WEST VIRGINIA
Department of
Health & Human Resources
BUREAU FOR PUBLIC HEALTH

Fiscal Year
2023

Office of Community Health Systems and Health Promotion
Division of Primary Care

Health Center Look-Alikes and Primary Care Centers

Facility Name:

Rural Health Access Corporation dba Coalfield Health Center

Identification

CHC Name: **Rural Health Access Corporation dba (**
DBA (If applicable): **Coalfield Health Center**
Street Address: **386 Airport Rd**
Mailing Address (if different):
Organization Phone: **(304) 855-1200**
Organization Fax: **(304) 855-1200**
City: **Chapmanville**
State: **WV** Zip: **25508**
FEIN: **264389073**

Number of Satellite Clinics: **0**
Total Patients: **3,602**
Total Visits: **11,515**

Number of School-Based Health Centers: **0**
Total Patients: **0**
Total Visits: **0**

Total Patients All Sites: **3,602**
Total Visits All Sites: **11,515**

FHQC-LA	✔
FCC	
FHC	

If FHQC, enter Cost-Based Rate: **235.69**

Month and Year Status Acquired: **04** **2011**

NCQA Recognition: No ☐ If Yes, timeframe: Level:

CEO: **Kristin Dial**
CEO Phone: **(304) 220-4938** Ext.
CEO E-mail: **kdial@coalfieldhealth.com**
Person completing Application: **Kristin Dial**
Phone (if different): Ext.
E-Mail:
Fax:
CFO: **Finance Manager Rhonda Bryant**
CFO Phone: **(304) 220-4744** Ext.
CFO E-mail: **rbryant@coalfieldhealth.com**
Clinical Director: **CCO Sarah Vance**
Clinical Director Phone: **(304) 220-4973** Ext.
Clinical Director E-Mail: **svance@coalfieldhealth.com**
Medical Director: **Jon Bowen**
Medical Director Phone: **(304) 855-1214** Ext.
Medical Director E-mail: **bowen9@marshall.edu**

Audit

Date of most Recent Independent Audit: **06/20/2001**

Send one copy of the most recent audit to:	Send one copy of the most recent independent audit to:
David Haden, Director Division of Primary Care 350 Capitol Street, Room 515 Charleston, WV 25301	**Division of Compliance and Monitoring** **One Davis Square, Suite 401** **Charleston, WV 25301**

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January 7, 2022

Board of Directors
Rural Health Access Corporation, Inc.
Chapmanville, West Virginia

Re: Management Letter

In planning and performing our audit of the financial statements of Rural Health Access Corporation, Inc. (Clinic) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Clinic's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clinic's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clinic's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies that did not rise to the level of material weaknesses.

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 misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A significant deficiency is a deficiency, or 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.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

We consider the following deficiencies in the Clinic's internal control to be significant deficiencies:

SIGNIFICANT DEFICIENCIES

Pharmacy Revenues and Receivables not Recorded

The Clinic maintains documentation with monthly billings and payments from grant programs and pharmacy programs. Additionally, the Clinic recorded the revenues from these same programs on the cash basis of accounting, this includes not reversing the prior year receivable for these items. Additionally, we proposed an entry to increase pharmacy revenue and expenses for the costs of certain fees paid by the clinic. The effect of the adjustments we have proposed decreased the pharmacy receivables by $88,000, revenues by $225,000 and expenses by $225,000. This represents a material adjustment to each of these accounts. The data required for these adjustments was in the possession of the accounting staff at the Clinic and the staff was aware of the amounts.

We recommend the Clinic record its grants in the period they are billed for and record the respective receivable and revenue, along with reversing any prior items for which payment has been received. Also, the clinic should record pharmacy revenues on a monthly basis at the gross charges, record the related expenses and to make other adjustments as deemed necessary. The gross revenues should be recorded along with the expenses associated with the above discussed costs.

