WASHINGTON POISON CENTER

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED JUNE 30, 2014 AND 2013

WASHINGTON POISON CENTER

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

November 14, 2014

Board of Directors
Washington Poison Center
Seattle, Washington

We have audited the accompanying financial statements of Washington Poison Center, a nonprofit corporation, which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements referred to in the first paragraph of this letter present fairly, in all material respects, the financial position of Washington Poison Center as of June 30, 2014 and 2013, 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.

Jacobson Jarvis & Co, PLLC

Jacobson Jarvis & Co, PLLC

WASHINGTON POISON CENTER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	$ 512,881	$ 613,519
Grants and other receivables	264,770	289,777
Promises to give	-	16,750
Inventories	11,672	11,996
Prepaids and other assets	68,590	87,928
Total Current Assets	857,913	1,019,970
Equipment and Leasehold Improvements, net	67,899	118,928
	$ 925,812	$ 1,138,898
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 38,381	$ 65,645
Accrued liabilities	118,517	101,063
Current portion of capital lease obligation	12,049	7,155
Total Current Liabilities	168,947	173,863
Deferred Lease Liability	31,179	-
Capital Lease Obligations, less current portion above	25,583	23,475
Total Liabilities	225,709	197,338
Net Assets		
Unrestricted net assets	700,103	941,560
Temporarily restricted net assets	-	-
Total Net Assets	700,103	941,560
	$ 925,812	$ 1,138,898

See notes to financial statements.

WASHINGTON POISON CENTER

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Unrestricted Net Assets		
Public Support and Revenue		
Contract revenue	$ 2,393,654	$ 2,404,040
Contributions	110,593	91,733
Other revenue	166,631	113,451
In-kind contributions	29,509	40,315
Interest income	542	923
Loss on disposal of assets	(14,915)	-
Net assets released from purpose restrictions	10,650	16,625
Total Public Support and Revenue	2,696,664	2,667,087
Expenses		
Program services	2,501,585	2,476,921
Management and general	373,289	243,067
Fundraising	63,247	56,058
Total Expenses	2,938,121	2,776,046
Change in Unrestricted Net Assets	(241,457)	(108,959)
Temporarily Restricted Net Assets		
Contributions	10,650	16,625
Net assets released from purpose restrictions	(10,650)	(16,625)
Change in Temporarily Restricted Net Assets	-	-
Total Change in Net Assets	(241,457)	(108,959)
Net Assets, beginning of year	941,560	1,050,519
Net Assets, end of year	$ 700,103	$ 941,560

See notes to financial statements.

WASHINGTON POISON CENTER

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2014 AND 2013

	2014						2013					
	Mr. Yuk Program	VET PETS Program	Total Program Services	Management and General	Fundraising	Total	Mr. Yuk Program	VET PETS Program	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,295,182	$ 111,496	$ 1,406,678	$ 227,515	$ 44,057	$ 1,678,250	$ 1,248,221	$ 7,459	$ 1,255,680	$ 182,369	$ 38,393	$ 1,476,442
Payroll taxes	124,351	10,573	134,924	18,616	4,877	158,417	123,639	9,672	133,311	16,470	4,479	154,260
Employee benefits	161,540	14,349	175,889	17,832	5,564	199,285	162,623	7,708	170,331	18,119	3,499	191,949
	1,581,073	136,418	1,717,491	263,963	54,498	2,035,952	1,534,483	24,839	1,559,322	216,958	46,371	1,822,651
Medical direction	300,150	13,101	313,251	-	-	313,251	277,877	90,686	368,563	-	-	368,563
Maintenance and service	84,950	3,126	88,076	8,976	3,126	100,178	63,320	2,330	65,650	6,690	2,330	74,670
Occupancy	81,852	3,011	84,863	8,648	3,011	96,522	125,661	4,623	130,284	13,278	4,623	148,185
Printing and publications	75,948	1,987	77,935	422	48	78,405	90,436	4,659	95,095	-	320	95,415
Professional fees	5,691	4,500	10,191	67,129	-	77,320	29,982	1,431	31,413	-	-	31,413
Telephone	72,620	716	73,336	630	99	74,065	68,900	-	68,900	-	-	68,900
Depreciation	51,504	1,895	53,399	5,442	1,895	60,736	58,118	2,138	60,256	6,141	2,138	68,535
Travel	18,565	1,575	20,140	-	61	20,201	8,737	2,438	11,175	-	-	11,175
Miscellaneous	16,750	1,282	18,032	1,989	81	20,102	15,892	14,309	30,201	-	16	30,217
Insurance	7,172	-	7,172	4,152	-	11,324	15,541	-	15,541	-	-	15,541
Human resources	-	-	-	10,716	-	10,716	9,814	-	9,814	-	-	9,814
Staff development	8,538	-	8,538	-	35	8,573	2,118	-	2,118	-	110	2,228
Supplies	5,880	1,177	7,057	700	50	7,807	4,890	3,002	7,892	-	-	7,892
Lobbying	6,750	-	6,750	-	-	6,750	9,000	-	9,000	-	-	9,000
Advertising and marketing	460	5,079	5,539	-	225	5,764	140	924	1,064	-	-	1,064
Educational materials	4,466	425	4,891	-	-	4,891	5,166	-	5,166	-	-	5,166
Memberships	3,405	310	3,715	-	-	3,715	3,160	310	3,470	-	-	3,470
Postage and shipping	749	460	1,209	522	118	1,849	1,814	183	1,997	-	150	2,147
Total Expenses	$ 2,326,523	$ 175,062	$ 2,501,585	$ 373,289	$ 63,247	$ 2,938,121	$ 2,325,049	$ 151,872	$ 2,476,921	$ 243,067	$ 56,058	$ 2,776,046

