

YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED MARCH 31, 2012

**YAKIMA VALLEY FARM WORKERS CLINIC
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Yakima Valley Farm Workers Clinic
Toppenish, Washington

We have audited the accompanying consolidated statement of financial position of Yakima Valley Farm Workers Clinic (a nonprofit organization) as of March 31, 2012, and the related consolidated statements of activities and change in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Yakima Valley Farm Workers Clinic as of March 31, 2012, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, on our consideration of Yakima Valley Farm Workers Clinic's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating statements of financial position, activities, functional expenses, and cash flows are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Yakima, Washington
December 21, 2012

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2012**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents, Unrestricted	\$ 17,310,856
Restricted Cash	2,398,267
Receivables:	
Patients, Net	6,992,440
Grants	2,699,377
HRSA	20,061,909
Other	6,629,659
Estimated Third-Party Payer Settlements	5,277,090
Inventory	717,048
Prepaid Expenses	827,914
Total Current Assets	<u>62,914,560</u>

INVESTMENTS

24,422,772

ASSETS WHOSE USE IS LIMITED

49,782,915

LAND, BUILDINGS, AND EQUIPMENT

Land	\$ 5,999,212	
Buildings and Building Improvements	66,419,639	
Furniture, Fixtures, and Equipment	17,802,656	
Construction in Progress	<u>6,426,632</u>	
Total	96,648,139	
Less: Accumulated Depreciation	<u>(46,671,142)</u>	
Total Land, Buildings, and Equipment		<u>49,976,997</u>
 Total Assets		 <u><u>\$ 187,097,244</u></u>

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Checks Written in Excess of Bank Balance	\$ 70,615
Accounts Payable	4,767,489
Accrued Expenses:	
Vacation	3,122,067
Payroll	2,910,018
Other	12,775,563
Deferred Revenue - HRSA	18,372,212
Deferred Revenue - Other	2,000
Basic Health Plan Reserve	463,087
Current Maturities of Long-Term Debt	<u>1,553,949</u>
Total Current Liabilities	44,037,000

PROFESSIONAL LIABILITY RESERVE

2,378,630

LONG-TERM DEBT, Less Current Maturities

11,291,769

 Total Liabilities

57,707,399

NET ASSETS

Unrestricted	\$ 79,606,930	
Board Designated, Unrestricted	<u>49,782,915</u>	
Total Net Assets		<u>129,389,845</u>

Total Liabilities and Net Assets

\$ 187,097,244

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED MARCH 31, 2012**

REVENUE

Net Patient Service Revenue		\$ 86,353,473
Grant Revenue:		
Department of Health and Human Services	\$ 17,284,541	
Department of Social and Health Services:		
Maternal and Child Health, WIC	3,981,655	
Weatherization	1,015,871	
Energy	2,065,001	
Community Education and Counseling Services	4,419,064	
Department of Children and Family Services	557,797	
PHP Intergovernmental	1,656,169	
Other	2,329,260	
Total Grant Revenue		33,309,358
Other Revenue:		
Investment Income	1,937,685	
Realized Loss on Investments	(281,037)	
Unrealized Loss on Investments	(369,820)	
Other Clinic Revenue	821,454	
Other	1,801,094	
Meaningful Use	2,040,000	
Total Other Revenue		5,949,376
Total Revenue		125,612,207

EXPENSES

Program Services:		
Yakima Valley Farm Workers Clinic	86,664,422	
Northwest Community Action Center	7,451,980	
Behavioral Health Services	4,614,933	
Supporting Services:		
Management and General	23,807,244	
Agena	2,071,566	
Total Expenses		124,610,145

INCREASE IN NET ASSETS

		1,002,062
Net Assets - Beginning of Year		128,387,783

NET ASSETS - END OF YEAR

		\$ 129,389,845
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See accompanying Notes to Consolidated Financial Statements.

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Services and Grant Revenue		\$ 103,915,673
Cash Paid to Suppliers and Employees		(100,340,860)
Interest Paid		(328,666)
Interest Received		3,539,861
Net Cash Provided by Operating Activities		6,786,008

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to Land, Buildings, and Equipment	\$ (7,642,158)	
Cash Received on Notes Receivable	2,368	
Purchase of Investments	(50,610,867)	
Cash Received from Sale of Investments	48,502,392	
Cash Received from Sale of Fixed Assets	26,850	
Net Cash Used by Investing Activities		(9,721,415)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Long-Term Debt		(1,445,533)
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NET DECREASE IN CASH AND CASH EQUIVALENTS

(4,380,940)

Cash and Cash Equivalents - Beginning of Year

24,090,063

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 19,709,123

See accompanying Notes to Consolidated Financial Statements.

