WASHINGTON POISON CENTER

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED JUNE 30, 2018 AND 2017

WASHINGTON
POISON CENTER
(800) 222 1222

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FINANCIAL STATEMENTS

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JACOBSON JARVIS & CO PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

November 13, 2018

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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 AND 2017

		2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents		$ 2,119,891	$ 1,390,906
Grants and other receivables		376,482	505,875
Promises to give		27,588	22,500
Inventories		10,151	12,400
Prepaids and other assets		93,423	41,749
	Total Current Assets	2,627,535	1,973,430
Equipment and Leasehold Improvements, net		49,070	44,219
		$ 2,676,605	$ 2,017,649
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		$ 57,620	$ 50,899
Accrued liabilities		241,145	238,266
Current portion of capital lease obligations		9,006	6,333
	Total Current Liabilities	307,771	295,498
Deferred Lease Liability		4,608	15,560
Capital Lease Obligations, less current portion above		12,105	15,209
	Total Liabilities	324,484	326,267
Net Assets			
Unrestricted net assets		2,277,625	1,689,230
Temporarily restricted net assets		74,496	2,152
	Total Net Assets	2,352,121	1,691,382
		$ 2,676,605	$ 2,017,649

See notes to financial statements.

WASHINGTON POISON CENTER

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Unrestricted Net Assets		
Public Support and Revenue		
Contract revenue	$ 3,169,140	$ 3,152,517
Contributions	439,112	392,008
Other revenue	145,941	122,099
In-kind contributions	46,542	40,713
Interest income	6,135	3,832
Net assets released from purpose restrictions	13,324	3,195
Total Public Support and Revenue	3,820,194	3,714,364
Expenses		
Program services	2,895,755	3,093,602
Management and general	285,903	268,923
Fundraising	50,141	95,359
Total Expenses	3,231,799	3,457,884
Change in Unrestricted Net Assets	588,395	256,480
Temporarily Restricted Net Assets		
Contributions	85,668	4,000
Net assets released from purpose restrictions	(13,324)	(3,195)
Change in Temporarily Restricted Net Assets	72,344	805
Total Change in Net Assets	660,739	257,285
Net Assets, beginning of year	1,691,382	1,434,097
Net Assets, end of year	$ 2,352,121	$ 1,691,382

WASHINGTON POISON CENTER

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2018 AND 2017

	2018				2017			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,911,859	$ 188,366	$ 23,208	$ 2,123,433	$ 1,944,186	$ 166,784	$ 57,884	$ 2,168,854
Payroll taxes	151,011	8,496	3,958	163,465	156,574	12,856	5,620	175,050
Employee benefits	190,590	22,372	1,771	214,733	243,971	28,910	4,856	277,737
	2,253,460	219,234	28,937	2,501,631	2,344,731	208,550	68,360	2,621,641
Occupancy	100,327	6,143	3,072	109,542	100,612	6,155	3,078	109,845
Printing and publications	101,180	2,514	115	103,809	96,021	1,322	398	97,741
Maintenance and service	84,321	5,805	2,902	93,028	107,121	7,375	3,687	118,183
Medical direction	80,745	-	-	80,745	82,674	-	-	82,674
Telephone	69,079	2,930	1,465	73,474	77,367	3,614	1,807	82,788
Professional fees	24,590	24,360	1,000	49,950	81,541	19,771	-	101,312
Advertising and marketing	41,970	-	-	41,970	48,794	-	-	48,794
Travel	37,790	-	835	38,625	64,562	(311)	214	64,465
Miscellaneous	28,512	-	2,719	31,231	9,100	107	4,840	14,047
Depreciation	20,562	1,416	708	22,686	26,951	1,855	928	29,734
Insurance	16,635	3,617	-	20,252	11,140	1,403	-	12,543
Human resources	-	17,636	-	17,636	-	17,171	-	17,171
Educational materials	12,301	-	-	12,301	12,618	-	-	12,618
Staff development	8,137	780	-	8,917	12,999	-	271	13,270
Memberships	8,063	400	-	8,463	7,949	-	95	8,044
Lobbying	-	-	7,950	7,950	-	-	11,250	11,250
Supplies	7,100	412	206	7,718	8,192	654	134	8,980
Postage and shipping	983	656	232	1,871	1,230	1,257	297	2,784
Total Expenses	$ 2,895,755	$ 285,903	$ 50,141	$ 3,231,799	$ 3,093,602	$ 268,923	$ 95,359	$ 3,457,884

