

WASHINGTON HEALTHCARE ACCESS ALLIANCE

Financial Statements

For the Year Ended September 30, 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Washington Healthcare Access Alliance
PO Box 7242
Tacoma, WA 98417

We have reviewed the accompanying financial statements of Washington Healthcare Access Alliance (WHAA), a nonprofit organization, which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

MICHAEL P. DAME, CPA

Michael Dame & Associates, Inc., P.S.
Camano Island, Washington
November 30, 2021

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Statement of Financial Position
September 30, 2020

ASSETS

Current Assets:

Cash & Cash Equivalents	\$ 76,007
Accounts Receivable	12,623
Prepaid Expenses	853
Total Current Assets	<u>89,483</u>

Fixed Assets:

Equipment	6,413
Less: Accumulated Depreciation	(4,116)
Total Fixed Assets Net of Depreciation	<u>2,297</u>

TOTAL ASSETS \$ 91,780

LIABILITIES & NET ASSETS

Current Liabilities:

Accrued Payroll	\$ 3,435
Accrued Employee Benefits	2,525
Payroll Taxes Payable	2,173
Accounts Payable	1,052
Total Current Liabilities	<u>9,185</u>

Net Assets:

Assets Without Donor Restrictions	82,595
Assets With Donor Restrictions	-
Total Net Assets	<u>82,595</u>

TOTAL LIABILITIES & NET ASSETS \$ 91,780

The accompanying notes are an integral part of these financial statements.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Statement of Activities
For the Year Ended September 30, 2020

	<u>Assets Without Donor Restrictions</u>	<u>Assets With Donor Restrictions</u>	<u>Total</u>
REVENUE & SUPPORT			
State Contracts	\$ 75,330	\$ -	\$ 75,330
Grant Revenue	66,500	-	66,500
Program Revenue	5,100	-	5,100
Direct Public Support	5,237	-	5,237
Membership Dues	2,950	-	2,950
Other Support	294	-	294
Interest Income	5	-	5
TOTAL REVENUE & SUPPORT	<u>155,416</u>	<u>-</u>	<u>155,416</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>-</u>	<u>-</u>	<u>-</u>
	155,416	-	155,416
EXPENSES			
Program Services	72,052	-	72,052
Administration	30,516	-	30,516
Fundraising	25,864	-	25,864
TOTAL EXPENSES	<u>128,432</u>	<u>-</u>	<u>128,432</u>
CHANGE IN NET ASSETS	26,984	-	26,984
NET ASSETS AS OF BEGINNING OF YEAR	55,611	-	55,611
NET ASSETS AS OF END OF YEAR	<u>\$ 82,595</u>	<u>\$ -</u>	<u>\$ 82,595</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Statement of Functional Expenses
For the Year Ended September 30, 2020

	PROGRAM SERVICES					SUPPORT SERVICES			
	Volunteer and Retired Providers Program	Technical Assistance	Advocacy	General Program	Total Program Services	Fundraising	Administration	Total Support Services	Total Expenses
Salaries & Wages	\$ 29,022	\$ 11,164	\$ 3,478	\$ 12,158	\$ 55,822	\$ 17,387	\$ 20,863	\$ 38,250	\$ 94,072
Professional Services	-	-	-	-	-	6,278	546	6,824	6,824
Conferences, Conventions, & Meetings	-	-	-	174	174	-	-	-	174
Payroll Taxes	1,734	1,196	777	2,272	5,978	598	1,395	1,993	7,971
Travel	17	17	17	33	84	-	9	9	93
Technology	745	745	745	1,491	3,727	746	2,980	3,726	7,452
Employee Benefits	1,637	1,129	734	2,145	5,644	564	1,317	1,881	7,525
Occupancy	-	-	-	-	-	-	788	788	788
Insurance	-	-	-	-	-	-	1,556	1,556	1,556
Printing & Postage	-	-	-	73	73	290	-	290	363
Taxes & Licenses	-	-	-	-	-	-	10	10	10
Miscellaneous	-	-	-	-	-	-	294	294	294
Office Expense	-	-	-	387	387	-	387	387	773
Depreciation	-	-	-	-	-	-	372	372	372
Awards & Grants	-	-	-	165	165	-	-	-	165
TOTAL	\$ 33,154	\$ 14,251	\$ 5,751	\$ 18,897	\$ 72,052	\$ 25,864	\$ 30,516	\$ 56,380	\$ 128,432

The accompanying notes are an integral part of these financial statements.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Statement of Cash Flows
For the Year Ended September 30, 2020

OPERATING ACTIVITIES	
Change in Net Assets	\$ 26,984
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	372
Increase in Accounts Receivable	5,280
Increase in Accounts Payable	187
Increase in Credit Cards Payable	(110)
Decrease in Payroll Taxes Payable	83
Increase in State Tax Liabilities	(354)
Increase in Accrued Employee Benefits	2,331
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>34,773</u>
NET INCREASE IN CASH	34,773
CASH AS OF BEGINNING OF YEAR	<u>41,234</u>
CASH AS OF END OF YEAR	<u><u>\$ 76,007</u></u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND PROGRAM SERVICES

Nature of Activities

Washington Healthcare Access Alliance (WHAA) is a nonprofit organization established March 12, 2008 under the laws of the State of Washington. The primary purpose of WHAA is to expand access to healthcare for vulnerable patients by supporting free and charitable clinics and healthcare volunteerism.