**RECONCILIATION OF INCREASE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Increase in Net Assets		\$ 1,002,062
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	\$ 5,272,420	
Realized and Unrealized Loss on Investments	650,857	
Loss on Sale of Assets	(5,636)	
Amortization of Bonds	1,451,354	
Increase (Decrease) in Cash Due to Changes in Assets and Liabilities:		
Patient Receivables	(1,415,245)	
Grant Receivable	268,862	
Receivable - HRSA	(20,061,909)	
Other Receivables	(44,780)	
Estimated Third-Party Payer Settlements	(867,946)	
Inventory	(72,644)	
Prepaid Expenses	(69,128)	
Checks Written in Excess of Bank Balance	70,615	
Accounts Payable	2,896,726	
Accrued Expenses	2,595,792	
Deferred Revenue - HRSA	18,372,212	
Deferred Revenue - Other	(32,230)	
Basic Health Plan Reserve	(1,704,004)	
Professional Liability Reserve	(1,521,370)	
Total Adjustments	<u>5,783,946</u>	<u>5,783,946</u>
Net Cash Provided by Operating Activities		<u>\$ 6,786,008</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Yakima Valley Farm Workers Clinic (the Clinic) is a nonprofit Clinic operating in eight cities in Eastern Washington State, three cities in Northern Oregon, and one city in Eastern Oregon. The Clinic includes the following divisions: Yakima Valley Farm Workers Clinic, Northwest Community Action Center, Behavioral Health Services, and Agena, a nonprofit support organization for the Clinic. The purpose of the Clinic is to provide medical and dental health services, mental health services, drug and alcohol rehabilitation, home weatherization, education and counseling, and energy assistance services to low-income families and seasonal and migrant agricultural workers and their families.

The Clinic is considered a Federally Qualified Health Center (FQHC). Such designation enables the Clinic to participate in federal programs and receive levels of reimbursement for services that increase the Clinic's ability to provide access to affordable and quality care to underserved populations in communities throughout its operating regions.

Financial Statement Presentation

The Clinic presents its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The full accrual basis of accounting is used to record revenues and expenses. Accordingly, all revenues and expenses are recognized when earned and incurred.

Concentration of Credit Risk

The Clinic maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Clinic mitigates risk by keeping balances to minimum levels reasonable for operations and other activities, as well as utilizing only national level financial institutions with strong debt ratings (Aa1 Moody, AA Fitch, AA S&P). The Clinic believes it is not exposed to any significant credit risk for cash and cash equivalents and has never experienced any such loss. As of March 31, 2012, the Clinic had \$5,855,337 on deposit with financial institutions in excess of Federal Deposit Insurance Corporation limits.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Clinic considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Assets Whose Use is Limited

Assets whose use is limited include investments set aside by the board of directors for malpractice and operating reserves and capital improvements over which it retains control and may, at its discretion, subsequently use for other purposes. Assets whose use is limited are maintained in corporate bonds/notes and U.S. Government Securities with original maturity dates of greater than three months. The investments are stated at market value. Realized and unrealized loss on the investments was \$(281,037) and \$(369,820), respectively, for the year ended March 31, 2012.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Accounts Receivable

Receivables arising from revenue from services to patients are reduced by an allowance for doubtful accounts and contractual adjustments based on experience, third-party contractual reimbursement arrangements, and any unusual circumstances that may affect the ability of patients to meet their financial obligations. Accounts deemed uncollectible reduce this allowance. Patient accounts receivable are stated in the consolidated statement of financial position, net of such allowance. As of March 31, 2012, an allowance for doubtful accounts of \$29,965,337 was deemed necessary.

Inventory

Inventory, consisting primarily of prescription drugs, is stated at the lower of cost (first-in, first-out method) or market.

Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost for purchased assets and at fair market value at the time of donation for donated assets. Expenditures for maintenance, repairs, and renewals are charged to expense as incurred whereas major purchases are capitalized. The Clinic's policy is to capitalize equipment with a cost of \$5,000 or more. Equipment costing under \$5,000 is expensed in the current year.

Depreciation

Depreciation is generally taken over the useful service life of the asset using the straight-line method. Asset lives range from 3 to 20 years.

Donated Assets

Property and equipment donated for Clinic operations are recorded as additions at fair value at the date they are placed in service.

Estimated Malpractice Costs

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for claims incurred but not reported.

Medicaid Funding

A Centers for Medicare and Medical Services (CMS) audit of DSHS found that the current method of paying federally required Prospective Payment System rates in the State's Healthy Options Managed Medicaid program was inconsistent with federal requirements. The resolution of this audit finding has been negotiated with the results finalized in July 2009 and retroactive to January 1, 2009. As part of the resolution, new rates for calculating managed care enhancements were provided from the Department of Social and Health Services with two methodology options available to choose from. The new rates were effective January 1, 2009, however, they are being used to pay for services provided on and after July 1, 2009. The difference for payments from January 1 through June 30, 2009

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Medicaid Funding (Continued)

was addressed in a reconciliation that took place in September 2010. The current impact at March 31, 2012 using the Clinic's selected Alternative Payment methodology is estimated at \$5,435,840 and was recorded under other accrued expenses as a liability. Due to the significant changes in the payment methodology the impact to future periods is unknown and may be significant.

