

POSITIVE IMPACT HEALTH CENTERS, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2020

POSITIVE IMPACT HEALTH CENTERS, INC.
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DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Positive Impact Health Centers, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Positive Impact Health Centers, Inc. which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Positive Impact Health Centers, Inc. as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited Positive Impact Health Centers, Inc.'s 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated August 31, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated May 27, 2021, on our consideration of Positive Impact Health Centers, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Positive Impact Health Centers, Inc.'s internal control over financial reporting and compliance.

Warren Averett, LLC

Atlanta, Georgia
May 27, 2021

**POSITIVE IMPACT HEALTH CENTERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

ASSETS		
	2020	2019
Cash	\$ 10,217,967	\$ 2,757,176
Investments	910,726	822,597
Program receivables	2,596,118	2,489,199
Grants and contribution receivables	2,973,720	3,593,708
Note receivable, net	20,000	-
Inventory	588,101	297,347
Prepaid expenses	208,892	173,715
Property and equipment, net of accumulated depreciation	2,048,218	2,103,786
Deposits	102,376	19,308
TOTAL ASSETS	\$ 19,666,118	\$ 12,256,836
LIABILITIES AND NET ASSETS		
	2020	2019
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,948,946	\$ 1,241,434
Deferred rent	2,001,795	2,392,908
Advance from government agency	9,496	-
TOTAL LIABILITIES	3,960,237	3,634,342
NET ASSETS		
Without donor restrictions	15,691,670	8,466,520
With donor restrictions		
Restricted by purpose	14,211	155,974
TOTAL NET ASSETS	15,705,881	8,622,494
TOTAL LIABILITIES AND NET ASSETS	\$ 19,666,118	\$ 12,256,836

See notes to the financial statements.

POSITIVE IMPACT HEALTH CENTERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative totals for 2019)

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE				
Federal grants	\$ 11,391,600	\$ -	\$ 11,391,600	\$ 9,897,744
Contributions	113,583	250,779	364,362	770,903
Special events, net of direct expenses of \$0 and \$115,833, respectively	56,581	-	56,581	100,226
Section 340B program income	33,518,091	-	33,518,091	19,018,598
Program income	769,597	-	769,597	529,025
Pharmacy retail income	2,999,652	-	2,999,652	3,176,520
Other income	20,723	-	20,723	32,839
In-kind contributions	36,700	-	36,700	103,397
Net investment income	96,216	-	96,216	143,595
Total public support and revenue	49,002,743	250,779	49,253,522	33,772,847
NET ASSETS RELEASED FROM RESTRICTIONS				
	392,542	(392,542)	-	-
Net public support and revenue	49,395,285	(141,763)	49,253,522	33,772,847
EXPENSES				
Program services				
Client services and housing	8,035,169	-	8,035,169	3,641,603
Medical services	27,895,692	-	27,895,692	18,948,449
HIV prevention education	2,632,765	-	2,632,765	2,191,204
Supporting services				
Management and general	3,363,953	-	3,363,953	2,421,258
Fundraising	242,556	-	242,556	385,993
Total expenses	42,170,135	-	42,170,135	27,588,507
CHANGES IN NET ASSETS	7,225,150	(141,763)	7,083,387	6,184,340
NET ASSETS AT:				
BEGINNING OF YEAR	8,466,520	155,974	8,622,494	2,438,154
END OF YEAR	<u>\$ 15,691,670</u>	<u>\$ 14,211</u>	<u>\$ 15,705,881</u>	<u>\$ 8,622,494</u>

See notes to the financial statements.