Program Services

WHAA provides services to free and charitable clinics, volunteer healthcare professionals, healthcare safety net partners, and communities across Washington State through the following programs:

Volunteer and Retired Providers Program – This program addresses barriers to healthcare volunteerism by providing malpractice insurance and fee-free license renewal for healthcare professionals. WHAA administers this program statewide.

Technical Assistance – This program provides best practices, resources, and training opportunities to free and charitable clinics to enhance sustainability, increase access to care, and improve operational efficiencies.

Advocacy – On behalf of free clinics and the communities they serve, WHAA collects and disseminates data, and works with a wide range of community partners to protect, improve, and increase support for the healthcare safety net sector.

General Program – Other programming conducted by WHAA includes additional support, networking, and outreach events.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation

WHAA's Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Associations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: assets without donor restrictions and assets with donor restrictions.

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 board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will 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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classifications. Expenses which apply to more than one functional category have been allocated based on estimates made by management.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash and Cash Equivalents

WHAA considers all cash on hand, on demand, and savings accounts, as well as highly liquid investments to be cash equivalents. All cash and cash equivalents are stated at cost, which approximates market value. Cash and cash equivalents include unrestricted and temporarily restricted balances as of September 30, 2020 as follows:

Checking – unrestricted	\$ 43,845
Money Market – unrestricted	<u>32,163</u>
Total Cash	<u>\$ 76,007</u>

Accounts Receivable

WHAA records revenue from contracts and other support income when earned. Accounts receivable is stated at the amount management expects to collect from outstanding balances. Based on its assessment of current conditions, management believes losses on amounts outstanding at year-end will be immaterial as receivables are from contracts with the Washington State Department of Health. Accordingly, receivables are reported at the amount outstanding.

Amounts billed and recorded as revenue, but not yet received are recorded as accounts receivable, the balance of which are as follows:

	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Accounts Receivable	\$ 12,623	\$ 17,903

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Statement of Financial Position. These items will be expensed over the applicable usage periods.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fixed Assets

Property and equipment that are purchased are recorded at cost. Donated property and equipment are recorded at fair market value at the date of donation. The Organization has a policy of capitalizing any asset that exceeds \$ 1,000 and has a useful life of more than one year. Depreciation is computed using the straight line and estimated lives as follows:

Equipment	5-10 years
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On September 30, 2020, Fixed Assets consisted of:

Equipment	\$ 6,413
Less Accumulated Depreciation	<u>(4,116)</u>
Net Property, Equipment and Improvements	<u>\$ 2,297</u>

The Organization charges repairs and maintenance against operations as incurred. When assets are disposed of, their cost and related depreciation are removed from the financial statements and the resulting gains or losses are recorded. Depreciation expense was \$ 372 for the year ended September 30, 2020.

Contributions and Donor Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in assets with donor restrictions. When a restriction expires, assets with donor restrictions are reclassified to assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as an increase in assets without donor restrictions.

Advertising

The Organization expenses advertising costs as they are incurred. For the year ended September 30, 2020, the Organization did not incur advertising expenses.

WASHINGTON HEALTHCARE ACCESS ALLIANCE

**Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Tax Exempt Status

WHAA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) as an organization that is not a private foundation. Contributions to WHAA are deductible under Section 170 of the IRC. WHAA is also qualified to receive tax deductible bequests, devises, transfers, or gifts under Sections 2055, 2106, or 2522 of the IRC. There is no unrelated taxable business income for the year ended September 30, 2020.

The Organization files Federal Form 990 annually and has filed for all open years. The Organization is not aware of any pending issues regarding these returns. With few exceptions the Organization is no longer subject to federal income tax examinations by tax authorities for years prior to 2018.

Donated Services

Many volunteers donate significant amounts of time to the activities of WHAA. The financial statements do not reflect the value of these donated services as the services do not require specialized skills, would not be otherwise purchased, and, therefore, do not meet the requirements for recognition.

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. WHAA's policy is to recognize these costs when actually paid.

Related Party Transactions

The WHAA Board of Trustees includes members associated with various free clinics in different regions around the state. WHAA has received Trustee donations totaling less than \$ 1,000 for the year ended September 30, 2020. Trustees are not permitted to receive pay for services to WHAA.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – CONCENTRATIONS OF RISK

WHAA receives a majority of its support from a small number of funding agencies. The loss of any funding source could have a significant impact on financial results.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its financial instruments with what management believes to be high credit quality financial institutions and limits the amount of credit exposure to any one particular institution. As of September 30, 2020 the Organization did not have any cash and cash equivalents in excess of federal deposit insurance (FDIC) coverage limits within any one financial institution.

NOTE 4 – WASHINGTON STATE DEPARTMENT OF HEALTH

For the year ending September 30, 2020 WHAA was awarded \$ 75,330 in funds for administering the Volunteer and Retired Providers Program.

NOTE 5 – BENEFIT PLANS

All employees are part of a plan whereby WHAA contributes 8% of their gross wages to a plan of their choice. Expenses incurred this year were \$ 7,525.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2020

Financial Assets, at year end	\$ 76,007
Less amounts unavailable for general expenditures	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 76,007</u>

All amounts considered cash and cash equivalents as of September 30, 2020 are available to meet general expenditures within one year.

NOTE 7 – ADOPTION OF NEW ACCOUNTING STANDARDS

In January 1, 2020 the organization adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which created Topic 606 and superseded the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the Codification. The adoption of ASU 2014-09 has had no material effect on the change in net assets or net asset balances, by classification, as previously reported. The Organization expects the adoption of the new standard to have an immaterial impact to its results of operations on an ongoing basis.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 30, 2021, the date these financial statements were available to be issued. No reportable events were discovered.