See notes to financial statements.

WASHINGTON POISON CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash Flows from Operating Activities		
Cash received from:		
Contracts	$ 2,418,661	$ 2,447,130
Other revenue	166,631	113,451
Donors	137,993	91,608
Interest	542	923
Cash paid for:		
Personnel	(2,018,498)	(1,824,975)
Services and supplies	(786,040)	(843,773)
Interest	(2,307)	(2,322)
Net Cash Used by Operating Activities	(83,018)	(17,958)
Cash Flows Used by Investing Activities		
Purchases of property and equipment	(6,452)	(26,085)
Cash Flows Used by Financing Activities		
Repayments on capital lease obligations	(11,168)	(6,744)
Changes in Cash and Cash Equivalents	(100,638)	(50,787)
Cash and Cash Equivalents - beginning of year	613,519	664,306
Cash and Cash Equivalents - end of year	$ 512,881	$ 613,519
Reconciliation of changes in Net Assets to Net Cash From Operating Activities		
Change in net assets	$ (241,457)	$ (108,959)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	60,736	68,535
Loss on disposal of assets	14,915	-
Change in assets and liabilities:		
Grants and other receivables	25,007	43,090
Promises to give	16,750	(16,750)
Inventories	324	(1,428)
Prepaids and other assets	19,338	(7,302)
Accounts payable	(27,264)	20,810
Accrued liabilities	17,454	(2,324)
Deferred lease liability	31,179	(13,630)
Net Cash Used by Operating Activities	$ (83,018)	$ (17,958)

See notes to financial statements.

WASHINGTON POISON CENTER

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Washington Poison Center (the Center) is an independent, 501(c)(3), not-for-profit organization that provides emergency management and safety information on chemical, pharmaceutical, and natural substances to the general public and to health care providers throughout Washington State.

A professional staff of pharmacists, nurses, and poison information providers is available 24 hours a day, 365 days per year and is supported by a physician toxicologist. Residents and health care providers throughout the state utilize the services of the Center to manage crisis, including accidental pediatric ingestions, food poisonings, abuse, and intentional overdose. With more than 64,000 cases and over 121,000 total calls in the current year, the Center is currently one of the highest call-volume poison centers in the country.

Basis of presentation

In accordance with financial accounting standards, the organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets of the Center are classified as follows:

Unrestricted net assets are available without restriction for support of the Center's operations.

Temporarily restricted net assets are restricted to be used for certain purposes or future periods by the Center. Permanently restricted net assets are endowment gifts given with the intent that the principal will be maintained intact in perpetuity, and the income may be used for current operations. The Center had no temporarily or permanently restricted net assets as of June 30, 2014 or 2013.

Cash and cash equivalents

Cash and cash equivalents consist of general checking, savings, and money market accounts. The Center maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Center has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Supplemental cash flow information

Noncash investing and financing activity for the years ended June 30, 2014 and 2013 consisted of the purchase of equipment through issuance of capital lease obligations of $18,170 and $15,936, respectively.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards define fair value as 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.

Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

The Center had no assets or liabilities carried at fair value on a recurring basis (at least annually) as of June 30, 2014 or 2013. Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated materials and services. The Center also uses fair value concepts to test various long-lived assets for impairment.

Inventory

Inventory is stated at the lower of cost or market under the first-in, first-out method of accounting, and consists of educational materials.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or pledges receivable. For the years ended June 30, 2014 and 2013, management expects to collect all receivables. Accordingly, no allowance for uncollectible amounts has been recorded.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to give

Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Promises to give are stated at net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Total promises to give as of June 30, 2014 are due in less than one year. Promises to give are considered fully collectible by management.

