WASHINGTON POISON CENTER

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED JUNE 30, 2019 AND 2018

WASHINGTON
POISON CENTER
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FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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JACOBSON JARVIS
CERTIFIED PUBLIC ACCOUNTANTS
&CO PLLC

INDEPENDENT AUDITOR'S REPORT

November 12, 2019

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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,499,302	$ 2,119,891
Grants and other receivables	460,274	376,482
Promises to give	-	27,588
Inventories	21,249	10,151
Prepaids and other assets	81,531	93,423
Total Current Assets	3,062,356	2,627,535
Equipment and Leasehold Improvements, net	241,260	49,070
	$ 3,303,616	$ 2,676,605
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 94,704	$ 57,620
Accrued liabilities	278,083	241,145
Current portion of capital lease obligations	3,568	9,006
Total Current Liabilities	376,355	307,771
Deferred Lease Liability	92,897	4,608
Capital Lease Obligations, less current portion above	9,193	12,105
Total Liabilities	478,445	324,484
Net Assets		
Without donor restrictions	2,773,862	2,277,625
With donor restrictions	51,309	74,496
Total Net Assets	2,825,171	2,352,121
	$ 3,303,616	$ 2,676,605

See notes to financial statements.

WASHINGTON POISON CENTER

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Net Assets without Donor Restrictions		
Public Support and Revenue		
Contract revenue	$ 3,364,755	$ 3,169,140
Contributions	515,785	439,112
Other revenue	102,171	145,941
In-kind contributions	34,869	46,542
Interest income	6,034	6,135
Net assets released from purpose restrictions	60,477	13,324
Total Public Support and Revenue	4,084,091	3,820,194
Expenses		
Program services	3,095,125	2,895,755
Management and general	326,169	285,903
Fundraising	166,560	50,141
Total Expenses	3,587,854	3,231,799
Change in Net Assets Without Donor Restrictions	496,237	588,395
Net Assets with Donor Restrictions		
Contributions	37,290	85,668
Net assets released from purpose restrictions	(60,477)	(13,324)
Change in Net Assets With Donor Restrictions	(23,187)	72,344
Total Change in Net Assets	473,050	660,739
Net Assets, beginning of year	2,352,121	1,691,382
Net Assets, end of year	$ 2,825,171	$ 2,352,121

See notes to financial statements.

WASHINGTON POISON CENTER

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019				2018			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,948,894	$ 198,596	$ 94,663	$ 2,242,153	$ 1,911,859	$ 188,366	$ 23,208	$ 2,123,433
Payroll taxes	157,906	11,060	9,465	178,431	151,011	8,496	3,958	163,465
Employee benefits	242,086	25,687	7,674	275,447	190,590	22,372	1,771	214,733
	2,348,886	235,343	111,802	2,696,031	2,253,460	219,234	28,937	2,501,631
Maintenance and service	134,419	9,254	4,627	148,300	84,321	5,805	2,902	93,028
Occupancy	118,781	8,177	4,089	131,047	100,327	6,143	3,072	109,542
Printing and publications	93,292	5,772	2,387	101,451	101,180	2,514	115	103,809
Medical direction	92,181	-	-	92,181	80,745	-	-	80,745
Telephone	59,342	4,085	2,043	65,470	69,079	2,930	1,465	73,474
Professional fees	41,748	15,561	3,900	61,209	24,590	24,360	1,000	49,950
Depreciation	42,628	2,935	1,467	47,030	20,562	1,416	708	22,686
Travel	35,675	5,105	1,633	42,413	37,790	-	835	38,625
Supplies	37,028	2,549	1,275	40,852	7,100	412	206	7,718
Miscellaneous	20,011	5,457	909	26,377	28,512	-	2,719	31,231
Insurance	21,417	3,617	-	25,034	16,635	3,617	-	20,252
Advertising and marketing	11,688	421	9,264	21,373	41,970	-	-	41,970
Human resources	-	21,359	-	21,359	-	17,636	-	17,636
Lobbying	-	-	19,045	19,045	-	-	7,950	7,950
Educational materials	15,365	-	-	15,365	12,301	-	-	12,301
Staff development	10,123	2,761	460	13,344	8,137	780	-	8,917
Postage and shipping	4,258	3,523	3,159	10,940	983	656	232	1,871
Memberships	8,283	250	500	9,033	8,063	400	-	8,463
Total Expenses	$ 3,095,125	$ 326,169	$ 166,560	$ 3,587,854	$ 2,895,755	$ 285,903	$ 50,141	$ 3,231,799

See notes to financial statements.

WASHINGTON POISON CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities		
Cash received from:		
Contracts	$ 3,280,963	$ 3,298,533
Donors	580,663	519,692
Other revenue	102,171	145,941
Interest	6,034	6,135
Cash paid for:		
Personnel	(2,659,093)	(2,498,752)
Services and supplies	(774,567)	(713,196)
Interest	(887)	(1,400)
Net Cash Provided by Operating Activities	535,284	756,953
Cash Flows Used by Investing Activities		
Purchases of equipment and leasehold improvements	(147,523)	(19,228)
Cash Flows Used by Financing Activities		
Repayments on capital lease obligations	(8,350)	(8,740)
Changes in Cash and Cash Equivalents	379,411	728,985
Cash and Cash Equivalents - beginning of year	2,119,891	1,390,906
Cash and Cash Equivalents - end of year	$ 2,499,302	$ 2,119,891
Reconciliation of Change in Net Assets to Net Cash From Operating Activities		
Change in net assets	$ 473,050	$ 660,739
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	47,030	22,686
Change in assets and liabilities:		
Grants and other receivables	(83,792)	129,393
Promises to give	27,588	(5,088)
Inventories	(11,098)	2,249
Prepaids and other assets	11,892	(51,674)
Accounts payable	37,084	6,721
Accrued liabilities	36,938	2,879
Deferred lease liability	(3,408)	(10,952)
Net Cash Provided by Operating Activities	$ 535,284	$ 756,953

See notes to financial statements.