Revenue

The Clinic recognizes revenue under the accrual basis of accounting and provides for doubtful accounts using the allowance method. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Net Assets

The Clinic reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. Further, the Clinic reports contributions received as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence or nature of any donor restrictions. Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations but are controlled and designated by the board.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Clinic and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and change in net assets as net assets released from restrictions. As of March 31, 2012, the Clinic had no temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Clinic. Generally, the donors of these assets permit the Clinic to use all or part of the income earned on any related investments for general or specific purposes. As of March 31, 2012, the Clinic had no permanently restricted net assets.

Financial Statement Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, 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.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Tax

Under provisions of Section 501(c)(3) of the Internal Revenue Code, the Clinic is exempt from federal income taxes, except for net income from unrelated business activities. As of March 31, 2012, the Clinic had no unrelated business activities subject to federal income taxes.

Management evaluated the Clinic's tax positions and concluded that the Clinic had taken no uncertain tax positions that require adjustments to the consolidated financial statements to comply with the provisions of this guidance. The Clinic is no longer subject to income tax examinations by tax authorities for years before 2009.

Bond Amortization

The difference between the cost and the stated maturity of bonds purchased is amortized on a straight-line basis over the remaining life of the bond.

Fair Value of Financial Instruments Approximates Carrying Amount

The Clinic's financial instruments are cash and cash equivalents, accounts receivable, accounts payable, and long-term debt. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The recorded values of long-term debt approximate their fair values, as interest rates are variable and adjust frequently. Investments are reported at their fair values, as discussed in Note 4.

Subsequent Events

Subsequent events have been evaluated through December 21, 2012, the date the consolidated financial statements were available to be issued.

NOTE 2 CONSOLIDATED ENTITIES

Agena is a nonprofit support organization of the Yakima Valley Farm Workers Clinic. Agena was incorporated on August 5, 2005. The Clinic has consolidated the operations of Agena in their financial statements.

Agena was created to assist the Clinic in delivering social services to low-income populations by performing functions including, but not limited to, accepting donations, managing donations and investments, and distributing funds.

Transactions occur between these organizations for goods provided or services rendered. These transactions have been eliminated in the consolidated financial statements.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 3 RESTRICTED CASH

Restricted cash is composed of the following at March 31, 2012:

Medical Reserve	\$ 2,141,600
Yakima Script and Supplies	256,667
Total	<u>\$ 2,398,267</u>

NOTE 4 INVESTMENTS

Market value is determined by quoted market prices. Investments consisted of the following at March 31, 2012:

Corporate Bonds/Notes	\$ 54,349,228
U.S. Government Securities	19,856,459
Total	<u>\$ 74,205,687</u>

Investments are shown on the accompanying consolidated statement of financial position as follows:

Investments	\$ 24,422,772
Assets Whose Use is Limited	49,782,915
Total	<u>\$ 74,205,687</u>

Effective December 15, 2008, the Clinic adopted *Accounting Standards Codification* Topic 820, *Fair Value Measurements and Disclosures* (Topic 820), which provides a framework for measuring fair value under generally accepted accounting principles. Topic 820 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in Topic 820, fair value is 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. Based on the observability of the inputs used in the valuation techniques the Clinic is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 4 INVESTMENTS (CONTINUED)

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities. The Clinic has no Level 2 assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. The Clinic has no Level 3 assets or liabilities.

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. All the Clinic's investment securities are considered Level 1 assets.

Investments at fair value as of March 31, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government Securities	\$ 19,856,459	\$ -	\$ -	\$ 19,856,459
Corporate Debt Securities	54,349,228	-	-	54,349,228
Total	<u>\$ 74,205,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,205,687</u>

NOTE 5 ASSETS WHOSE USE IS LIMITED, DESIGNATED BY BOARD

As of March 31, 2012, the composition of assets whose use is limited designated by the Board is as follows:

Professional Liability Reserve	\$ 2,378,630
Capital Improvements	11,932,074
Capitated Health Plan Reserve	463,087
Ninety Days Operating Reserves	31,800,000
Employee Health Care Plan	3,640,616
Executive Benefit Plan	1,710,108
Total	<u>51,924,515</u>
Less: Employee Health Care Plan Held in Restricted Cash	<u>(2,141,600)</u>
Total Designated by the Board	<u>\$ 49,782,915</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 6 OTHER RECEIVABLES

Other receivables include a \$5 million receivable from Pacific Northwest University of Health Sciences (the University) to Agena. The funds are held in a trust account, established under Agena, with all interest earnings reverting back to Agena. If the University ceases operations before the class of 2008 graduates in 2012, the University will be required to deplete the University's contribution to the trust account of \$3.3 million before expending the \$5 million deposit from Agena. Upon the graduation of the class of 2012, the proceeds of the trust account of \$5 million will return to Agena. The remaining balance for other receivables in the amount of \$1,490,217 consists of interest earned on conditional gifts, notes receivables related to the sale of fixed assets and a loan to a startup company, and miscellaneous.

