



FRANCIS & COMPANY PLLC

Washington Center for Nursing

**Independent Auditor's Report and Financial Statements
For the Year Ended December 31, 2020**

DRAFT

WASHINGTON CENTER FOR NURSING
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

| Table of Contents | Page |
|---|------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 2 |
| Statement of Activities and Changes in Net Assets | 3 |
| Statement of Functional Expenses | 4 |
| Statement of Cash Flows | 5 |
| NOTES TO FINANCIAL STATEMENTS | 6-8 |

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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Washington Center for Nursing

We have audited the accompanying financial statements of Washington Center for Nursing (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Center for Nursing as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Francis & Company, PLLC
Seattle, Washington
July 29, 2021

State of Financial Position

WASHINGTON CENTER FOR NURSING
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

| | 2020 |
|---|-------------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash and cash equivalents | \$ 354,282 |
| Accounts receivable | 336,318 |
| Prepaid expenses | 7,126 |
| Total current assets | 697,726 |
| NONCURRENT ASSETS | |
| Equipment and software | 15,712 |
| Accumulated depreciation | (15,712) |
| Equipment and software, net of accumulated depreciation | - |
| Security deposit | 2,801 |
| Total noncurrent assets | 2,801 |
| Total assets | \$ 700,527 |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Accounts payable | \$ 10,933 |
| Accrued liabilities | 33,532 |
| Total current liabilities | 44,465 |
| NET ASSETS | |
| Without donor restrictions | 656,062 |
| With donor restrictions | - |
| Total net assets | 656,062 |
| Total liabilities and net assets | \$ 700,527 |

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

**Statement of Activities and
Changes in Net Assets**

WASHINGTON CENTER FOR NURSING
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|------------|
| SUPPORT AND REVENUE | | | |
| Grants | \$ 598,070 | \$ - | \$ 598,070 |
| Contributions | 13,212 | - | 13,212 |
| Miscellaneous revenue | 94,006 | - | 94,006 |
| Total support and revenue | 705,288 | - | 705,288 |
| Net assets released from restrictions | - | - | - |
| Total public support and revenue | 705,288 | - | 705,288 |
| EXPENSES | | | |
| Program services | 657,598 | - | 657,598 |
| Management and general | 57,881 | - | 57,881 |
| Fundraising | 4,481 | - | 4,481 |
| Total expenses | 719,960 | - | 719,960 |
| CHANGES IN NET ASSETS | (14,672) | - | (14,672) |
| NET ASSETS, BEGINNING OF YEAR | 670,734 | - | 670,734 |
| NET ASSETS, END OF YEAR | \$ 656,062 | \$ - | \$ 656,062 |

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

Statement of Functional Expenses

WASHINGTON CENTER FOR NURSING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Program Services | Management & General | Fundraising | Total |
|-------------------------------------|---------------------|-------------------------|-----------------|-------------------|
| PAYROLL AND RELATED EXPENSES | | | | |
| Salaries and wages | \$ 381,774 | \$ 37,504 | \$ 4,481 | \$ 423,759 |
| Payroll taxes and benefits | 47,845 | 1,916 | - | 49,761 |
| Total payroll and related expenses | 429,619 | 39,420 | 4,481 | 473,520 |
| OTHER EXPENSES | | | | |
| Professional services | 102,145 | 13,721 | - | 115,866 |
| Occupancy | 65,417 | - | - | 65,417 |
| Marketing and communications | 20,650 | - | - | 20,650 |
| Repairs and maintenance | 12,863 | - | - | 12,863 |
| Membership dues, and subscriptions | 10,738 | 106 | - | 10,844 |
| Electronic equipment | 1,260 | 3,499 | - | 4,759 |
| Insurance | 3,292 | 393 | - | 3,685 |
| Office expenses | 2,680 | 546 | - | 3,226 |
| Travel | 1,557 | - | - | 1,557 |
| Meetings and seminars | 842 | - | - | 842 |
| Miscellaneous | 6,535 | 196 | - | 6,731 |
| Total other expenses | 227,979 | 18,461 | - | 246,440 |
| Total expenses | \$ 657,598 | \$ 57,881 | \$ 4,481 | \$ 719,960 |