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 medical toxicologist. Residents and health care providers throughout the state utilize the services of the Center to manage crises, including accidental pediatric ingestions, food poisonings, abuse, and intentional overdose. With more than 65,000 cases and over 122,000 total calls in the current year, the Center is currently one of the highest call-volume poison centers in the country.

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.

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)

Adoption of new accounting pronouncement

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Center has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

Basis of presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors of the Center has established an operating reserve totaling $103,479 as of June 30, 2019. These board designated funds are a component of net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Center's net assets with donor restrictions are subject to expenditure for specific purposes as follows as of June 30:

	2019	2018
Cannabis Prevention Program	$ 51,309	$ 52,987
Spokane Data Center	-	20,000
Other Program	-	1,509
	$ 51,309	$ 74,496

Contributions restricted by donors are reported as increases in net assets with donor restrictions when received. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Center has one certificate of deposit, which bears interest at a rate of 1.64% maturing in July 2020. 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 year ended June 30, 2018 consisted of the purchase of equipment through issuance of capital lease obligations of $8,309. There was no noncash investing and financing activity for the year ended June 30, 2019.

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, 2019 or 2018. 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.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. The Center had no promises to give as of June 30, 2019.

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, 2019 and 2018, 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:

	2019	2018
Computer and telephone equipment	$ 321,037	$ 319,626
Furniture, fixtures, and office equipment	126,253	164,891
Vehicle	27,880	-
Leasehold improvements	100,958	12,287
	576,128	496,804
Less: accumulated depreciation and amortization	(334,868)	(447,734)
Net Equipment and Leasehold Improvements	$ 241,260	$ 49,070

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019, the Center received donated telephone services valued at $25,069 in support of their program activities, office space valued at $5,000 in support of their program activities, various computer software valued at $4,800 supporting program activities.

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.

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. Where possible, specific expenses have been charged directly to the appropriate category. When functions are shared or costs are intermingled, expenses are allocated based on employee counts or estimated percentage of effort.

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 83% and 81%, respectively, of total support and revenue for 2019 and 2018. As of June 30, 2019 and 2018, accounts receivable from grants and contracts from federal, state, and local agencies totaled $451,767 and $358,303, respectively, which accounted for 98% and 89%, respectively, of total receivables.

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.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 - LIQUIDITY

The Center regularly monitors the availability of resources required to meet its operational needs and contractual obligations. Income from donor-restricted grants are restricted for specific purposes and all other revenue is available for general use. As part of the Center's liquidity management plan, the Center invests cash in excess of daily requirements in certificates of deposit and money market funds. Because we are a public service organization providing emergency help 24/7, the Board of Directors has designated $103,479 for operating reserves as of June 30, 2019. The purpose of the operating reserve is to ensure the stability of the mission, programs, employment, ongoing operations of the organization, and other critical expenses for at least twelve months.

The following table reflects the Center's financial assets as of June 30, 2019:

Total financial assets	$ 2,959,576
Less: Restrictions on the use of financial assets	
Purpose restricted net assets	(51,309)
Board designated net assets for operational reserves	(103,479)
Financial Assets Available for Operations Within One Year	$ 2,804,788

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, 2019 and 2018, 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 2019 and 2018 were $58,199 and $59,304, respectively.

NOTE D - OPERATING LEASE

In October 2018, the Center entered into a sixty-one month lease extension on their current office location which expires November 2023. The extension included one month of free rent and a $91,697 tenant improvement allowance. 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 $122,885 and $98,448 for the years ended June 30, 2019 and 2018, respectively.

NOTE D - OPERATING LEASE (Continued)

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
2020	$ 127,028	$ (14,784)	$ 112,244
2021	130,856	(18,612)	112,244
2022	134,684	(22,440)	112,244
2023	138,520	(26,276)	112,244
2024	58,571	(10,785)	47,786
	$ 589,659	$ (92,897)	$ 496,762

NOTE E - CAPITAL LEASE OBLIGATIONS

The Center leases certain office equipment under non-cancelable capital leases, with a total recorded cost of $34,147, and related accumulated depreciation of $22,230. Total monthly payments are $830, including interest of 4.5% - 6% per annum. Interest expense totaled $887 and $1,400 for the years ended June 30, 2019 and 2018, respectively.

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

2020	$ 9,658
2021	3,638
	13,296
Less amounts for interest	(535)
	12,761
Less current portion	(3,568)
	$ 9,193

NOTE F - RELATED PARTIES

During the years ended June 30, 2019 and 2018, no board members directly profited from any company doing business with the Center.

NOTE G - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2019 through November 12, 2019, 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, 2019, including the estimates inherent in the processing of financial statements.