POSITIVE IMPACT HEALTH CENTERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative totals for 2019)

	2020					2019	
	Program Services			Supporting Services		Total Expenses	Total Expenses
	Client Services and Housing	Medical Services	HIV Prevention Education	Management and General	Fund Raising		
Salaries	\$ 3,520,965	\$ 4,084,428	\$ 1,390,059	\$ 1,663,091	\$ 120,677	\$ 10,779,220	\$ 6,775,100
Payroll taxes	458,677	528,173	180,691	208,490	13,899	1,389,930	507,547
Employee benefits	716,611	825,189	282,301	325,732	21,715	2,171,548	1,243,085
Total salaries and related expenses	4,696,253	5,437,790	1,853,051	2,197,313	156,291	14,340,698	8,525,732
Contract services	241,552	2,895,570	235,718	349,960	7,570	3,730,370	3,522,990
Pharmacy	-	17,568,675	-	-	-	17,568,675	10,636,250
Supplies	62,151	50,432	260,775	46,953	1,560	421,871	485,513
Medical supplies	-	1,061,091	-	-	-	1,061,091	567,375
Housing assistance	1,942,487	-	-	-	-	1,942,487	1,715,648
Office expense	170,406	442,123	93,260	168,740	38,246	912,775	603,476
Rent and utilities	49,412	169,266	79,074	34,573	14,221	346,546	328,043
Transportation expense	45,616	29,859	19,060	53,810	2,100	150,445	296,197
Other	67,246	134,008	37,637	12,141	9,663	260,695	262,230
Insurance	18,684	30,814	21,330	3,637	11,811	86,276	63,501
Telephone expense	16,340	55,966	10,293	21,503	1,094	105,196	68,437
Professional fees	28,375	20,098	22,567	19,279	-	90,319	55,154
Nutrition	696,647	-	-	-	-	696,647	26,548
Interest expense	-	-	-	7	-	7	16,751
Total expense before depreciation	8,035,169	27,895,692	2,632,765	2,907,916	242,556	41,714,098	27,173,845
Depreciation	-	-	-	456,037	-	456,037	414,662
TOTAL EXPENSES	\$ 8,035,169	\$ 27,895,692	\$ 2,632,765	\$ 3,363,953	\$ 242,556	\$ 42,170,135	\$ 27,588,507
Percentage of total expenses	19%	66%	6%	8%	1%	100%	

See notes to the financial statements.

POSITIVE IMPACT HEALTH CENTERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 7,083,387	\$ 6,184,340
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	456,037	414,662
Allowance for doubtful note receivable	80,000	-
Unrealized gain on investments	(100,434)	(125,320)
Realized loss (gain) on sale of investments	11,321	(10,175)
Loss on sale of property and equipment	2,591	9,560
(Increase) decrease in:		
Clinic receivables	(106,919)	(1,793,476)
Grant receivables	619,988	(1,032,672)
Inventory	(290,754)	(66,992)
Prepaid expenses	(35,177)	(53,280)
Deposits	(83,068)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	707,512	175,765
Deferred rent	(391,113)	(371,902)
Advance from government agency	9,496	-
Net cash provided by operating activities	<u>7,962,867</u>	<u>3,330,510</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(403,060)	(321,841)
Investments	984	(9)
Issuance of note receivable	(150,000)	-
Repayments on note receivable	50,000	-
Net cash used in investing activities	<u>(502,076)</u>	<u>(321,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments on line of credit	-	(400,000)
Net cash used in financing activities	<u>-</u>	<u>(400,000)</u>
NET INCREASE IN CASH	7,460,791	2,608,660
CASH AT BEGINNING OF YEAR	<u>2,757,176</u>	<u>148,516</u>
CASH AT END OF YEAR	<u>\$ 10,217,967</u>	<u>\$ 2,757,176</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 7</u>	<u>\$ 16,751</u>

See notes to the financial statements.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. ORGANIZATION

Effective March 1, 2015, AID Gwinnett, Inc. and Positive Impact, Inc. completed a merger of their operations. As a result of the merger, the combined organization was renamed Positive Impact Health Centers, Inc. AID Gwinnett, Inc.'s tax ID was the surviving ID. Positive Impact Health Centers, Inc. (PIHC) is a not-for-profit organization incorporated on September 26, 1991 under the laws of the State of Georgia. PIHC is a community-based agency organized to respond with compassion and sensitivity to the HIV/AIDS epidemic through support, advocacy, education and collaboration with other agencies. Client support services include medical care, professional mental health counseling and outpatient substance abuse treatment, long-term housing, emergency housing assistance, emergency shelter, medical case management, education, counseling, transportation and nutrition. Public awareness and education include adult and youth education programs, newsletters and community advocacy. PIHC provides services to individuals in 20 Metro Atlanta Counties. It is supported primarily by contributions and grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of PIHC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities at year-end. Net assets, revenues, expenses, gains, and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of PIHC and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of PIHC and/or passage of time.