Accounts Payable, subledger

The QuickBooks program contains within it a QuickBooks subledger system. The Clinic is aware of its payables and makes its payments in a timely manner. However, it is important to use the software features to ensure that at any time a balance sheet is produced for management or the board of directors, it is accurate. The Clinic is not entering data into the payable subledger in a manner that will produce an accounts payable report. We have discussed this with management and the accounting staff and shown them how to enter bills for proper cut off. We recommend that the Clinic continue to become more familiar with and system and to ask for additional guidance should it be necessary.

We recommend that the Board work closely with Management to implement the improvements recommended and to utilize the upcoming technical assistance visit to teach the accounting department more about the HRSA programs and requirements. Furthermore, we are available in late January to work with management on site to educate and help correct these deficiencies.

This communication is intended solely for the information and use of the Board of Directors, others within the Clinic, and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

bakertilly

RURAL HEALTH ACCESS CORPORATION d/b/a COALFIELD

Financial Report

June 30, 2021

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rural Health Access Corporation
d/b/a Coalfield
Chapmanville, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Rural Health Access Corporation d/b/a Coalfield (Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 Rural Health Access Corporation d/b/a Coalfield as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly US, LLP

Bridgeport, West Virginia
January 7, 2022

RURAL HEALTH ACCESS CORPORATION d/b/a/ COALFIELD

STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	$ 1,199,167	$ 885,764
Assets whose use is limited	-	139,175
Certificates of deposit	102,317	101,855
Patient receivables	189,324	203,852
Grants receivable	11,394	26,530
Due from third party payers	45,000	25,000
Prepaid expenses	4,675	3,790
Total current assets	1,551,877	1,385,966
PROPERTY AND EQUIPMENT		
Equipment	77,446	77,446
Leasehold improvements	16,500	16,500
	93,946	93,946
Less accumulated depreciation	74,531	73,128
Net property and equipment	19,415	20,818
Total assets	$ 1,571,292	$ 1,406,784
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 37,212	$ 32,160
Accrued expenses	186,115	135,355
Deferred grant revenue	35,365	67,994
Deferred Provider Relief Funds	-	139,175
Total current liabilities	258,692	374,684
NET ASSETS	1,312,600	1,032,100
Total liabilities and net assets	$ 1,571,292	$ 1,406,784

See Notes to Financial Statements

RURAL HEALTH ACCESS CORPORATION d/b/a/ COALFIELD

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and support:		
Net patient service revenue	$ 2,282,408	$ 1,870,379
Federal and state grant revenue	242,691	264,132
Paycheck Protection Program loan forgiveness	-	167,300
Provider Relief Fund revenue	139,175	-
Other grant revenue	84,811	55,613
Rental income	-	17,050
Interest	962	2,208
Total revenue and support	2,750,047	2,376,682
Operating expense:		
Salaries, wages, and contract medical	1,095,753	872,445
Professional fees	436,012	313,071
Payroll taxes and benefits	363,417	215,720
Medical supplies and services	249,552	184,109
Contracted services	141,066	125,134
Occupancy	61,120	46,552
Office	47,667	42,160
Utilities and telephone	34,969	36,949
Insurance	22,635	12,977
Travel	8,260	7,205
Advertising	7,693	4,647
Depreciation	1,403	1,127
Total operating expense	2,469,547	1,862,096
Change in net assets without donor restrictions	280,500	514,586
Net assets:		
Beginning	1,032,100	517,514
Ending	$ 1,312,600	$ 1,032,100

See Notes to Financial Statements

RURAL HEALTH ACCESS CORPORATION d/b/a/ COALFIELD

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Activities	Administrative and General	Total Operating Expense
Operating expense:			
Salaries, wages, and contract medical	$ 911,949	$ 183,804	$ 1,095,753
Professional fees	316,755	119,257	436,012
Payroll taxes and benefits	302,457	60,960	363,417
Medical supplies and services	249,552	-	249,552
Contracted services	141,066	-	141,066
Occupancy	59,374	1,746	61,120
Office	44,249	3,418	47,667
Utilities and telephone	33,970	999	34,969
Insurance	21,988	647	22,635
Travel	8,260	-	8,260
Advertising	7,693	-	7,693
Depreciation	1,363	40	1,403
Total operating expense	$ 2,098,676	$ 370,871	$ 2,469,547

