



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Ohio Professionals Health Program

Financial Statements and Additional Information

December 31, 2023 and 2022

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ohio Professionals Health Program

Opinion

We have audited the accompanying financial statements of Ohio Professionals Health Program (formerly known as Ohio Physicians Health Program) (an Ohio not-for-profit corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio Professionals Health Program as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ohio Professionals Health Program and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio Professionals Health Program's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ohio Professionals Health Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio Professionals Health Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Accompanying Information

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* 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2024, on our consideration of Ohio Professionals Health Program'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 that report is solely 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 the effectiveness of Ohio Professionals Health Program's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ohio Professionals Health Program's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
July 9, 2024

Ohio Professionals Health Program
Statements of Financial Position
December 31, 2023 and 2022

Assets	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 575,221	379,101
Pledges receivable	65,046	-
Grants receivable	-	1,000,000
Investments	2,083,672	1,814,893
Interest receivable	9,311	4,152
Prepaid expenses	<u>38,508</u>	<u>23,101</u>
	<u>2,771,758</u>	<u>3,221,247</u>
Property and equipment:		
Furniture and equipment	675,975	666,740
Less accumulated depreciation	<u>281,240</u>	<u>200,887</u>
	<u>394,735</u>	<u>465,853</u>
Other assets:		
Right of use assets, operating leases	1,330,227	1,486,473
Deposits	<u>8,765</u>	<u>8,765</u>
	<u>1,338,992</u>	<u>1,495,238</u>
	<u>\$ 4,505,485</u>	<u>5,182,338</u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 43,620	18,902
Accrued expenses	77,768	53,797
Refundable advance	157,555	-
Lease liability, operating - current portion	<u>154,794</u>	<u>145,570</u>
	<u>433,737</u>	<u>218,269</u>
Long-term liabilities -		
Lease liability, operating - less current portion	<u>1,238,446</u>	<u>1,393,240</u>
Net assets:		
Without donor restrictions:		
Undesignated	2,726,967	3,559,494
Board designated - Family Healing and Support Fund	10,000	10,000
With donor restrictions	<u>96,335</u>	<u>1,335</u>
	<u>2,833,302</u>	<u>3,570,829</u>
	<u>\$ 4,505,485</u>	<u>5,182,338</u>

See accompanying notes to the financial statements.

Ohio Professionals Health Program
Statements of Activities
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Changes in net assets without donor restrictions:		
Revenue:		
Contributions:		
Individuals and groups	\$ 308,430	241,329
Gift-in-kind	13,654	21,700
Ohio Medical Quality Foundation	500,000	500,000
Ohio Department of Mental Health and Addiction Services	1,509,112	2,000,000
Other grants	-	109,000
Other revenue:		
Honoraria	1,860	770
Investment income (loss), net	<u>211,968</u>	<u>(304,856)</u>
	<u>2,545,024</u>	<u>2,567,943</u>
Expenses:		
Program services	2,811,113	2,249,043
Management and general	413,940	305,054
Fundraising	<u>152,498</u>	<u>118,094</u>
	<u>3,377,551</u>	<u>2,672,191</u>
Other expense -		
Loss on disposal of property and equipment	<u>-</u>	<u>(7,045)</u>
Change in net assets without donor restrictions	<u>(832,527)</u>	<u>(111,293)</u>
Changes in net assets with donor restrictions:		
Revenue -		
Contributions	<u>95,000</u>	<u>-</u>
Change in net assets	(737,527)	(111,293)
Net assets - beginning of year	<u>3,570,829</u>	<u>3,682,122</u>
Net assets - end of year	\$ <u><u>2,833,302</u></u>	<u><u>3,570,829</u></u>

See accompanying notes to the financial statements.

Ohio Professionals Health Program
Statement of Functional Expenses
Year Ended December 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 2,225,757	288,039	104,742	2,618,538
Travel, lodging, and meals	63,148	8,172	2,972	74,292
Accounting	13,688	1,771	644	16,103
Legal	37,423	4,843	1,761	44,027
Bank fees	-	1,356	-	1,356
Insurance and bonding	25,010	3,237	1,177	29,424
Public awareness	10,535	-	-	10,535
Dues and subscriptions	27,826	-	-	27,826
Meetings, conferences and banquets	29,150	3,772	1,372	34,294
Printing	23,522	3,044	1,107	27,673
Postage	2,386	309	112	2,807
Rent-office	166,429	21,538	7,832	195,799
Rent-equipment	2,295	297	108	2,700
Supplies	15,745	2,038	741	18,524
Office expenses	11,420	1,478	537	13,435
Computer services	23,154	2,997	1,090	27,241
Telephone	6,374	825	300	7,499
Continuing education	368	-	-	368
Consulting and contract labor	42,586	56,000	4,200	102,786
Utilities	9,844	1,274	463	11,581
Depreciation	68,299	8,839	3,214	80,352
Resource development	-	3,315	19,836	23,151
Miscellaneous	6,154	796	290	7,240
	<u>\$ 2,811,113</u>	<u>413,940</u>	<u>152,498</u>	<u>3,377,551</u>

See accompanying notes to the financial statements.