Recently Adopted Accounting Standards

On January 1, 2019 PIHC adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, the new revenue recognition accounting standard issued by the FASB and codified in Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*. The revenue recognition standard in ASC 606 outlines a single comprehensive model for recognizing revenue as performance obligations, defined in a contract with a customer as goods or services transferred to the customer in exchange for consideration, as satisfied. The standard also requires expanded disclosures regarding PIHC's revenue recognition policies and significant judgment employed in the determination of revenue. The adoption of ASC 606 did not have a material impact on the financial statements and PIHC does not expect it to have a material impact on the results of operations on a prospective basis.

Additionally, on January 1, 2019 PIHC adopted FASB ASU 2018-08 *Not-for-Profit Entities (Topic 958-605)* clarifying the accounting guidance for contributions received and contributions made to assist entities in distinguishing between contributions (non-reciprocal) and exchange (reciprocal) transactions and to determine whether a contribution is conditional. The adoption of this ASU did not have a material impact on the financial statements and PIHC does not expect it to have a material impact on the results of operations on a prospective basis.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash Equivalents

For purposes of the statements of cash flows, PIHC considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Concentrations of Credit and Market Risk

Financial instruments, principally receivables and accounts payable, are reported at values which PIHC believes are not significantly different from fair values. PIHC believes no significant credit risk exists with respect to any of its financial instruments. PIHC maintains cash balances with financial institutions. Deposit accounts at the institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2020 and 2019, PIHC's uninsured cash balance was \$10,089,776 and \$2,875,276, respectively.

As of December 31, 2020 and 2019, 82% and 70% of receivables are related to four funders, respectively.

Investments

Investments in marketable securities with readily determinable fair values are reported at fair value based on quoted market prices. The investments are initially recorded at cost if they were purchased and at fair value on the date of the gift if received as a donation. Unrealized gains and losses resulting in fluctuations in market prices are included in the statement of activities (See Note 3).

PIHC adheres to the provisions of FASB ASC 820, *Fair Value Measurements*. This standard provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction as prescribed by accounting principles generally accepted in the United States of America (GAAP). The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs that are derived principally from or corroborated by observable market data.
- Level 3 – Inputs that are unobservable and significant to the overall fair value measurement.

All of PIHC's investments are Level 1 investments.

**POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Program Income

Patient and Clinic Income

Clinic fees are recognized as revenue when services are delivered. Net patient income is recognized in the period services are provided at the estimated net realizable amount from Medicare, Medicaid, commercial insurers, other third-party payors and patients. Established rates are maintained for patient services provided. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount.

Section 340B Program of the Public Health Service Act

PIHC offers reduced price medications to low income uninsured patients through arrangements with contracted pharmacies as well as through the in-house pharmacy. Revenue is earned as prescriptions are filled and provided to patients. Related program expenses incurred of \$14,646,611 and \$9,259,014 are recognized in the accompanying financial statements for the years ended December 31, 2020 and 2019, respectively. \$38,603 and \$74,138 are recorded in program receivables as of December 31, 2020 and 2019, respectively.

Other Program Income

PIHC offers testing, counseling and therapy services. Revenue is recognized when services are delivered.

Program income is composed of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Patient and clinic income	\$ 354,650	\$ 284,066
Other program income	414,947	244,959
	\$ 769,597	\$ 529,025

Pharmacy Retail Income

Revenue is earned as prescriptions are filled and provided to patients.

Accounting for Contributions

PIHC records contributions at the date of the gift. Donated investments are recorded at their fair value on the date donated. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated by the donor for specific purposes or for use in a future period are reported as an increase to net assets with donor restrictions.