See Notes to Financial Statements

RURAL HEALTH ACCESS CORPORATION d/b/a/ COALFIELD

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020

	Program Activities	Administrative and General	Total Operating Expense
Operating expense:			
Salaries, wages, and contract medical	$ 726,485	$ 145,960	$ 872,445
Professional fees	222,033	91,038	313,071
Payroll taxes and benefits	179,630	36,090	215,720
Medical supplies and services	184,109	-	184,109
Contracted services	125,134	-	125,134
Occupancy	45,222	1,330	46,552
Office	36,825	5,335	42,160
Utilities and telephone	35,893	1,056	36,949
Insurance	12,606	371	12,977
Travel	7,205	-	7,205
Advertising	4,647	-	4,647
Depreciation	1,095	32	1,127
Total operating expense	$ 1,580,884	$ 281,212	$ 1,862,096

See Notes to Financial Statements

RURAL HEALTH ACCESS CORPORATION d/b/a/ COALFIELD

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 280,500	$ 514,586
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Paycheck Protection Program loan forgiveness	-	(167,300)
Depreciation	1,403	1,127
Interest on certificates of deposit	(462)	(1,796)
(Increase) decrease in assets:		
Patient receivables	14,528	(44,798)
Grants receivable	15,136	(26,530)
Due from third party payers	(20,000)	(15,000)
Prepaid expenses	(885)	(1,306)
Increase (decrease) in liabilities:		
Accounts payable	5,052	(28,618)
Accrued expenses	50,760	29,752
Deferred grant revenue	(32,629)	67,994
Deferred provider relief funds	(139,175)	139,175
Net cash provided by operating activities	174,228	467,286
CASH FLOWS FROM INVESTING ACTIVITIES		
Leasehold improvements	-	(16,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	167,300
Net increase in cash, cash equivalents, and restricted cash	174,228	618,086
Cash, cash equivalents, and restricted cash:		
Beginning	1,024,939	406,853
Ending	$ 1,199,167	$ 1,024,939
Cash, cash equivalents, and restricted cash includes:		
Cash	$ 1,199,167	$ 885,764
Assets whose use is limited	-	139,175
	$ 1,199,167	$ 1,024,939

See Notes to Financial Statements

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Rural Health Access Corporation d/b/a Coalfield (Organization) is a nonprofit West Virginia corporation established for the purpose of providing primary care services to the residents of Logan County, West Virginia, and the surrounding area. The Organization has been approved for enhanced reimbursement as a Federally Qualified Health Center (FQHC) look-alike.

A summary of the Organization's significant accounting policies are as follows:

Basis of accounting: These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America, whereby revenue is recognized when earned, rather than when received, and expenses are recognized when incurred, rather than when paid.

Management's estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and deposit risk: In the normal course of business, the Organization may have deposits with local financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Organization has not experienced any losses in such accounts.

Cash, cash equivalents, and restricted cash are reconciled on the statements of cash flows. As a matter of policy, the Organization does not consider investments that are temporarily in cash and cash equivalents form to be subject to this disclosure.

Assets whose use is limited: Assets whose use is limited represented cash received through the Provider Relief Fund program that had not been earned by the Organization as of June 30, 2021.