WASHINGTON POISON CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities		
Cash received from:		
Contracts	$ 3,298,533	$ 3,075,213
Other revenue	145,941	122,099
Donors	519,692	383,508
Interest	6,135	3,832
Cash paid for:		
Personnel	(2,498,752)	(2,549,907)
Services and supplies	(713,196)	(940,353)
Interest	(1,400)	(917)
Net Cash Provided by Operating Activities	756,953	93,475
Cash Flows Used by Investing Activities		
Purchases of equipment	(19,228)	(7,917)
Cash Flows Used by Financing Activities		
Repayments on capital lease obligations	(8,740)	(15,024)
Changes in Cash and Cash Equivalents	728,985	70,534
Cash and Cash Equivalents - beginning of year	1,390,906	1,320,372
Cash and Cash Equivalents - end of year	$ 2,119,891	$ 1,390,906
Reconciliation of Change in Net Assets to Net Cash From Operating Activities		
Change in net assets	$ 660,739	$ 257,285
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	22,686	29,734
Change in assets and liabilities:		
Grants and other receivables	129,393	(77,304)
Promises to give	(5,088)	(12,500)
Inventories	2,249	(12,400)
Prepaids and other assets	(51,674)	(32,290)
Accounts payable	6,721	(122,706)
Accrued liabilities	2,879	71,734
Deferred lease liability	(10,952)	(8,078)
Net Cash Provided by Operating Activities	$ 756,953	$ 93,475

See notes to financial statements.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Washington Poison Center (the Center) is a 501(c)3 nonprofit organization serving the citizens of Washington state since 1956. The Center provides emergency management and information on pharmaceutical, chemical, 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 medical toxicologist. Washington residents and health care providers, including paramedics, nurses, pharmacists, and physicians, throughout the state utilize the services of the Center to manage emergent clinical situations including intentional overdoses, accidental pediatric ingestions, therapeutic errors in the older adult population, food poisonings, substance abuse, workplace toxic exposures, and environmental toxic exposures.

As one of 55 poison centers nationwide, the Washington Poison Center is the public health safety net for poison and toxic exposures in Washington state. Our unique wraparound care model follows patients from initial call to resolution, with a dedicated expert level team of certified specialists in poison information checking in every step of the way. With more than 63,400 cases and over 110,725 total calls in the current year, the Center is currently one of the highest call-volume poison centers in the country.

The Washington Poison Center serves as a resource for public policy makers and public health leaders in forecasting emerging public health trends. Our medical staff is regularly called upon to present toxic trends and best practices in treatment to medical professionals throughout Washington state.

In addition to being the home of Mr. Yuk, The Washington Poison Center offers a wide variety of programs aimed at preventing harm from poisoning through expertise, collaboration, clinical and public health education. Our current programs include:

- Training of community health educators on poison prevention, medication safety, e-cigarettes and more.
- Support for Public Health and Emergency Preparedness operations at the local, state and federal level.
- Clinical rotations for emergency medical residents, medical students, occupational medicine fellows, paramedic students, nursing, and pharmacy students.
- Management of Take Back Your Medicine website.
- Public Health Education at health fairs, community events and activities.
- Specific educational programs focused on selected vulnerable populations including young children, older adults, refugees, and non-English speaking populations.
- School assembly presentations and parent trainings.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation

In accordance with financial accounting standards, the Center 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 available for program purposes as follows as of June 30:

	2018	2017
Cannabis Prevention Program	$ 52,987	$ -
Spokane Data Center	20,000	-
Other Program	1,509	2,152
	$ 74,496	$ 2,152

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 permanently restricted net assets as of June 30, 2018 or 2017.