Restrictions on contributions expire when a purpose or time restriction is accomplished. Upon satisfaction, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying statements of activities as net assets released from restrictions.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in restricted support at the time of receipt and as net assets released from restrictions upon satisfaction of the donor restriction.

Program Receivables

Program receivables represent amounts due from patients and third-party payors (including health insurers and government payors). PIHC uses the allowance method to account for uncollectible receivables. The allowance is based on prior years' experience and management's analysis of possible bad debts. Receivables are considered past due after 90 days. It is PIHC's policy to charge off uncollectible clinic receivables when management determines the receivable will not be collected. Management did not believe an allowance was necessary at December 31, 2020 or 2019.

Grant Receivables

Grants receivable relate to reimbursement basis grants and are recorded when related expenditures are made (See Note 9). PIHC uses the allowance method to account for uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific promises made. Management did not believe that an allowance was necessary at December 31, 2020 or 2019.

Inventory

Inventory consists of pharmaceutical items that are held at the on-site pharmacies. These items are valued at cost.

Property and Equipment

PIHC capitalizes all expenditures for property, furniture, fixtures and equipment in excess of \$500. Property and equipment are recorded at cost or fair value, if donated, and are depreciated using straight-line methods over their estimated useful lives (See Note 5).

Contributed Services

Contributed services are recognized if the services received; (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services of \$36,700 and \$43,700 were recognized for the years ended December 31, 2020 and 2019, respectively, for physician services.

Many individuals volunteer their time and perform a variety of tasks that assist PIHC's clients and fundraising activities. PIHC received approximately 1,600 and 15,400 volunteer hours during the years ended December 31, 2020 and 2019, respectively, that are not valued in the financial statements.

Tax Status

PIHC is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC) and is classified as an organization which is not a private foundation under Section 509(a) of the IRC. PIHC qualifies for the charitable contribution deduction.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, personnel costs have been allocated among the programs and supporting services benefited based on estimates of time and effort, and occupancy costs have been allocated on the basis of the function of the personnel using the space involved.

Comparative Statements

The amounts shown for the year ended December 31, 2019 in the accompanying financial statements are included to provide a basis for comparison with 2020 and present summarized totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with GAAP. Such information should be read in conjunction with the financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Reclassifications

Certain 2019 amounts have been reclassified to conform to the 2020 presentation. These reclassifications had no effect on net assets as previously reported.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02: *Leases (Topic 842)*. It requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the statements of financial position. ASU No. 2016-02 is effective for PIHC in fiscal year 2022 and must be adopted using a modified retrospective approach. PIHC is currently evaluating the impact the adoption of ASU No. 2016-02 will have on its financial statements.

Events Occurring After Report Date

Management has evaluated events and transactions that occurred between December 31, 2020 and May 27, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

3. INVESTMENTS

PIHC's investments are managed by an independent investment company and are valued at quoted market prices in an active market. PIHC's investments at December 31, 2020 and 2019 are comprised of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities	\$ 631,349	\$ 497,131	\$ 559,769	\$ 497,131
Fixed income	279,377	249,209	262,828	249,209
Total investments measured at fair value	<u>\$ 910,726</u>	<u>\$ 746,340</u>	<u>\$ 822,597</u>	<u>\$ 746,340</u>

Net investment income for the years ended December 31, 2020 and 2019 are composed of:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 17,700	\$ 18,187
Net realized (loss) gain on investments	(11,321)	10,175
Unrealized gain on investments	100,434	125,320
Brokerage fees	<u>(10,597)</u>	<u>(10,087)</u>
	<u>\$ 96,216</u>	<u>\$ 143,595</u>

4. NOTE RECEIVABLE

On January 31, 2020, PIHC entered into a note receivable agreement with another organization for \$150,000. The note accrues interest at 1.6% per year and matured on June 1, 2020. The principal amount of the note and any accrued but unpaid interest shall be due and payable in three equal monthly installments beginning April 1, 2020.