Subsequent to the year ended March 31, 2012, the trust account established under Agena was liquidated in June 2012 and the funds were returned with interest. On May 30, 2012, Agena provided a \$3 million unsecured promissory note to the University to be used to fund the construction of the auditorium addition to Butler-Haney Hall. The note matures December 31, 2015.

NOTE 7 CONSTRUCTION IN PROGRESS

As of March 31, 2012, the Clinic was in the process of remodeling and constructing clinics located in Grandview, Toppenish, and Yakima, Washington. A total of \$6,426,632 has been incurred as of March 31, 2012. The estimated cost to complete the various projects is \$5,573,368, to be funded through grants and internal unrestricted funds, with various dates of completion ranging from March 2012 through September 2012.

NOTE 8 LONG-TERM DEBT

Long-term debt at March 31, 2012 consisted of the following:

Revenue Bonds Payable, Dated March 22, 2007, with Monthly Principal Payments and Varying Interest Payments at the Tax-Exempt Libor Rate, (1.932% at March 31, 2012); Collateralized by Real Estate, Due April 1, 2018	\$ 5,591,774
Revenue Bonds Payable, Dated June 10, 2003, with \$25,000 Monthly Principal Payments and Varying Interest Payments at the Tax-Exempt Libor Rate, (1.932% at March 31, 2012); Collateralized by Real Estate and Further Secured by a Reimbursement Agreement, Due January 2014	550,000

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Revenue Bonds Payable, Dated March 17, 2004, with \$24,267 Monthly Principal Payments and Varying Interest Payments at the Tax-Exempt Libor Rate, (1.932% at March 31, 2012); Collateralized by Real Estate, Due February 2015	\$ 2,178,683
Revenue Bonds Payable, Dated November 13, 2008, with Monthly Principal Payments and Varying Interest Payments at the Tax-Exempt Libor Rate, (3.45% at March 31, 2012); in Equal Combined Installments of \$20,955; Collateralized by Real Estate, Due November 1, 2018	3,825,261
Revenue Bonds Payable, Dated January 1, 1997, with Varying Annual Principal Payments and Varying Monthly Interest Payments of .69% at March 31, 2012; Collateralized by Real Estate and Further Secured by a Reimbursement Agreement, Due June 2012	<u>700,000</u>
Total	<u>12,845,718</u>
Less: Current Maturities	<u>1,553,949</u>
Total Long-Term Debt	<u><u>\$ 11,291,769</u></u>

Maturities of long-term debt are as follows:

Year Ending March 31,	Amount
2013	\$ 1,553,949
2014	812,020
2015	1,875,617
2016	287,586
2017	297,742
Thereafter	<u>8,018,804</u>
Total	<u><u>\$ 12,845,718</u></u>

In connection with the loan and reimbursement agreements, Yakima Valley Farm Workers Clinic has agreed to certain financial covenants, ratios, and restrictions.

YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012

NOTE 9 PROFESSIONAL LIABILITY RESERVE

The Clinic maintains its malpractice insurance coverage on a standard claims made policy through Washington Casualty Company. The coverage defends asserted malpractice claims brought during the policy year. The Clinic recognizes expenses associated with unasserted malpractice claims in the period in which a claim is asserted. Expenses associated with these incidents are estimated based on assumptions of current settlement costs. The Clinic is insured for malpractice claims up to \$16,000,000 per claim with an annual aggregate of \$20,000,000 per policy year.

NOTE 10 NET PATIENT SERVICE REVENUE

Net patient service revenue includes all patient and third-party payments to the Clinic. A summary of the payment arrangements with major third-party payers is as follows:

Federal Qualified Health Centers (FQHC)

Medicaid – Patient services rendered to Medicaid eligible patients are reimbursed to the Clinic at a rate established using a cost reimbursement methodology. This rate is adjusted annually by the Medicare Expense Index (MEI). Any adjustment resulting from future audits will be recorded as a change in estimate and will be accounted for prospectively.

Medicare – Services rendered to Medicare program beneficiaries are reimbursed to the Clinic on a cost reimbursement methodology, whereby the Clinic is paid at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Any adjustment resulting from future audits will be recorded as a change in estimate and will be accounted for prospectively.