Ohio Professionals Health Program
Statement of Functional Expenses
Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 1,554,358	201,152	73,146	1,828,656
Travel, lodging, and meals	37,512	4,855	1,765	44,132
Accounting	13,379	1,731	630	15,740
Legal	39,571	5,121	1,862	46,554
Bank fees	-	1,096	-	1,096
Insurance and bonding	12,858	1,664	605	15,127
Public awareness	16,203	-	-	16,203
Dues and subscriptions	18,273	-	-	18,273
Meetings, conferences and banquets	27,622	3,575	1,300	32,497
Printing	20,543	2,658	967	24,168
Postage	9,718	1,258	457	11,433
Rent-office	150,702	19,503	7,092	177,297
Rent-equipment	2,642	342	124	3,108
Supplies	11,446	1,481	539	13,466
Office expenses	39,462	5,107	1,857	46,426
Computer services	29,779	3,854	1,401	35,034
Telephone	6,300	815	296	7,411
Continuing education	673	-	-	673
Consulting and contract labor	212,975	41,015	-	253,990
Utilities	6,124	793	288	7,205
Depreciation	32,811	4,246	1,544	38,601
Resource development	-	4,000	23,935	27,935
Miscellaneous	<u>6,092</u>	<u>788</u>	<u>286</u>	<u>7,166</u>
	<u>\$ 2,249,043</u>	<u>305,054</u>	<u>118,094</u>	<u>2,672,191</u>

See accompanying notes to the financial statements.

Ohio Professionals Health Program
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (737,527)	(111,293)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	80,352	38,601
Unrealized loss (gain) on investments	(187,395)	328,094
Loss on disposal of property and equipment	-	7,045
Non-cash lease expense	10,676	52,337
Effects of change in operating assets and liabilities:		
Accounts receivable	(65,046)	530
Grants receivable	1,000,000	500,000
Interest receivable	(5,159)	(3,160)
Prepaid expenses	(15,407)	6,550
Deposits	-	63,323
Accounts payable	24,718	10,108
Unearned Income	157,555	-
Accrued expenses	<u>23,971</u>	<u>25,901</u>
Net cash flows from operating activities	<u>286,738</u>	<u>918,036</u>
Cash flows from investing activities:		
Purchases of property and equipment	(9,234)	(461,040)
Purchases of investments	(2,479,971)	(1,918,777)
Sales of investments	<u>2,398,587</u>	<u>1,395,143</u>
Net cash flows from investing activities	<u>(90,618)</u>	<u>(984,674)</u>
Change in cash and cash equivalents	196,120	(66,638)
Cash and cash equivalents - beginning of year	<u>379,101</u>	<u>445,739</u>
Cash and cash equivalents - end of year	\$ <u><u>575,221</u></u>	<u><u>379,101</u></u>

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Ohio Professionals Health Program; formerly known as Ohio Physicians Health Program (the Organization) are set forth to facilitate the understanding of data presented in the financial statements.

Nature of operations

Ohio Professionals Health Program is a not-for-profit corporation incorporated in 1995. The Organization was established to facilitate the health and wellness of healthcare professionals in order to enhance patient safety. The Organization's programs strive to improve the quality of healthcare for the citizens of Ohio through assurance of healthy healthcare professionals.

Basis of accounting

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of presentation

The financial statements of the Organization have been prepared in accordance with GAAP which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and governing board.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had no net assets with perpetual restrictions at December 31, 2023 or 2022.

Measure of operations

The Organization includes in its measure of operations all revenue and expenses that are integral to its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from Board-designated funds to support current operating activities. The measure of operations includes support for operating activities from net assets with donor restrictions and net assets without donor restrictions.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents.

Receivables

Grants receivable consist of grants pledged but not received at year-end. All grants receivable are due within one year. The receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense in the statements of activities and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management deemed no allowance for doubtful accounts to be necessary as of December 31, 2023 and 2022.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Investment income (including unrealized gains and losses on investments, interest, and dividends), net of investment fees, is included in operating revenues without donor restrictions in the accompanying statements of activities.

Property and equipment

Property and equipment are recorded at cost. Assets are depreciated using the straight-line method over the estimated useful lives of the respective assets, which range from five to thirty-nine years.