During the year, PIHC reviewed the note receivable balance when amounts became past due, and a determination was made to the collectability of the receivable. A payment of \$50,000 was received and an allowance of approximately \$80,000 was recorded as of December 31, 2020. PIHC intends to pursue collection of the note in full.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

5. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets (primarily five years). Property and equipment consist of the following at December 31, 2020 and 2019:

	2020	2019
Vehicle	\$ 35,070	\$ 35,070
Computer equipment and software	939,699	656,526
Furniture and fixtures	119,027	103,976
Leasehold improvements	2,335,128	2,277,897
	3,428,924	3,073,469
Less accumulated depreciation	(1,380,706)	(969,683)
	\$ 2,048,218	\$ 2,103,786

Depreciation expense of \$456,037 and \$414,662 was recorded for the years ended December 31, 2020 and 2019, respectively.

6. LINE OF CREDIT

PIHC has a line of credit with a bank for \$1,000,000. The line accrues interest monthly at prime rate plus 0.5% (3.75% at December 31, 2020), matured in October 2020 and is guaranteed by PIHC's receivables. The line did not have a balance at December 31, 2020 and 2019.

On January 15, 2021, PIHC entered into a line of credit with a new bank with maximum available borrowings of up to \$2,000,000. The line has an interest rate of the prime rate and matures on January 14, 2022.

7. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were available for the following purposes at December 31, 2020 and 2019:

	2020	2019
Subject to expenditures for specific purpose:		
Prevention	\$ 8,133	\$ 60,845
Medical services	6,078	95,129
	\$ 14,211	\$ 155,974

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

7. RESTRICTIONS ON NET ASSETS – CONTINUED

Net assets with donor restrictions released from restrictions during the years ended December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Client service	\$ 24,700	\$ 85,605
Prevention	273,991	557,311
Medical services	<u>93,851</u>	<u>60,861</u>
	<u>\$ 392,542</u>	<u>\$ 703,777</u>

8. OPERATING LEASES

PIHC leases office and clinic space and certain office equipment under non-cancellable operating leases through July 2027. Rent expense for the years ended December 31, 2020 and 2019 was \$1,291,000 and \$1,041,000, respectively. Operating lease expense is accounted for on a straight-line basis. During 2017, PIHC relocated one of its offices. In connection with and as an enticement for the relocation, the landlord paid \$2,400,000 in cash and leasehold improvement incentives. During 2018, PIHC relocated another location and received an additional \$748,640 in leasehold improvement incentives. These incentives are included in deferred rent on the statements of financial position and are being amortized over the life of the lease.

Future minimum rental payments required under the leases are as follows:

2021	\$ 694,167
2022	702,164
2023	723,233
2024	626,779
2025	291,315
Thereafter	686,877

**POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

9. GRANTS FROM GOVERNMENT AGENCIES

PIHC is the recipient of federal financial assistance from several government agencies. The balances of these grants and awards as of December 31, 2020 are as follows:

	<u>Cumulative Awards</u>	<u>Cumulative Expenditures Incurred</u>	<u>Available Funds on Grants</u>
Department of Housing and Urban Development – federal grants	\$ 5,059,000	\$ 4,139,864	\$ 919,136
Department of Health and Human Services – federal grants	<u>24,704,619</u>	<u>21,174,203</u>	<u>3,530,416</u>
	<u>\$ 29,763,619</u>	25,314,067	<u>\$ 4,449,552</u>
Less expenditures related to prior year		<u>13,922,467</u>	
Federal revenue for the year ended December 31, 2020		<u>\$ 11,391,600</u>	

10. EMPLOYEE BENEFIT PLAN

Effective April 2008 PIHC adopted a 401(k) plan (the Plan) for those employees who meet the eligibility requirements set forth in the Plan. All Plan participants are allowed to contribute any amount up to the legal maximum allowed. PIHC contributes 5% of a participant's compensation deferred to the Plan. Senior staff receive an additional 1% and the CEO receives an additional 2%. Employer contributions amounted to approximately \$590,600 and \$339,000 for years ended December 31, 2020 and 2019, respectively.