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.

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.

Cash and cash equivalents

Cash and cash equivalents consist of general checking, savings, money market accounts, and certificates of deposit. 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.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Center has certificates of deposit, which bear interest ranging from 1.24% to 1.83% and have maturities of 13 to 17 months with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Supplemental cash flow information

Noncash investing and financing activity for the years ended June 30, 2018 and 2017 consisted of the purchase of equipment through issuance of capital lease obligations of $8,309 and $19,400, respectively.

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, 2018 or 2017. 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.

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. Promises to give as of June 30, 2018 are due in less than one year. Promises to give are considered fully collectible by management.

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, 2018 and 2017, management expects to collect all receivables. Accordingly, no allowance for uncollectible amounts has been recorded.

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:

	2018	2017
Computer and telephone equipment	$ 319,626	$ 316,778
Furniture, fixtures, and office equipment	164,891	164,891
Leasehold improvements	12,287	12,287
	496,804	493,956
Less: accumulated depreciation and amortization	(447,734)	(449,737)
Net Equipment and Leasehold Improvements	$ 49,070	$ 44,219

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.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended June 30, 2018, the Center received donated telephone services valued at $26,522 in support of their program activities, office space valued at $8,448 in support of their program activities, various computer software valued at $4,800 in support of program activities, and other items valued at $6,502 in support of program activities.

For the year ended June 30, 2017, the Center received donated telephone services valued at $24,868 in support of their program activities, office space valued at $10,686 in support of their program activities and various computer software valued at $4,800 supporting program activities.

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 statements of activities as net assets released from restrictions.

Contact revenue

Support from cost-reimbursement contracts is recognized when eligible costs are incurred. Support from performance-based contracts is recognized when performance is completed.

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 81% and 85%, respectively, of total support and revenue for 2018 and 2017. As of June 30, 2018 and 2017, accounts receivable from grants and contracts from federal, state, and local agencies totaled $358,303 and $491,517, respectively, which accounted for 89% and 93%, respectively, of total receivables.

NOTE B - RELATED PARTIES

During the years ended June 30, 2018 and 2017, no board members directly profited from any company doing business with the Center.

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, 2018 and 2017, 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 2018 and 2017 were $59,304 and $51,626, respectively.

NOTE D - OPERATING LEASE

The Center has a lease for office space that expires October 31, 2018. In accordance with financial accounting standards, rent expense is recognized on a straight-line basis and a related deferred lease liability was recorded. Rent expense, including common area charges, under the lease totaled $98,448 and $96,623 for the years ended June 30, 2018 and 2017, respectively.

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

Years ending June 30,	Minimum Lease Payment	Change in Deferred Lease Liability	Rent Expense
2019	$ 35,428	$ 4,608	$ 30,820
	$ 35,428	$ 4,608	$ 30,820

The Center signed a new lease for office space effective November 1, 2018 expiring November 30, 2023. Future minimum lease payments are as follows for the years ending June 30:

2019	$ 82,983
2020	127,029
2021	130,858
2022	134,688
2023	138,519
2024	58,567
	$ 672,644

NOTE E - CAPITAL LEASE OBLIGATIONS

The Center leases certain office equipment under non-cancelable capital leases, with a total recorded cost of $52,317, and related accumulated depreciation of $31,492. Total monthly payments are $1,257, including interest of 4.5% - 6% per annum. Interest expense totaled $1,400 and $917 for the years ended June 30, 2018 and 2017, respectively.

Scheduled lease payments for the years ending June 30 are as follows:

2019	$ 9,962
2020	9,002
2021	3,638
	22,602
Less amounts for interest	(1,491)
	21,111
Less current portion	(9,006)
	$ 12,105

NOTE F - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2018 through November 13, 2018, 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, 2018, including the estimates inherent in the processing of financial statements.