Contributions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

As of December 31, 2023, the Organization has approximately \$3,490,888 of conditional contributions expected to be recognized as revenue during the year ended December 31, 2024 when conditions are met. The most significant condition is that the Organization incur eligible expenditures in accordance with conditions of the grant agreement. Approximately \$157,555 is recorded as a refundable advance at December 31, 2023 on the accompanying statement of financial position.

Leases

The Organization considers an arrangement a lease if, at inception, the arrangement transfers the right to control the user of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined as having both the right to obtain substantially all of the economic benefits from use of the assets and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in right of use assets, operating leases, lease liability, operating- current portion and lease liability, operating – less current portion in the balance sheets. The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably

certain that it will exercise such option. The Organization uses the risk-free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk-free rate is used when the information necessary to determine the rate implicit in the lease and the Organization's incremental borrowing rate is not readily available. The Organization has lease agreements with lease and non-lease components, which are generally accounted for as a single lease. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

Functional expense allocation

The costs of providing the various programs and other activities are included on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on employee time records. These expenses are allocated based on estimates of time and effort and costs incurred by programs.

Income taxes

Ohio Professionals Health Program is an Ohio not-for-profit corporation and is exempt from Ohio income tax. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Ohio Professionals Health Program qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

Use of estimates

The preparation of the financial statements in conformity 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, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Subsequent events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through July 9, 2024, the date the financial statements were available to be issued.

2. FAIR VALUE MEASUREMENTS:

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs (other than quoted prices included in level 1) are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the assets or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following tables present the Organization’s fair value hierarchy for those assets and liabilities measured at fair value at December 31, 2023 and 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2023</u>			
Exchange Traded Funds:			
Equity -			
Large Growth	\$ <u>316,888</u>	<u>-</u>	<u>-</u>
Mutual Funds:			
Equity:			
Diversified Emerging Funds	20,501	-	-
Global Large-Stock Blend	<u>45,119</u>	<u>-</u>	<u>-</u>
	<u>65,620</u>	<u>-</u>	<u>-</u>
Fixed Income -			
Treasury Bonds	<u>808,482</u>	<u>-</u>	<u>-</u>
Equities – by sector:			
Consumer Discretionary	105,621	-	-
Consumer Staples	121,881	-	-
Energy	94,966	-	-
Financial	86,090	-	-
Health Care	100,030	-	-
Information Technology	240,291	-	-
Utilities	31,457	-	-
Telecommunication Services	<u>112,346</u>	<u>-</u>	<u>-</u>
	<u>892,682</u>	<u>-</u>	<u>-</u>
	\$ <u>2,083,672</u>	<u>-</u>	<u>-</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2022</u>			
Exchange Traded Funds:			
Equity:			
Real Estate	\$ 27,589	-	-
Large Growth	<u>55,120</u>	<u>-</u>	<u>-</u>
	<u>82,709</u>	<u>-</u>	<u>-</u>

Ohio Professionals Health Program
Notes to the Financial Statements
December 31, 2023 and 2022

	Level 1	Level 2	Level 3
<u>December 31, 2022</u>			
Mutual Funds:			
Equity:			
Diversified Emerging Funds	18,575	-	-
Global Large-Stock Blend	20,095	-	-
Large Value	71,809	-	-
Mid-Cap Blend	68,420	-	-
Small Blend	37,871	-	-
	216,770	-	-
Fixed Income:			
Intermediate	108,401	-	-
Multisector	86,768	-	-
Treasury Bonds	377,009	-	-
Other	100,066	-	-
	672,244	-	-
Equities – by sector:			
Consumer Discretionary	88,193	-	-
Consumer Staples	173,049	-	-
Energy	100,828	-	-
Financial	26,820	-	-
Health Care	107,275	-	-
Information Technology	209,051	-	-
Utilities	50,160	-	-
Telecommunication Services	87,794	-	-
	843,170	-	-
	\$ 1,814,893	-	-

Exchange traded funds and mutual funds are valued at net asset value (NAV) of the shares held at year-end, which is based on observable market quotations for identical assets and are priced on a daily basis at the close of business.

3. CONTRIBUTED NONFINANCIAL ASSETS:

The Organization received and recorded contributions of donated materials and professional services as support in the accompanying statements.

Contributed nonfinancial assets recognized within the statements of activities were as follows for the year ended December 31:

	Revenue		Utilization	Donor	Valuation Techniques
	Recognized				
	<u>2023</u>	<u>2022</u>			
Advertising space	\$ -	5,000	Fundraising	No associated donor restrictions	Based on current market rates for services
Exhibit space	<u>13,654</u>	<u>16,700</u>	Fundraising	No associated donor restrictions	Based on current market rates for services
	<u>\$ 13,654</u>	<u>21,700</u>			

4. OPERATING LEASES:

The Organization rents office equipment under two noncancelable leases expiring through February 2026. The Organization also leases office space under a noncancelable operating lease expiring in December 2031. Variable lease costs, such as the Organization's proportionate share of actual costs of utilities, common area maintenance, property taxes, and insurance that are not included in the lease liability are recognized in the period in which they are incurred.

