

WASHINGTON HEALTHCARE ACCESS ALLIANCE

Financial Statements

For the Year Ended September 30, 2019

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MICHAEL DAME & ASSOCIATES, INC., P.S.

CERTIFIED PUBLIC ACCOUNTANTS

Formerly known as "Terry W. Greer, Inc., P.S."

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, 2019, 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 Dame & Associates, Inc., P.S.
Stanwood, Washington
September 30, 2020

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Statement of Financial Position
September 30, 2019

ASSETS

Current Assets:

Cash & Cash Equivalents	\$ 41,234
Accounts Receivable	17,903
Prepaid Expenses	853
Total Current Assets	59,990

Fixed Assets:

Equipment	6,413
Less: Accumulated Depreciation	(3,744)
Total Fixed Assets Net of Depreciation	2,669

TOTAL ASSETS	\$ 62,659
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LIABILITIES & NET ASSETS

Current Liabilities:

Accrued Payroll	\$ 3,435
Accrued Employee Benefits	193
Credit Cards Payable	108
State Taxes Payable	354
Payroll Taxes Payable	2,093
Accounts Payable	865
Total Current Liabilities	7,048

Net Assets:

Assets Without Donor Restrictions	55,611
Assets With Donor Restrictions	-
Total Net Assets	55,611

TOTAL LIABILITIES & NET ASSETS	\$ 62,659
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The accompanying notes are an integral part of these financial statements.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Statement of Activities
For the Year Ended September 30, 2019

	Assets Without Donor Restrictions	Assets With Donor Restrictions	Total
REVENUE & SUPPORT			
State Contracts	\$ 86,715	\$ -	\$ 86,715
Grant Revenue	36,556	-	36,556
Program Revenue	30,169	-	30,169
Direct Public Support	9,587	-	9,587
Membership Dues	4,198	-	4,198
Other Support	45	-	45
Interest Income	7	-	7
TOTAL REVENUE & SUPPORT	167,277	-	167,277
NET ASSETS RELEASED FROM RESTRICTION	-	-	-
	167,277	-	167,277
EXPENSES			
Program Services	99,109		99,109
Administration	42,261	-	42,261
Fundraising	28,021	-	28,021
TOTAL EXPENSES	169,391	-	169,391
CHANGE IN NET ASSETS	(2,114)	-	(2,114)
NET ASSETS AS OF BEGINNING OF YEAR	57,725	-	57,725
NET ASSETS AS OF END OF YEAR	\$ 55,611	\$ -	\$ 55,611

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, 2019

	PROGRAM SERVICES					SUPPORT SERVICES				
	Washington Free and Charitable Care Conference	Volunteer and Retired Providers Program	Technical Assistance	Advocacy	General Program	Total Program Services	Fundraising	Administration	Total Support Services	Total Expenses
Salaries & Wages	\$ 8,046	\$ 31,359	\$ 12,064	\$ 3,758	\$ 5,091	\$ 60,318	\$ 18,788	\$ 22,542	\$ 41,330	\$ 101,648
Professional Services	-	-	-	-	-	-	6,145	5,510	11,655	11,655
Conventions, & Meetings	11,475	-	-	-	-	11,475	-	-	-	11,475
Payroll Taxes	1,154	2,232	1,539	1,000	1,770	7,695	770	1,795	2,565	10,260
Travel	-	1,766	1,766	1,766	3,531	8,829	-	981	981	9,810
Technology	824	824	824	824	825	4,121	824	3,296	4,120	8,241
Employee Benefits	905	1,750	1,207	784	1,388	6,034	603	1,408	2,011	8,045
Occupancy	-	-	-	-	-	-	-	3,527	3,527	3,527
Insurance	-	-	-	-	-	-	-	1,503	1,503	1,503
Printing & Postage	-	-	-	-	223	223	891	-	891	1,114
Taxes & Licenses	-	-	-	-	-	-	-	553	553	553
Miscellaneous	-	-	-	-	-	-	-	464	464	464
Office Expense	214	-	-	-	-	214	-	213	213	427
Depreciation	-	-	-	-	-	-	-	372	372	372
Awards & Grants	-	-	-	-	200	200	-	-	-	200
Communications	-	-	-	-	-	-	-	97	97	97
TOTAL	\$ 22,618	\$ 37,931	\$ 17,400	\$ 8,132	\$ 13,028	\$ 99,109	\$ 28,021	\$ 42,261	\$ 70,282	\$ 169,391