Equipment and leasehold improvements

Equipment and leasehold improvements are stated at cost if purchased by the Center directly and fair value at the date of donation if received through donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the various assets, which range from 5-7 years for equipment. Amortization on leasehold improvements is based on the shorter of the useful life of the asset or the term of the lease. The Center capitalizes all equipment and leasehold improvements with a purchase price or fair value of $1,500 or more. Equipment and leasehold improvements consisted of the following at June 30:

	2014	2013
Computer and telephone equipment	$ 491,364	$ 516,305
Furniture, fixtures, and office equipment	176,785	186,083
Leasehold improvements	13,430	13,430
	681,579	715,818
Less: accumulated depreciation and amortization	(613,680)	(596,890)
Net Equipment and Leasehold Improvements	$ 67,899	$ 118,928

Donated materials and services

The Center periodically receives donated materials and services. Donated goods are recorded at fair value at the date of receipt. Donated services are recorded only if specific professional expertise is provided or the services are for constructing a fixed asset, in accordance with financial accounting standards. For the year ended June 30, 2014, the Center received donated telephone services in support of their program activities valued at $25,009 and professional services valued at $4,500 supporting the VET PETS program. For the year ended June 30, 2013, the Center received donated telephone services in support of their program activities valued at $24,340 and professional services valued at $15,975 supporting the VET PETS program.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted and unrestricted support

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Advertising Expenses

The Center recognizes advertising expenses at cost as incurred.

Concentrations

The Center is primarily funded under various grants and contracts with federal, state, and local agencies. The Center's future viability may be dependent on continued funding from these sources. Grants and contracts from federal, state, and local agencies accounted for 89% of total support and revenue for both 2014 and 2013. As of June 30, 2014 and 2013, accounts receivable from grants and contracts from federal, state, and local agencies totaled $234,785 and $267,224, which accounted for 89% and 87% of total receivables, respectively.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal income taxes

The Internal Revenue Service has recognized Washington Poison Center as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

NOTE B - RELATED PARTIES

During the years ended June 30, 2014 and 2013, no board members directly profited from any company doing business with the Center. Certain board members are employed by companies that provided goods and/or services to the Center during the course of the year. Any fees charged for goods and services provided by these companies were negotiated without the involvement of the board member and the board member did not directly benefit.

NOTE C - RETIREMENT PLAN

The Center has a 401(k) salary deferral plan for eligible employees who have 90 days of service and have attained the age of 21. For the years ended June 30, 2014 and 2013, the Board of Directors approved a company matching contribution of up to 4% of gross salary for employees who contribute to the plan after one year of employment. Total contributions to the plan for 2014 and 2013 were $56,161 and $53,237, respectively.

NOTE D - OPERATING LEASE

The Center had a lease for office space that expired June 30, 2013. The Center signed a new lease effective July 1, 2013 expiring October 31, 2018. In accordance with financial accounting standards, rent expense is recognized on a straight-line basis and a related deferred rent liability was recorded. Rent expense, including common area charges, under the lease totaled $94,996 and $146,139 for the years ended June 30, 2014 and 2013, respectively.

Future minimum lease payments, deferred rent and rent expense under the new lease are as follows:

Years ending June 30,	Minimum Lease Payment	Change in Deferred Rent Liability	Rent Expense
2015	$ 94,792	$ 2,332	$ 92,460
2016	97,665	5,205	92,460
2017	100,538	8,078	92,460
2018	103,410	10,950	92,460
2019	35,434	4,614	30,820
	$ 431,839	$ 31,179	$ 400,660

NOTE E - CAPITAL LEASE OBLIGATIONS

The Center leases certain office equipment under non-cancelable capital leases, with a total recorded cost of $56,519, and related accumulated depreciation of $20,975. Total monthly payments are $1,187, including interest of 5.72% - 8.85% per annum. Interest expense totaled $2,307 and $2,322 for the years ended June 30, 2014 and 2013, respectively. Scheduled lease payments for the years ending June 30 are as follows:

2015	$ 13,902
2016	13,904
2017	12,690
2018	431
	40,927
Less amounts for interest	(3,295)
	37,632
Less current portion	(12,049)
	$ 25,583

NOTE F - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2014 through November 12, 2014, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2014, including the estimates inherent in the processing of financial statements.

Subsequent to year end, the Board of Directors voted to discontinue the VET PETS program. During the year ended June 30, 2014, the VET PETS program generated approximately $59,000 in earned income and incurred approximately $175,000 in direct and allocated costs.