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

Statement of Cash Flows

WASHINGTON CENTER FOR NURSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|-------------------|
| Changes in net assets | \$ (14,672) |
| <i>Adjustments to reconcile changes in net assets to net cash used in operating activities:</i> | |
| Increase in accounts receivable | (198,718) |
| Increase in prepaid expenses and security deposit | (1,773) |
| Increase in accounts payable and accrued liabilities | 15,938 |
| Net cash used in operating activities | (199,225) |
| Net decrease in cash and cash equivalents | (199,225) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 553,507 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 354,282 |

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

Notes to the Financial Statements

WASHINGTON CENTER FOR NURSING

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 **DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Organization

The Washington Center for Nursing (the Organization) is a private, non-profit charitable 501(c) (3) corporation in Washington State created to impact the health of its citizens by ensuring that there is an adequate nursing workforce now and in the future. The Organization's goals are: a) to promote nursing as a desirable career for men and women, b) to create the data repository and conduct research about the nursing workforce in Washington State, c) to ensure that there are adequate nursing faculty so that nursing education programs prepare nurses appropriately to care for the citizens, d) to support the creation and endurance of professional practice environments that are satisfying to nurses and support the delivery of safe, quality care, and e) to partner with individuals and entities involved in workforce issues.

Financial Statement Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting and are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP); which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions 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 management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors which are to be spent on specific activities. When the restriction has been satisfied by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported as net assets released from donor restrictions in the statement of activities and changes in net assets.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

WASHINGTON CENTER FOR NURSING

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1

DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue

Revenue and the related assets are recognized when earned, rather than when received, and expenses are recognized when the obligation is incurred, rather than when paid. A deferred revenue is recorded for cash receipts collected in advance of revenue being earned.

Federal Income Tax

The Organization is exempt from income taxes to the extent provided under Section 501(c)(3) of Internal Revenue Code. Accordingly, no provision for income tax is included in the accompanying financial statements.

Cash and Cash Equivalents

The Organization considers highly liquid investments with a maturity of three months or less to be cash equivalents.

Equipment and Software

Equipment and software are recorded at cost if purchased, or at fair market value at the date of receipt if donated. The Organization's policy is to capitalize assets with a cost greater than \$5,000 and with useful life greater than one year. Depreciation of equipment and software is computed under the straight-line method over the estimated useful lives (5 years) of the assets.

Functional Allocation of Expenses

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

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. The significant estimates used in these financial statements include but are not limited to those related to accounts receivable, useful lives of assets, accrued liabilities, and cost allocations for the purpose of functional expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances, however actual results could differ from those estimates.

WASHINGTON CENTER FOR NURSING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 **SUBSEQUENT EVENTS**

The Organization has evaluated all subsequent events that occurred after the statement of financial position date through July 29, 2021, which represents the date the financial statements were available to be issued.

NOTE 3 **CONCENTRATIONS OF RISK**

The Organization places its cash deposits with financial institutions in the United States of America. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depositary accounts and temporarily provides coverage through December 31, 2020 for certain qualifying and participating non-interest bearing accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. The Organization has not experienced any losses in such accounts.

NOTE 4 **OPERATING LEASES**

The Organization entered into operating lease agreements for an office space and a copy machine. Future minimum lease payments under these lease agreements are as follows for the years ending December 31:

| | |
|--------------|-------------------------|
| 2021 | 34,461 |
| 2022 | <u>2,527</u> |
| Total | <u>\$ 36,988</u> |

Total operating lease expenses for the year ended December 31, 2020 amounted to \$65,417.

NOTE 5 **RELATED PARTY TRANSACTIONS**

Contributions of \$13,212 were recognized as revenue from either board members directly or organizations where board members were employed.