Patient receivables: Patient receivables are reported at estimated net realizable value taking into account implicit and explicit price concessions. The estimated implicit price concessions are based upon management's judgmental assessment of historical and expected net collections considering business and general economic conditions in its service area, trends in healthcare coverage, and other collection indicators on a claim-by-claim basis. For receivables associated with services provided to patients who have third-party coverage (which includes patients with deductible and payment balances for which third-party coverage exists for part of the bill), the Organization analyzes contractually due amounts and provides an explicit price concession. Throughout the year, management assesses the adequacy of the price concessions based upon its review of accounts receivable payer composition and aging, taking into consideration recent experience by payer category, payer agreement rate changes, and other factors. The results of these assessments are used to make modifications to patient service revenue and to establish an appropriate estimate for price concessions. Patient receivables are reported net of estimated implicit and explicit price concessions.

The Organization grants credit without collateral to the residents of its service area, many of whom are insured under third-party payer agreements. As of June 30, accounts receivable from patients and third-party payers are as follows:

	2021	2020
Commercial	51%	29%
Medicaid	29%	29%
Medicare	12%	25%
Private pay	8%	17%
	100%	100%

Grants receivable: Grants receivable represents amounts billed to state and federal agencies, but not paid as of the fiscal year end.

Property and equipment: Property and equipment are stated at cost for purchased items and fair value for contributed items. Assets whose expected useful lives are in excess of one year and cost (or fair value) is above a threshold of $5,000 established by the Board of Directors are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, using the American Hospital Association (AHA) estimated useful lives (3-39 years). Normal repairs and maintenance are expensed as incurred.

Upon sale or retirement of depreciable assets, costs and related accumulated depreciation is removed from the accounts and any resulting gain or loss on the disposition is included in operations.

Deferred grant revenue: Deferred grant revenue includes amounts for which management does not believe the criteria has been met to earn the revenue. Deferred grant revenue reflects amounts associated with grant funds received, but not earned.

Deferred Provider Relief Funds: Deferred Provider Relief Funds included amounts associated with Provider Relief Funds, administered by the U.S. Department of Health and Human Services (HHS) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), (Note 7). Deferred provider relief funds reflected amounts for which management did not believe the criteria had been met to earn the revenue.

Compensated absences: A liability for compensated absences earned, but not paid as of June 30, 2021 and 2020, has been recognized and is included in accrued expenses on the statements of financial position. As of June 30, 2021 and 2020, $72,250 and $60,334 remained unpaid, respectively.

Net assets: Net assets, revenue, and support are classified based on donor-imposed stipulations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor or grantor restrictions. All revenue not restricted by donors or grantors and donor restricted contributions whose restrictions are satisfied in the same period in which they are received are accounted for as net assets without donor restrictions.

Net assets with donor restrictions result from contributions, grants, or other inflows of assets whose use by the Organization is limited by donor or grantor imposed stipulations. Those restrictions can be removed by the passage of time, by actions of the Organization pursuant to those stipulations, or from other asset enhancements and diminishments subject to the same kinds of stipulations. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any net assets with donor restrictions as of June 30, 2021 or 2020.

Revenue recognition: On July 1, 2020, the Organization adopted the revenue recognition accounting standard issued by the Financial Accounting Standards Board (FASB) using the full retrospective method. The adoption of the standard did not have an impact on the recognition of revenue for any periods prior to adoption. As a result, any provision for bad debts would no longer be presented in a separate line on the financial statements, but included in net patient service revenue as an estimated implicit price concession. Additionally, the allowance for doubtful accounts was reclassified as a component of accounts receivable and eliminated on the statements of financial position.

Net patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing medical care from patients treated, third-party payers (including health insurers and government payers), and others for services rendered. It includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patient and third-party payers several days after services are performed. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on expected collections to be received. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving primary care services at the Organization. The Organization measures the performance obligation from the time a patient receives a service to the point when it is no longer required to provide service to the patient, which is generally at the time a patient service is completed, normally the same day.