Healthy Options Plan

Healthy Options is the state mandated managed care program for members of designated Medicaid categories. As a member of the Community Health Plan of Washington (CHPW), the Clinic assumes primary and specialty care risk for Healthy Option enrollees; hospital care is covered through a common risk pool at CHPW. CHPW has an institutional stop-loss insurance of \$100,000 for each Healthy Option enrollee. Claim adjudication and claims data information are provided by a subsidiary of CHPW. The Clinic receives premiums for primary care and customer service for its members and recognizes the revenue when received. Capitation payments are received during the month of coverage; therefore, no prepaids or receivables exist.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

Basic Health Plan

As a member of the CHPW, the Clinic assumes primary, specialty, and hospital care risk for Basic Health Plan enrollees. CHPW has an institutional stop-loss insurance of \$100,000 for each Basic Health Plan enrollee. Claim adjudication and claims data information are provided by a subsidiary of CHPW.

The Clinic receives premiums for primary care and customer service for its members and recognizes the revenue when received. Capitation payments are received during the month of coverage; therefore, no prepaids or receivables exist. Capitation premiums for specialty and hospital care are held in reserve to pay future claims. During the year ended March 31, 2012, the Clinic received and paid out to outside providers claims of \$6,164,956, which is not recognized as revenue or expense in the accompanying consolidated financial statements.

Patient Pay

In addition to agreements with third-party payers, the Clinic provides services to patients based upon their ability to pay. The Clinic charges based upon a sliding fee schedule with certain minimum fees being charged.

Gross revenues by major payer type and contractual adjustments and write-offs were as follows for the year ended March 31, 2012:

Basic Health Plan	\$ 1,364,204
Medicare	7,329,736
Medicaid	34,941,353
Insurance	21,200,450
Patient, Self-Pay	19,945,507
Healthy Options	<u>12,553,864</u>
Gross Patient Revenue	97,335,114
Less: Contractual Allowances and Write-Offs	<u>(10,981,641)</u>
Net Patient Service Revenue	<u><u>\$ 86,353,473</u></u>

NOTE 11 EMPLOYEE BENEFIT PLANS

The Clinic sponsors a profit-sharing plan. The plan covers all employees meeting certain age and eligibility requirements. The employer contributes an amount equal to 3 percent of the employee's base wages. The employee is not required to make a contribution in order to receive employer contributions. The Clinic's pension cost during the year ended March 31, 2012 was \$1,474,942.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 11 EMPLOYEE BENEFIT PLANS (CONTINUED)

The Clinic instituted an executive benefit plan effective April 1, 1995. This plan provides for employer-paid life insurance and a retirement benefit after 15 years of service. The plan applies to physicians, psychiatrists, psychologists, dentists, physicians' assistants, nurse practitioners, midwives, the executive director, and chief financial officer. The Clinic pays the annual premiums on the plan. The insurance premium expense for the year ended March 31, 2012 was \$1,094,268.

The Clinic instituted supplemental executive benefit plans effective November 1, 2001. These plans provide for employer paid life insurance and a retirement benefit plan for management executives, clinic administrators, program directors, executive secretaries, facility managers, billing managers, and dental coordinators. These plans are in addition to the profit-sharing plan listed above for these employees. The plan cost for the year ended March 31, 2012 was \$74,853.

The Clinic has a self-insured medical plan for its employees. The plan has a \$115,000 stop-loss provision. Incurred but not reported claims of \$3,640,616 exist at March 31, 2012, and have been included in the accompanying consolidated financial statements in other accrued expenses. The insurance premium expense for the year ended March 31, 2012 was \$8,062,426.

NOTE 12 LEASES

The Clinic rents various facilities under noncancelable and cancelable operating lease agreements throughout the various geographic regions that Yakima Valley Farm Workers Clinic covers. Total rent expense for all cancelable and noncancelable leases for the year ended March 31, 2012, and future amounts due under noncancelable operating leases, is not significant.

NOTE 13 RELATED-PARTY TRANSACTIONS

Clinic board members and employees are often users of the Clinic services. Services rendered generate accounts receivable from related parties that are included in patient accounts receivable.

The Clinic is a member of the Community Health Plan of Washington (CHPW), a plan formed by community and migrant health clinics throughout the state of Washington to participate in the managed care marketplace. CHPW is a nonprofit corporation. Each clinic is represented by a member on the board of directors of CHPW. CHPW accepts the full insurance risk of providing health care services to enrollees in the State Medicaid Healthy Options and Basic Health Plan programs. As part of this agreement, the individual clinics are contingently liable for their proportionate share of any claims should CHPW be unable to meet its financial obligations. CHPW believes that its assets are sufficient to meet its financial obligations.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 13 RELATED-PARTY TRANSACTIONS (CONTINUED)

The Clinic's management also feels its investment in CHPW represents a tangible asset; however, due to the contingent nature of such an asset, no amount has been reflected in the consolidated financial statements.

