). This contribution is restricted for the specific purpose of providing support of education and training for adult services, specifically vocational habilitation, adult day supports, and supported employment. Providers of these services are eligible to receive up to $1,500 each calendar year to pay for certain expenses directly related to education and training in these areas. During 2019, there were $10,056 in expenditures of these restricted funds and $1,343 in additional restricted contributions to the net assets with donor restrictions.

Note F – Revenue from Contracts with Customers

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2019:

Deferred revenue, beginning of year	$	110,463
Revenue recognized that was included in deferred revenue at the beginning of the year		(110,463)
Increase in deferred revenue due to cash received during the year		127,017
Deferred revenue, end of year	$	127,017

Note G – Lease Commitments

The Organization leases its administrative office equipment under non-cancellable agreements that expire at various dates through the year 2022.

Rent expense under the operating lease was $3,362 and $3,497 for the years ended December 31, 2019 and 2018 and is included in office expense on the consolidated statement of activities.

Future minimum rental payments due through expiration are:

2020		3,362
2021		1,092
Total	$	7,816

Note H – Retirement Plan

The Organization maintains a defined contribution retirement plan, under which all full-time employees over age 21 with 1,000 hours of service are eligible to participate after one year of employment. Participants become 100% vested after three years of service. Eligible employees may make elective deferrals of up to 20% of their wages subject to an annual limit specified by law. Under the plan, the Organization makes a mandatory safe-harbor contribution of 3% of wages and may make additional discretionary contributions to the plan. The Organization contributed $27,212 and $40,951 into the plan for 2019 and 2018, respectively and is included in employee wages, taxes, and benefits on the consolidated statements of activities and change in net assets.

Note I – Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year of the financial position date for general expenditures are as follows:

Cash and cash equivalents	$	177,816
Accounts receivable		56,879
Prepaid expenses		51,811
Investments		2,637,542
	$	2,924,048

The Organization's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the date of the statement of financial position.

As part of the Organization's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

Note J – Income Taxes

The Organization is a nonprofit organization and is exempt from federal income taxes under section 501(c)(3) and 501(c)(6) of the Internal Revenue Code; therefore, no provision for federal income taxes has been made in the financial statement.

Note K – Concentrations

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist of cash and contract receivables. The Organization maintains cash in accounts that, at times, may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The accounts are insured by the FDIC up to $250,000 at December 31, 2019 and 2018. The Organization occasionally has amounts on deposit in excess of FDIC limits. The Organization has not experienced any losses on such accounts and does not believe it is exposed to any significant risk with respect to such cash.

Note L – Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current financial statement presentation.

Note M - Subsequent Events

After December 31, 2019 but prior to June 24, 2020, the date the financial statements were available to be issued, the operations of the Organization were significantly affected by the outbreak of the Coronavirus during 2020. While it is premature to accurately predict the ultimate impact of these developments, we expect the results for the first quarter of 2020 to be significantly impacted with potential continuing, adverse impacts beyond the first quarter.