The Organization determines the transaction price based on standard charges for services provided, reduced by explicit price concessions (contractual adjustments) provided to third-party payers and discounts provided to patients, including charity care, in accordance with the Organization's policy. Explicit concessions under third-party reimbursement programs represent the difference between the Organization's billings at established rates for services and amounts reimbursed by third-party payers. The Organization determines explicit price concessions based on contractual agreements, Organization policies, and historical experience. Implicit price concessions are provided to uninsured or indigent patients who qualify for charity care. The Organization determines its estimate of implicit price concessions based on its historical collection experience and review of individual claims.

The Organization has agreements with third-party payers that provide for reimbursement to the Organization at amounts different from its established rates. Explicit concessions under third-party reimbursement programs represent the difference between the Organization's billings at established rates for services and amounts reimbursed by third-party payers. As an FQHC look-alike, the Organization will receive prospective payment, fee for service, and cost-based reimbursement from the Medicare and Medicaid programs.

Settlements with third-party payers for retroactive adjustments due to audits, review, or investigations are considered variable consideration and are included in the determination of estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payer, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Adjustments arising from a change in the transaction price were not significant as of June 30, 2021 or 2020.

The Organization provides services to uninsured or indigent patients, and offers those patients a discount from standard charges. Patients who meet the Organization's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity are not reported as revenue. The Organization estimates the transaction price from those who are uninsured based on historical experience and current market conditions. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended June 30, 2021 and 2020, was not considered material.

The Organization has elected the practical expedient allowed under FASB Accounting Standard Codification (ASC) 606-10-32-18 and does not adjust the promised amount of consideration from patient and third-party payers for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payer pays for that service will be one year or less. However, the Organization does, in rare instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are primarily affected by the primary payer. A summary of patient service revenue by payer for the years ended June 30 is as follows:

	2021	2020
Commercial	$ 528,956	$ 596,992
Medicaid	822,366	666,256
Medicare	135,203	248,697
Private pay	77,361	33,565
Pharmacy	718,522	324,869
	$ 2,282,408	$ 1,870,379

Charity care: The Organization provides care to patients who meet certain criteria without charge or at amounts less than its established rates under a sliding fee arrangement covered by grant funds. The criteria for charity care consider family income, liquid assets, and family worth, as well as other subjective items. Because the Organization does not pursue collection of these amounts, they are not included in net patient revenue.

The net cost of charity care provided was approximately $26,000 and $16,000 for the years ended June 30, 2021 and 2020, respectively. The total cost estimate is based on the estimated cost per encounter of each patient multiplied by the number of charity encounters. The net cost of charity care is determined by the total charity care cost less any patient-related revenue due to sliding-scale payments or other patient-specific sources, which were estimated to be $0 for the years ended June 30, 2021 and 2020. The Organization received an Uncompensated Care Grant from the State of West Virginia to offset the costs of charity care in the amount of $51,782 and $52,410 for the years ended June 30, 2021 and 2020, respectively.

Functional expense allocation: The program activities of the Organization and the administrative and general costs have been summarized on a functional basis on the statements of functional expenses for the years ended June 30, 2021 and 2020. The statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated between program activities and administrative and general costs.

Income taxes: The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is recognized as tax exempt under 501(a) of the Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an entity that is not a private foundation under 509(a)(1). The Organization had no unrelated business income during the years ended June 30, 2021 and 2020. Accordingly, no provision for income taxes has been provided.

Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken by the Organization and recognize a tax liability or asset if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Services (IRS). The Organization has concluded that as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements.

Generally, tax returns for years ended June 30, 2018, and thereafter remain subject to examination by federal and state tax authorities.

Economic dependency: The Organization receives a significant portion of its support from federal and state government grants, Medicare and Medicaid programs, and patient revenue. A material reduction in the level of support or nonpayment of fees generated would have a significant impact on the Organization's programs and activities, and its ability to continue as a going concern. Patient service revenue is primarily limited to services provided to the residents of Logan County, West Virginia, and the surrounding area. General economic conditions in the area significantly influence the Organization's ability to collect fees for services rendered. Additionally, the Organization generates a substantial portion of its revenue from the State of West Virginia, the Logan Healthcare Foundation, and other sources. Changes in the amounts of grant funding could, therefore, significantly influence the Organization's ability to provide services.