As of December 31, 2023, the Organization has not entered into any additional leases expected to commence in 2024.

For the years ended December 31, 2023 and 2022, the Organization had the following recorded in operating expenses associated with lease arrangements:

	<u>2023</u>	<u>2022</u>
Lease expense:		
Operating lease expense	\$ 179,996	180,404
Variable lease expense	<u>18,503</u>	<u>13,162</u>
	<u>\$ 198,499</u>	<u>193,566</u>
Other information:		
Weighted-average remaining lease term in years	7.98	8.97
Weighted-average discount rate	1.63%	1.63%

The following is an analysis of maturities of lease liabilities as of December 31:

2024	\$	176,100
2025		176,580
2026		181,362
2027		181,392
2028		188,686
Thereafter		<u>583,111</u>
		1,487,231
Less imputed interest		<u>(93,991)</u>
		1,393,240
Less current portion		<u>154,794</u>
	\$	<u><u>1,238,446</u></u>

Non-cash lease expense on the statements of cash flows includes the amortization of the lease right-of use assets of \$156,246 and \$154,479, respectively, offset by a change in the lease liability of \$145,570 and \$102,142, respectively, for the years ended December 31, 2023 and 2022. Lease payments within operating activities were \$169,320 and \$128,067, respectively, for the years ended December 31, 2023 and 2022.

5. RETIREMENT PLAN:

The Organization has adopted a 401(k) retirement plan. The plan permits eligible employees to elect to contribute a portion of their compensation to the plan. The Organization can, at its option, make a contribution on behalf of all eligible employees. Contributions to the plan for the years ended December 31, 2023 and 2022 were \$130,883 and \$96,891, respectively.

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consisted of the following at December 31, 2023 and 2022:

		<u>2023</u>	<u>2022</u>
Family healing and support	\$	1,335	1,335
Clinical staff		<u>95,000</u>	<u>-</u>
	\$	<u><u>96,335</u></u>	<u><u>1,335</u></u>

7. LIQUIDITY:

The Organization is substantially supported by contributions, some of which come with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Organization'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.

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

	2023	2022
Financial assets:		
Cash	\$ 575,221	379,101
Contributions receivable, net	65,046	1,000,000
Interest receivable	9,311	4,152
Investments	2,083,672	1,814,893
Financial assets available at year-end	2,733,250	3,198,146
Less those unavailable for general expenditures within one year due to:		
Restrictions by donor for time or purpose	(96,335)	(1,335)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,636,915	3,196,811

8. ECONOMIC DEPENDENCY AND CONCENTRATIONS OF RISK:

During 2023, grants from two grantors comprised approximately 77% of the Organization's total revenue, and receivables from one donor comprised approximately 100% of the Organization's total contributions receivable. During 2022, grants from two grantors comprised approximately 99% of the Organization's total revenue, and receivables from one donor comprised approximately 100% of the Organization's total contributions receivable.

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 Trustees
Ohio Professionals Health Program
Columbus, Ohio

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 Ohio Professionals Health Program (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2023, 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 July 9, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ohio Professionals Health Program's internal control. Accordingly, we do not express an opinion on the effectiveness of Ohio Professionals Health Program'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ohio Professionals Health Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
July 9, 2024

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

To the Board of Trustees of
Ohio Professionals Health Program
Columbus, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ohio Professionals Health Program's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Ohio Professionals Health Program's major federal programs for the year ended December 31, 2023. Ohio Professionals Health Program's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Ohio Professionals Health Program complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ohio Professionals Health Program and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of Ohio Professionals Health Program's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ohio Professionals Health Program's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ohio Professionals Health Program's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ohio Professionals Health Program's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ohio Professionals Health Program's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ohio Professionals Health Program's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Ohio Professionals Health Program's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 in internal control over compliance, 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
July 9, 2024

Ohio Professionals Health Program
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2023

Federal Agency / Pass-Through Agency / Program Title	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Treasury Passed through the State of Ohio to the Ohio Department of Mental Health and Addiction Services: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ <u>1,509,112</u>

See notes to the schedule of expenditures of federal awards.

NOTE A. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Ohio Professionals Health Program (the Organization) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

NOTE B. 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, wherein certain types of expenditures are not allowable or limited as to reimbursement.

NOTE C. INDIRECT COST RATE:

The Organization has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	None

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with the Uniform Guidance?	None
Identification of major programs:	
• ALN 21.027 – COVID-19 Coronavirus State and Local Recovery Funds	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Schedule of Prior Audit Findings

None