11. PAID TIME OFF

Employees earn paid time off (PTO) depending on years of service. Accrued PTO is paid upon an employee's termination. A liability for accumulated PTO of \$507,507 and \$260,403 was accrued in the financial statements at December 31, 2020 and 2019, respectively.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

12. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects PIHC's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 10,217,967	\$ 2,757,176
Clinic receivables	2,596,118	2,489,199
Grants receivable	2,973,720	3,593,708
Investments	<u>910,726</u>	<u>822,597</u>
Financial assets, at year-end	16,698,531	9,662,680
Less: Assets unavailable for general expenditures within one year:		
Net assets with donor restrictions unavailable due to donor-imposed purpose restrictions	<u>(14,211)</u>	<u>(155,974)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 16,684,320</u></u>	<u><u>\$ 9,506,706</u></u>

PIHC is substantially supported by federal grants and contributions. Because a donor's restrictions require resources to be used in a particular manner or in a future period, PIHC must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditures within one year. As part of PIHC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

13. CONTINGENCIES

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management is not aware of any material incidents of noncompliance.

During the normal course of business, PIHC may become involved in various legal issues. In the opinion of management, any such matters will not have a material effect upon the financial position of PIHC, and significant losses, if any, would be adequately covered by insurance.

SINGLE AUDIT SECTION

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Directors
Positive Impact Health Centers, Inc.

We have audited the financial statements of Positive Impact Health Centers, Inc. as of and for the year ended December 31, 2020, and have issued our report thereon dated May 27, 2021, which contained an unmodified opinion on those financial statements and appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Warren Averett, LLC

Atlanta, Georgia
May 27, 2021

**POSITIVE IMPACT HEALTH CENTERS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures
U.S. Department of Housing and Urban Development passed through City of Atlanta/Housing Opportunities for Persons with AIDS	14.241	250132511	\$ 5,059,000	<u>\$ 1,936,372</u>
Housing Opportunities for Persons with AIDS	Subtotal 14.241			<u>1,936,372</u>
U.S. Department of Health and Human Services/Ryan White Part A	93.914		3,740,839	1,128,250
U.S. Department of Health and Human Services/Ryan White Part A	93.914		4,652,691	3,500,632
U.S. Department of Health and Human Services/ COVID-19 Ryan White Part A	93.914		212,782	140,189
U.S. Department of Health and Human Services/Ryan White Part A	93.914		674,633	184,792
U.S. Department of Health and Human Services passed through Health Resources and Services Administration/AIDS United	93.914	U69HA31067	176,000	101,625
U.S. Department of Health and Human Services passed through Health Resources and Services Administration/AIDS United	93.914	U69HA31067	115,245	<u>58,211</u>
HIV Emergency Relief Project Grants	Subtotal 93.914			<u>5,113,699</u>

See accompanying notes.

**POSITIVE IMPACT HEALTH CENTERS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures
U.S. Department of Health and Human Services/Ryan White Part B	93.917		\$ 799,696	\$ 249,957
U.S. Department of Health and Human Services/Ryan White Part B	93.917		799,696	628,652
U.S. Department of Health and Human Services/Ryan White Part B	93.917		589,753	254,935
U.S. Department of Health and Human Services/Ryan White Part B	93.917		589,753	386,971
U.S. Department of Health and Human Services/ COVID-19 Ryan White Part B	93.917		32,000	19,942
U.S. Department of Health and Human Services/ COVID-19 Ryan White Part B	93.917		32,000	<u>1,728</u>
HIV Care Formula Grants	Subtotal 93.917			<u>1,542,185</u>
U.S. Department of Health and Human Services passed through Fulton County/Ending the HIV Epidemic: A Plan for America/ Ryan White HIV/AIDS Programs Parts A and B	93.686	UT8HA33933	106,559	478
Ending the HIV Epidemic: A Plan for America/ Ryan White HIV/AIDS Program Parts A and B	Subtotal 93.686			<u>478</u>
U.S. Department of Health and Human Services/Ryan White Part C	93.918		499,740	176,825
U.S. Department of Health and Human Services/Ryan White Part C	93.918		499,740	318,510
U.S. Department of Health and Human Services/ COVID-19 Ryan White Part C	93.918		115,619	95,992
U.S. Department of Health and Human Services/Ryan White Part C	93.918		150,000	<u>62,616</u>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	Subtotal 93.918			<u>653,943</u>

See accompanying notes.