Advertising costs: Advertising costs are expensed as incurred. Advertising expense amounted to $7,693 and $4,647 for the years ended June 30, 2021 and 2020, respectively.

Reclassifications: Certain minor reclassifications have been made to the 2020 financial statements to conform to the presentation used in 2021.

Subsequent events: The Organization's management has evaluated events that occurred through January 7, 2022, the date the financial statements were available to be issued, for potential recognition or disclosure.

Recent Accounting Pronouncements

Revenue Recognition: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP. This ASU attempts to remove inconsistencies and weaknesses in the current revenue recognition requirements, provides a more robust framework for addressing issues, improves comparability across entities and industries, provides more useful information to the users of the financial statements, and simplifies the preparation of financial statements by consolidating the number of requirements required to be referenced. The guidance permits the use of either a retrospective or modified retrospective (cumulative effect) transition method. The Organization adopted this guidance for the year ended June 30, 2021. The impact of the adoption is disclosed in the net patient service revenue policy in Note 1.

Leases: In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) which supersedes FASB ASC Topic 840, *Leases*, and makes other conforming amendments to U.S. GAAP. This ASU requires, among other changes to the lease accounting guidance, lessees to recognize most leases on the balance sheet via a right-of-use asset and lease liability, and additional qualitative and quantitative disclosures. In addition, the updated guidance requires that lessors separate lease and non-lease components in a contract in accordance with the new revenue guidance in ASU 2014-09. Transition guidance is provided within the ASU and generally requires a retrospective approach. In June 2020, the FASB issued ASU 2020-05, which deferred the adoption date of this ASU for all private entities and public not-for-profit (NFP) entities that have not issued their financial statements reflecting the adoption of this ASU. The Organization is currently evaluating the impact, if any, that adoption will have on its June 30, 2023 financial statements.

Note 2. Related Party Transactions

The Organization rents its facilities from Marshall University and its affiliated entities (Marshall) and a member of its Board of Directors. Marshall was instrumental in organizing the Organization and leased employees to the Organization prior to 2020. Additional items were also reimbursed to Marshall such as utilities, office supplies, contract services, and other similar items. Rental expense amounted to $42,180 for each of the years ended June 30, 2021 and 2020. For the year ended June 30, 2021 and 2020, employee and other costs amounted to $24,761 and $94,432, respectively.

The Organization maintains its checking account at Logan Bank and Trust (LB&T). Members of the Board of Directors of the Organization work at LB&T.

Note 3. Leases

The Organization leases a facility from Marshall University (Note 2) in Chapmanville, West Virginia, for $42,180 per year. The lease is renewed annually for one-year terms each June.

Note 4. Retirement Plan

The Organization has a defined contribution retirement plan (Plan) and employees are eligible to participate after one year of service. Contributions to the Plan are a discretionary percentage of wages of eligible employees. For the years ended June 30, 2021 and 2020, retirement expense was $23,049 and $24,083, respectively.

Note 5. Liquidity and Availability

As of June 30, 2021, the Organization has working capital of approximately $1,293,000. Financial assets available for general expenditure within one year of the statement of financial position consist of the following as of June 30, 2021:

	2021	2020
Cash	$ 1,199,167	$ 885,764
Certificates of deposit	102,317	101,855
Patient receivables	189,324	203,852
Grants receivable	11,394	26,530
Due from third party payers	45,000	25,000
	$ 1,547,202	$ 1,243,001

The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents on hand, to meet 90 days of normal operating expenses, which are, on average, approximately $609,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 6. Commitments and Contingencies

Laws and regulations: The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Organization is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Note 7. Worldwide Pandemic (COVID-19) and Funding Received

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The response to the pandemic has severely impacted the level of economic activity around the world and has had wide ranging effects on the Organization, including lost revenue, changing workforce dynamics and decreases in encounters.