The accompanying notes are an integral part of these financial statements.
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WASHINGTON HEALTHCARE ACCESS ALLIANCE
Statement of Cash Flows
For the Year Ended September 30, 2019

OPERATING ACTIVITIES	
Change in Net Assets	\$ (2,114)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation	372
Increase in Accounts Receivable	(7,453)
Increase in Accounts Payable	33
Increase in Prepaid Expenses	(19)
Increase in Credit Cards Payable	108
Decrease in Payroll Taxes Payable	(308)
Increase in State Tax Liabilities	354
Increase in Accrued Employee Benefits	193
Increase in Accrued Payroll	1,079
NET CASH USED BY OPERATING ACTIVITIES	(7,755)
NET DECREASE IN CASH	(7,755)
CASH AS OF BEGINNING OF YEAR	48,989
CASH AS OF END OF YEAR	\$ 41,234

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, 2019

Note 1 - Nature of Activities and Significant Accounting Policies

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:

Washington Free and Charitable Care Conference – This program provides essential networking opportunities and education to staff of free and charitable clinics, volunteers, board members, and community partners.

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, 2019

Note 1 – Nature of Activities and Significant Accounting Policies – *continued*

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.

Basis of Presentation

WHAA is required to report information regarding its financial position and activities according to the following two classes of net assets:

Assets without donor restrictions include operating activity and Board-designated amounts.

Assets with donor restrictions are considered to be assets subject to donor-imposed stipulations that may be met either by actions of WHAA, passage of time, or be permanently restricted.

Accounts Receivable and Bad Debts

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.

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.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 1 – Nature of Activities and Significant Accounting Policies – continued

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. Cash and cash equivalents include unrestricted and temporarily restricted balances as of September 30, 2019 as follows:

Checking – unrestricted	\$ 12,878
Money Market – unrestricted	<u>28,356</u>
Total Cash	<u>\$ 41,234</u>

All amounts considered cash and cash equivalents as of September 30, 2019 are available to meet general expenditures within one year:

Financial Assets, at year end	\$ 41,234
Less amounts unavailable for general expenditures	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 41,234</u>

Federal Income Taxes

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, 2019. In general, WHAA's tax returns may be selected for examination by tax authorities subject to a three-year statute of limitations. The tax years ended September 30, 2017, 2018, and 2019 remain open to examination by tax authorities.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 1 – Nature of Activities and Significant Accounting Policies – continued

Fixed Assets

Property and equipment that are purchased are carried at cost. Donated property and equipment are recorded at fair market value at the date of donation. The capitalization threshold is \$1,000 with a useful life of at least two years to be considered for capitalization. Depreciation is computed using the straight line and estimated lives as follows:

Equipment	5-10 years
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On September 30, 2019, Fixed Assets consisted of:

Equipment	\$ 6,413
Less Accumulated Depreciation	<u>(3,744)</u>
Net Property, Equipment and Improvements	<u>\$ 2,669</u>

Depreciation expense was \$372 for the year ended September 30, 2019.

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.

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 2 - 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.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 3 – Advertising

The Organization expenses advertising costs as they are incurred. Advertising expenses were \$97 for the year ended September 30, 2019.

Note 4 – 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, 2019. In addition, WHAA received conference fee registrations of less than \$1,000 respectively from Trustees for the year ended September 30, 2019. Trustees are not permitted to receive pay for services to WHAA.

Note 5 – Concentrations of Risk

WHAA receives a majority of its support from a small number of funding agencies, with fifty-two (52) percent of the support coming from the Primary Care Office at the Washington State Department of Health. The loss of any funding source could have a significant impact on financial results.

Note 6 – Washington State Department of Health

The Primary Care Office (PCO) at the Department of Health is federally funded and oversees and develops contracts with those funds. For the year ending September 30, 2019 WHAA was awarded \$86,715 in funds for building sustainability and quality assurance for Washington free clinics, creating organizational efficiencies in free clinics, sustaining gains, and translating organizational change into capacity of the free clinic safety net to provide access to the uninsured and underinsured.

Note 7 – 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 \$8,045.

WASHINGTON HEALTHCARE ACCESS ALLIANCE
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 8 – 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.

Note 9 – Subsequent Events

Subsequent events have been evaluated through September 30, 2020, the date these financial statements were available to be issued. No reportable events were discovered.