As part of the same agreement, the Clinic has agreed to serve as a provider of primary care services for a certain amount per member per month and to provide case management services to these same members related to specialty and hospital services. In return, the Clinic will participate in any savings realized by CHPW in providing these services, based upon a formula determined by the board of directors of CHPW.

During the year ended March 31, 2012, the Clinic, along with four other Washington community health centers, formed a nonprofit entity named Community Clinic Contracting Network (CCCN). The purpose of CCCN is to leverage the members' provider networks in contracting primary and specialty care services through various insurance carriers. The Clinic is a member of CCCN and also continues to contract directly with the Community Health Network and Plan of Washington.

NOTE 14 DEFERRED COMPENSATION PLAN

In addition to a profit-sharing ERISA, plans for all nonprovider employees are eligible, Yakima Valley Farm Workers Clinic (YVFWC) maintains various tax deferred plans as a retention tool for provider and management staff. These plans include:

- A deferred compensation plan for physicians that includes a variable universal life insurance account. For the first ten years of the physician's employment, the Clinic makes fixed contributions to the account. Upon completion of 15 years continuous employment with the Clinic, the physician vests 100 percent in the balance of the account including contributions and interest.
- A deferred compensation plan for dentists that includes a variable universal life insurance account. For the first ten years of the physician's employment, the Clinic makes fixed contributions to the account. Upon completion of 10 years continuous employment with the Clinic, the dentist vests 100 percent in the balance of the account including contributions and interest.
- For clinic and program administrators, the Clinic provides a supplemental tax-qualified/ tax deferred ERISA profit sharing retirement plan into which the Clinic contributes an amount equivalent to 4 percent of the administrator's annual base compensation. After the first year of employment the administrator vests 20 percent for each subsequent year, being fully vested in the plan at the end of the sixth year of employment.

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012**

NOTE 14 DEFERRED COMPENSATION PLAN (CONTINUED)

- For senior managers, the Clinic provides a non-qualified deferred compensation plan into which the Clinic contributes an amount equivalent to 7 percent of the senior manager's annual base compensation. Full vesting comes at the end of five years employment and the account balance is turned over to the senior manager. For subsequent years of employment the senior manager is enrolled into the supplemental tax-qualified/tax deferred ERISA profit sharing retirement plan into which the Clinic contributes an amount equivalent to the senior manager's annual base compensation.
- For the Executive Director, the Clinic board of directors, in consultation with an outside compensation consulting firm, established an employment retention plan. In exchange for a contractual commitment to remain employed with the Clinic for a minimum five-year period, the board agreed the Executive Director would be eligible for a retention bonus at the end of the period. Should the Executive Director leave the Clinic employment prior to the end of the period, no bonus payment is due. The period ends April 2013.

Conditional upon the extension of the employment agreement for an additional five-year period ending April 2018, the board established a second retention bonus plan.

NOTE 15 SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2012, the Clinic is working with the FDA to resolve questions concerning the branding of a limited number of prescriptions dispensed from two of its pharmacies. There was no health impact on patients and, to the knowledge of the Clinic, no adverse financial impact on any other party. However, in the event the FDA concludes the practice was unlawful, the Clinic may be subject to a fine or other penalties. At this time, the Clinic management believes it is unlikely that any action by the FDA will affect the Clinic's status as a federal grantee or CMS vendor.

Subsequent to the year ended March 31, 2012, the Clinic has plans to sell the Ellensburg Dental Clinic at 201 E. Mountain View Avenue for the amount of \$460,000. The Clinic will receive \$110,000 at closing and the remaining balance of \$350,000 will be paid in monthly payments of \$2,118 by an escrow company.

Subsequent to the year ended March 31, 2012, the Clinic purchased a building located in Toppenish, Washington for \$650,000.

Subsequent to the year ended March 31, 2012, the trust account that Agena has for Pacific Northwest University of Health Sciences liquidated in June 2012. Agena then provided an unsecured promissory note with Pacific Northwest University of Health Sciences for the auditorium addition. See further detail in Note 6.