In response to the pandemic, the United States government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act established several programs including the Paycheck Protection Program (PPP) and Provider Relief Fund (PRF) to aid businesses in their response to the economic effects of COVID-19.

The material government funding received by the Organization, and the corresponding accounting for the funding, is outlined below.

Paycheck Protection Program Loan

During the year ended June 30, 2020, the Organization obtained a loan under the Paycheck Protection Program (PPP) in the amount of $167,300 from Logan Bank pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The proceeds from the loan were to be spent on qualifying expenses as allowed under the CARES Act and matured two years from the date of the loan. The Organization received notice of forgiveness and recognized $167,300 as Paycheck Protection Program loan forgiveness in the statement of activities during the year ended June 30, 2020.

Department of Health and Human Services (HHS) Provider Relief Fund (PRF)

The Organization received funding in the amount of $139,175 from the Provider Relief Fund, administered by the U.S. Department of Health and Human Services (HHS), as of June 30, 2020. These funds were intended to reimburse the Organization for lost revenue and expenses incurred due to COVID-19. Under the terms and conditions of receiving the payments, the Organization is subject to reporting requirements as well as potential audit of the eligibility and use of these funds. Management believes that the Organization has met the known eligibility requirements and expects to fulfill any reporting requirements that are issued by the HHS in the future. As of June 30, 2020, management was unsure that the criteria to earn the funds had been met and accordingly included the full amount as deferred Provider Relief Funds. As of June 30, 2021, management believes the Organization utilized the funds in accordance with the terms and conditions of the funding and has recognized $139,175 as Provider Relief Fund revenue on the statements of activities and changes in net assets.

The payments received to date or which the Organization may receive in the future, will be beneficial in addressing the impact of the COVID-19 pandemic on its results of operations and financial position. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's patients, financial markets, employees, and vendors. Given the uncertainty regarding the spread of this coronavirus, the related financial impact on the Organization's results of operations, financial position, and liquidity or capital resources cannot be reasonably estimated at this time and have not been reflected in the financial statements.

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF STATE AWARDS

Board of Directors
Rural Health Access Corporation
d/b/a Coalfield
Chapmanville, West Virginia

We have audited the financial statements of Rural Health Access Corporation d/b/a Coalfield (Organization) as of and for the year ended June 30, 2021, and our report thereon, dated January 7, 2022, contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management, 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.

Baker Tilly US, LLP

Bridgeport, West Virginia
January 7, 2022

RURAL HEALTH ACCESS CORPORATION d/b/a/ COALFIELD

SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2021

State Grantor / Grantor	Grant Number	Grant Award	Grant Receipts	Grant Expenditures	Receivable (Deferred)
West Virginia Department of Health and Human Resources:					
Uncompensated Care Grant					
(07/01/20-06/30/21)	G210378	$ 51,782	$ 40,388	$ 51,782	$ 11,394
HBV / HCV Detection Grant					
(9/1/2019-8/31/2020)	G200618	$ 106,709	6,719	14,326	-
Total expenditures of state awards			$ 47,107	$ 66,108	$ 11,394

See Notes to Schedule of Expenditures of State Awards

RURAL HEALTH ACCESS CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state awards (Schedule) includes the state award activity of Rural Health Access Corporation d/b/a Coalfield (Organization) under programs of the state government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the State of West Virginia. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization. Additionally, due to the different reporting requirements of the financial statements from those of the above schedule, some amounts presented may differ from amounts presented in, or used in, the preparation of the financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of West Virginia, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Costs

The Organization does not seek reimbursement of indirect costs under its state programs. Additionally, the Organization has never negotiated an indirect cost rate with its cognizant agency. Therefore, the Organization has elected to use the 10% de minimis indirect cost rate.