**POSITIVE IMPACT HEALTH CENTERS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures
U.S. Department of Health and Human Services passed through Health Resources and Services Administration/Special Projects of National Significance	93.928	5 H97HA31433-02-00	\$ 300,000	\$ 248,150
U.S. Department of Health and Human Services passed through Health Resources and Services Administration/Special Projects of National Significance	93.928	5 H97HA31433-03-00	360,000	<u>31,391</u>
Special Projects of National Significance	Subtotal 93.928			<u>279,541</u>
U.S. Department of Health and Human Services/ Substance Abuse and Mental Health Services/ Facilitating United Service Efforts	93.243		485,000	363,993
U.S. Department of Health and Human Services Substance Abuse and Mental Health Services/ Facilitating United Service Efforts	93.243		485,000	134,114
U.S. Department of Health and Human Services/ Substance Abuse and Mental Health Services Realistic Alternatives Prevention Project	93.243		308,875	<u>253,313</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Subtotal 93.243			<u>751,420</u>

See accompanying notes.

POSITIVE IMPACT HEALTH CENTERS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020

Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures
U.S. Department of Health and Human Services passed through Georgia Department of Human Resources/ HIV Prevention Activities Health Department Based	93.940	40500-044-19192849	\$ 272,832	\$ 60,805
U.S. Department of Health and Human Services passed through Georgia Department of Human Resources/ HIV Prevention Activities Health Department Based	93.940	40500-044-20192849	218,265	<u>171,866</u>
HIV Prevention Activities Health Department Based	Subtotal 93.940			<u>232,671</u>
U.S. Department of Health and Human Services passed through Center for Disease Control	93.939	PS151502COMHIGPHIV15	697,681	360
U.S. Department of Health and Human Services passed through Center for Disease Control	93.939	PS151502COMHIGPHIV15	697,681	423,384
U.S. Department of Health and Human Services passed through Center for Disease Control	93.939	PS151502COMHIGPHIV15	697,681	<u>409,021</u>
HIV Prevention Activities Non-Governmental Organization Based	Subtotal 93.939			<u>832,765</u>
U.S. Department of Treasury passed through Gwinnett County/ Coronavirus Relief Fund	21.019	CRF-HUA-038	100,000	44,160
U.S. Department of Treasury passed through Gwinnett County/ Coronavirus Relief Fund	21.019	CRF-NPA-103	5,000	<u>4,366</u>
Coronavirus Relief Fund	Subtotal 21.019			<u>48,526</u>
TOTAL FEDERAL AWARDS				<u>\$ 11,391,600</u>

See accompanying notes.

POSITIVE IMPACT HEALTH CENTERS, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Positive Impact Health Centers, Inc. (PIHC) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Positive Impact Health Centers, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of PIHC

2. INDIRECT COST RATE

PIHC has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Positive Impact Health Centers, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Positive Impact Health Centers, Inc. (PIHC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered PIHC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PIHC's internal control. Accordingly, we do not express an opinion on the effectiveness of PIHC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PIHC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PIHC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PIHC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Atlanta, Georgia
May 27, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Positive Impact Health Centers, Inc.

Report on Compliance for Each Major Federal Program

We have audited Positive Impact Health Centers, Inc.'s (PIHC) (a nonprofit organization) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020. PIHC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of PIHC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PIHC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of PIHC's compliance.

