



FRANCIS & COMPANY PLLC

CERTIFIED PUBLIC ACCOUNTANTS | MANAGEMENT CONSULTANTS

## **Washington Center for Nursing**

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**Auditor's Report and Financial Statements  
For the Year Ended December 31, 2017**

**WASHINGTON CENTER FOR NURSING**  
**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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<b>Table of Contents</b>	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
<b>NOTES TO FINANCIAL STATEMENTS</b>	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, 2017 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

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.

### 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, 2017, 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.

### Report on Summarized Comparative Information

We have previously audited the Washington Center for Nursing's 2016 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated August 17, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Seattle, Washington

June 15, 2018

# **STATEMENT OF FINANCIAL POSITION**

# WASHINGTON CENTER FOR NURSING

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016 (NOTE 1)

	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 567,400	\$ 496,338
Accounts receivable	136,042	129,509
Prepaid expenses	4,136	2,695
Total current assets	707,578	628,542
<b>NONCURRENT ASSETS</b>		
Equipment and software	15,712	15,712
Accumulated depreciation	(15,712)	(15,712)
Equipment and software, net of accumulated depreciation	-	-
Security deposit	2,800	2,800
Total noncurrent assets	2,800	2,800
Total assets	\$ 710,378	\$ 631,342
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 10,990	\$ 4,618
Accrued liabilities	18,180	10,858
Total current liabilities	29,170	15,476
<b>NET ASSETS</b>		
Unrestricted net assets	681,208	615,866
Total net assets	681,208	615,866
Total liabilities and net assets	\$ 710,378	\$ 631,342

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

**STATEMENT OF ACTIVITES  
AND CHANGES IN NET ASSETS**

**WASHINGTON CENTER FOR NURSING**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016 (NOTE 1)**

	Unrestricted	2017	2016
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 584,881	<b>\$ 584,881</b>	\$ 587,056
Contributions	18,986	<b>18,986</b>	13,702
Miscellaneous revenue	2,521	<b>2,521</b>	7,467
Total support and revenue	606,388	<b>606,388</b>	608,225
Total public support and revenue	606,388	<b>606,388</b>	608,225
<b>EXPENSES</b>			
Program services	488,749	<b>488,749</b>	473,394
Management and general	42,698	<b>42,698</b>	30,246
Fundraising	9,599	<b>9,599</b>	3,068
Total expenses	541,046	<b>541,046</b>	506,708
<b>CHANGES IN NET ASSETS</b>	65,342	<b>65,342</b>	101,517
<b>NET ASSETS, BEGINNING OF YEAR</b>	615,866	<b>615,866</b>	514,349
<b>NET ASSETS, END OF YEAR</b>	\$ 681,208	<b>\$ 681,208</b>	\$ 615,866

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, 2017**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016 (NOTE 1)**

	Program Services	Management & General	Fundraising	2017	2016
<b>PAYROLL AND RELATED EXPENSES</b>					
Salaries and wages	\$ 264,323	\$ 4,973	\$ 2,487	<b>\$ 271,783</b>	\$ 237,530
Payroll taxes and benefits	30,220	8,106	234	<b>38,560</b>	29,991
Total payroll and related expenses	294,543	13,079	2,721	<b>310,343</b>	267,521
<b>OTHER EXPENSES</b>					
Professional services	74,540	9,497	-	<b>84,037</b>	112,424
Occupancy	50,294	5,502	25	<b>55,821</b>	49,633
Travel	22,912	2,374	286	<b>25,572</b>	18,361
Marketing and communications	11,143	3,978	-	<b>15,121</b>	8,618
Membership, dues, and subscriptions	11,245	4,484	26	<b>15,755</b>	9,297
Meetings and seminars	8,117	957	4,112	<b>13,186</b>	9,820
Office expenses	2,537	341	2,298	<b>5,176</b>	5,884
Electronic equipment	4,134	483	-	<b>4,617</b>	3,236
Repairs and maintenance	3,058	188	-	<b>3,246</b>	3,958
Insurance	2,785	309	-	<b>3,094</b>	3,559
Grants to agencies	-	-	-	-	11,200
Miscellaneous	3,441	1,506	131	<b>5,078</b>	3,197
Total other expenses	194,206	29,619	6,878	<b>230,703</b>	239,187
<b>Total expenses</b>	<b>\$ 488,749</b>	<b>\$ 42,698</b>	<b>\$ 9,599</b>	<b>\$ 541,046</b>	<b>\$ 506,708</b>

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, 2017**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016 (NOTE 1)**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	<b>\$ 65,342</b>	\$ 101,517
(Increase) in accounts receivable	<b>(6,533)</b>	(775)
(Increase)/decrease in prepaid expenses and security deposit	<b>(1,441)</b>	1,521
Increase/(decrease) in accounts payables and accrued liabilities	<b>13,694</b>	(10,686)
Net cash provided by operating activities	<b>71,062</b>	91,577
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>71,062</b>	91,577
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>496,338</b>	404,761
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 567,400</b>	\$ 496,338

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

# **NOTES TO FINANCIAL STATEMENTS**

# WASHINGTON CENTER FOR NURSING

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

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**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. Its goals are to promote nursing as a desirable career for men and women, to create the data repository and conduct research about the nursing workforce in Washington State, to ensure that there are adequate nursing faculty so that nursing education programs prepare nurses appropriately to care for the citizens, to support the creation and endurance of professional practice environments that are satisfying to nurses and support the delivery of safe, quality care, and to partner with individuals and entities involved in workforce issues.

**Financial Statement Presentation**

The Organization follows the accounting provisions prescribed by the Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. ASC 958 requires, among other things, the recognition at fair value of contributions received, including unconditional promises to give, in the period received. ASC 958 establishes standards for general purpose external financial statements. Focusing on the entity as a whole, ASC 958 requires that all not for profit organizations provide a statement of financial position, a statement of activities and changes in net assets and a statement of cash flows and that net assets and changes in net assets be classified as unrestricted, temporarily restricted, or permanently restricted.

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

*Temporarily restricted net assets* are restricted by the donor to be used for certain purposes or are time restricted based on the period during which the funds may be expended.

*Permanently restricted net assets* represent donations made with the intent that the principal be maintained intact in perpetuity, and the income be used for current operations.

**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, 2017

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**NOTE 1**      **DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**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**

All highly liquid investments with a maturity of three months or less when purchased are considered 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 in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Comparative Totals and Reclassifications**

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016 from which the summarized information was derived.

# WASHINGTON CENTER FOR NURSING

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### NOTE 2 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events that occurred after the statement of financial position date through June 15, 2018, 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, 2017 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.

### 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:

2018	40,552
2019	41,436
2020	42,174
2021	4,140
Thereafter	<u>345</u>
<b>Total</b>	<b><u>\$ 128,647</u></b>

The lease expenses under these agreements were \$41,110 in 2017.

### NOTE 5 RELATED PARTY TRANSACTIONS

Contributions of \$1,000 were recognized as revenue from either board members directly or organizations where board members were employed.