Opinion on Each Major Federal Program

In our opinion, PIHC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of PIHC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered PIHC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PIHC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Atlanta, Georgia
May 27, 2021

**POSITIVE IMPACT HEALTH CENTERS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 2, 2020**

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal control over financial reporting:

Material weaknesses identified?	Yes ___	No <u>√</u>
Significant deficiencies identified?	Yes ___	None reported <u>√</u>
Noncompliance material to financial statements noted?	Yes ___	No <u>√</u>

Federal Awards

Internal control over major programs:

Material weaknesses identified?	Yes ___	No <u>√</u>
Significant deficiencies identified?	Yes ___	None reported <u>√</u>

Type of auditor’s report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes ___	No <u>√</u>
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Identification of Major Program

CFDA Number(s)

Name of Federal Program or Cluster

14.241	U.S. Department of Housing and Urban Development passed through City of Atlanta/Housing Opportunities for Persons with AIDS
93.243	U.S. Department of Health and Human Services/Substance Abuse and Mental Health Services
93.917	U.S. Department of Health and Human Services/Ryan White Part B
93.939	U.S. Department of Health and Human Services passed through Center for Disease Control

Dollar threshold used to distinguish between type A and type B programs: **\$ 750,000**

Auditee qualified as low-risk auditee? Yes ___ No √

**POSITIVE IMPACT HEALTH CENTERS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED DECEMBER 2, 2020**

**Section 2 Financial Statement Findings Reported in Accordance with
 Government Auditing Standards**

We noted no findings or questioned costs which are required to be reported under *Government Auditing Standards* for the year ended December 31, 2020.

Section 3 Federal Award Findings and Questioned Costs

We noted no findings or questioned costs which are required to be reported under Section 2 CFR 200.516(a), *Audits of States, Local Governments, and Non-Profit Organizations* for the year ended December 31, 2020.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

To the Board of Directors
Positive Impact Health Centers, Inc.

We have audited the financial statements of Positive Impact Health Centers, Inc. as of and for the year ended December 31, 2020, and have issued our report thereon dated May 27, 2021, which contained an unmodified opinion on those financial statements and appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary material on pages 31 and 32 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Warren Averett, LLC

Atlanta, Georgia
May 27, 2021

**POSITIVE IMPACT HEALTH CENTERS, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

		<u>Total Budgets</u>	<u>Cash Receipts</u>	<u>Expenditures Incurred</u>	<u>Balance Due from State</u>
Georgia Department of Human Resources/ HIV Prevention Activities					
Contract #40500-044-19192849	Contract year – 10/01/18–12/31/19	\$ 272,832	\$ 272,832	\$ 60,805	\$ -
Contract #0500-044-20192849	Contract year – 02/01/20–01/31/21	218,265	150,024	171,866	21,842
TOTAL		<u>\$ 491,097</u>	<u>\$ 422,856</u>	<u>\$ 232,671</u>	<u>\$ 21,842</u>

**POSITIVE IMPACT HEALTH CENTERS, INC.
PROGRAM INCOME DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Ryan White Part A	Ryan White Part B	Ryan White Part C	CDC	SAMHSA	GA Prevention	Total Program Income
Patient and clinic income							
Clinic insurance	\$ 80,542	\$ 18,037	\$ 11,271	\$ -	\$ -	\$ -	\$ 109,850
Patient income	119,753	26,819	16,758	-	-	-	163,329
Clinic Medicare	22,000	4,927	3,079	-	-	-	30,006
Clinic Medicaid	36,548	8,185	5,114	-	-	-	49,847
Clinic medical records	1,186	266	166	-	-	-	1,618
HIV & STD testing income	1,093	245	153	-	-	-	1,491
Other program income							
STI services	-	-	-	18,607	-	-	18,607
Therapy service	-	-	-	-	7,742	-	7,742
TCM - Medicaid	-	-	-	75	-	-	75
Contract Pharm-Gwinnett	-	-	-	34,012	-	-	34,012
ADAP Fill Fees	-	-	-	10,092	-	-	10,092
Marietta grants pass through	251,435	56,309	35,184	-	-	-	342,928
	<u>\$ 512,557</u>	<u>\$ 114,787</u>	<u>\$ 71,724</u>	<u>\$ 62,786</u>	<u>\$ 7,742</u>	<u>\$ -</u>	<u>\$ 769,597</u>