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
CURRENT ASSETS								
Cash and Cash Equivalents, Unrestricted	\$ 14,098,449	\$ 350	\$ 1,200	\$ -	\$ 14,099,999	\$ 3,210,857	\$ -	\$ 17,310,856
Restricted Cash	2,398,267	-	-	-	2,398,267	-	-	2,398,267
Receivables:								
Patients, Net	6,939,766	-	52,674	-	6,992,440	-	-	6,992,440
Grants	848,648	1,558,819	291,910	-	2,699,377	-	-	2,699,377
Related Parties	5,829,832	-	7,651,182	(13,480,864)	150	-	(150)	-
HRSA	20,061,909	-	-	-	20,061,909	-	-	20,061,909
Pledge Receivable	-	-	-	-	-	5,900,000	(5,900,000)	-
Other	1,179,629	-	139,442	-	1,319,071	5,310,588	-	6,629,659
Estimated Third-Party Payer Settlements	5,277,090	-	-	-	5,277,090	-	-	5,277,090
Inventory	696,727	20,321	-	-	717,048	-	-	717,048
Prepaid Expenses	769,916	20,833	37,165	-	827,914	-	-	827,914
Total Current Assets	<u>58,100,233</u>	<u>1,600,323</u>	<u>8,173,573</u>	<u>(13,480,864)</u>	<u>54,393,265</u>	<u>14,421,445</u>	<u>(5,900,150)</u>	<u>62,914,560</u>
INVESTMENTS	18,924,581	-	-	-	18,924,581	5,498,191	-	24,422,772
ASSETS WHOSE USE IS LIMITED	49,782,915	-	-	-	49,782,915	-	-	49,782,915
LAND, BUILDINGS, AND EQUIPMENT								
Land	5,830,229	-	168,983	-	5,999,212	-	-	5,999,212
Buildings and Building Improvements	65,196,462	-	1,223,177	-	66,419,639	-	-	66,419,639
Furniture, Fixtures, and Equipment	17,310,803	220,212	271,641	-	17,802,656	-	-	17,802,656
Construction in Progress	6,426,632	-	-	-	6,426,632	-	-	6,426,632
Total	94,764,126	220,212	1,663,801	-	96,648,139	-	-	96,648,139
Less: Accumulated Depreciation	<u>(45,397,547)</u>	<u>(192,612)</u>	<u>(1,080,983)</u>	<u>-</u>	<u>(46,671,142)</u>	<u>-</u>	<u>-</u>	<u>(46,671,142)</u>
Total Land, Buildings, and Equipment	<u>49,366,579</u>	<u>27,600</u>	<u>582,818</u>	<u>-</u>	<u>49,976,997</u>	<u>-</u>	<u>-</u>	<u>49,976,997</u>
Total Assets	<u>\$ 176,174,308</u>	<u>\$ 1,627,923</u>	<u>\$ 8,756,391</u>	<u>\$ (13,480,864)</u>	<u>\$ 173,077,758</u>	<u>\$ 19,919,636</u>	<u>\$ (5,900,150)</u>	<u>\$ 187,097,244</u>

YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Checks in Excess of Bank Balance	\$ -	\$ 64,649	\$ 5,966	\$ -	\$ 70,615	\$ -	\$ -	\$ 70,615
Accounts Payable	4,492,624	212,747	62,118	-	4,767,489	-	-	4,767,489
Pledge Payable	5,900,000	-	-	-	5,900,000	-	(5,900,000)	-
Due to Related Party	7,654,364	5,826,500	-	(13,480,864)	-	150	(150)	-
Accrued Expenses:								
Vacation	2,846,279	72,925	202,863	-	3,122,067	-	-	3,122,067
Payroll	2,402,779	263,611	243,628	-	2,910,018	-	-	2,910,018
Other	12,030,815	-	744,748	-	12,775,563	-	-	12,775,563
Deferred Revenue - HRSA	18,372,212				18,372,212			18,372,212
Deferred Revenue	2,000	-	-	-	2,000	-	-	2,000
Basic Health Plan Reserve	463,087	-	-	-	463,087	-	-	463,087
Current Maturities of Long-Term Debt	1,553,949	-	-	-	1,553,949	-	-	1,553,949
Total Current Liabilities	<u>55,718,109</u>	<u>6,440,432</u>	<u>1,259,323</u>	<u>(13,480,864)</u>	<u>49,937,000</u>	<u>150</u>	<u>(5,900,150)</u>	<u>44,037,000</u>
PROFESSIONAL LIABILITY RESERVE	2,378,630	-	-	-	2,378,630	-	-	2,378,630
LONG-TERM LIABILITIES								
Long-Term Debt, Less Current Maturities	11,291,769	-	-	-	11,291,769	-	-	11,291,769
Total Liabilities	<u>69,388,508</u>	<u>6,440,432</u>	<u>1,259,323</u>	<u>(13,480,864)</u>	<u>63,607,399</u>	<u>150</u>	<u>(5,900,150)</u>	<u>57,707,399</u>
NET ASSETS (DEFICIT)								
Unrestricted	57,002,885	(4,812,509)	7,497,068	-	59,687,444	19,919,486	-	79,606,930
Board Designated, Unrestricted	49,782,915	-	-	-	49,782,915	-	-	49,782,915
Total Net Assets (Deficit)	<u>106,785,800</u>	<u>(4,812,509)</u>	<u>7,497,068</u>	<u>-</u>	<u>109,470,359</u>	<u>19,919,486</u>	<u>-</u>	<u>129,389,845</u>
Total Liabilities and Net Assets	<u>\$ 176,174,308</u>	<u>\$ 1,627,923</u>	<u>\$ 8,756,391</u>	<u>\$ (13,480,864)</u>	<u>\$ 173,077,758</u>	<u>\$ 19,919,636</u>	<u>\$ (5,900,150)</u>	<u>\$ 187,097,244</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
REVENUE								
Net Patient Service Revenue	\$ 80,981,939	\$ -	\$ 5,371,534	\$ -	\$ 86,353,473	\$ -	\$ -	\$ 86,353,473
Grant Revenue:								
Department of Health and Human Services	17,284,541	-	-	-	17,284,541	-	-	17,284,541
Department of Social and Health Services:								
Maternal and Child Health, WIC	3,981,655	-	-	-	3,981,655	-	-	3,981,655
Weatherization	-	1,015,871	-	-	1,015,871	-	-	1,015,871
Energy	-	2,065,001	-	-	2,065,001	-	-	2,065,001
Community Education and Counseling Services	-	4,419,064	-	-	4,419,064	-	-	4,419,064
Department of Children and Family Services	-	-	557,797	-	557,797	-	-	557,797
PHP Intergovernmental	-	-	1,656,169	-	1,656,169	-	-	1,656,169
Other	1,863,482	-	465,778	-	2,329,260	-	-	2,329,260
Total Grant Revenue	<u>23,129,678</u>	<u>7,499,936</u>	<u>2,679,744</u>	<u>-</u>	<u>33,309,358</u>	<u>-</u>	<u>-</u>	<u>33,309,358</u>
Other Revenue:								
Investment Income	1,539,319	-	8,427	-	1,547,746	389,939	-	1,937,685
Realized Loss on Investments	(107,654)	-	-	-	(107,654)	(173,383)	-	(281,037)
Unrealized Loss on Investments	(383,134)	-	-	-	(383,134)	13,314	-	(369,820)
Other Clinic Revenue	821,454	-	-	-	821,454	-	-	821,454
Other	1,799,393	(2,083)	3,784	-	1,801,094	-	-	1,801,094
Donated Revenue	-	-	-	-	-	1,900,000	(1,900,000)	-
Meaningful Use	2,040,000	-	-	-	2,040,000	-	-	2,040,000
Intercompany Management Fees	1,741,659	-	-	(1,741,659)	-	-	-	-
Total Other Revenue	<u>7,451,037</u>	<u>(2,083)</u>	<u>12,211</u>	<u>(1,741,659)</u>	<u>5,719,506</u>	<u>2,129,870</u>	<u>(1,900,000)</u>	<u>5,949,376</u>
Total Revenue	111,562,654	7,497,853	8,063,489	(1,741,659)	125,382,337	2,129,870	(1,900,000)	125,612,207

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
EMPLOYEE-RELATED EXPENSES								
Salaries	\$ 35,978,972	\$ 2,673,517	\$ 2,501,550	\$ -	\$ 41,154,039	\$ -	\$ -	\$ 41,154,039
Program Salaries	-	720,782	-	-	720,782	-	-	720,782
Provider Salaries	21,964,089	-	804,516	-	22,768,605	-	-	22,768,605
Contract Services - Employee Related	924,198	-	25,062	-	949,260	-	-	949,260
Contract Providers	409,141	-	-	-	409,141	-	-	409,141
Fringe Benefits	8,936,625	666,144	689,698	-	10,292,467	-	-	10,292,467
Program Fringe Benefits	-	112,607	-	-	112,607	-	-	112,607
Provider Fringe Benefits	3,947,281	-	161,334	-	4,108,615	-	-	4,108,615
Contract Services Fringe Benefits	102,407	-	3,322	-	105,729	-	-	105,729
Contract Provider Fringe Benefits	37,102	-	-	-	37,102	-	-	37,102
Incentive Fund	24,296	-	54	-	24,350	-	-	24,350
SUI	543,203	-	-	-	543,203	-	-	543,203
Continuing Education	54,049	-	40,445	-	94,494	-	-	94,494
Miscellaneous Employee Expense	24,632	-	-	-	24,632	-	-	24,632
Total Employee-Related Expenses	72,945,995	4,173,050	4,225,981	-	81,345,026	-	-	81,345,026
OTHER OPERATING EXPENSES								
Purchased Services	4,992,794	203,669	22,772	-	5,219,235	20,885	-	5,240,120
Contract Services	2,066,786	-	11,754	-	2,078,540	-	-	2,078,540
Contract Salaries	-	794,036	-	-	794,036	-	-	794,036
Salaries Foster Parents	-	-	244,444	-	244,444	-	-	244,444
Meals and Entertainment	51,424	-	-	-	51,424	-	-	51,424
Unallowed Costs	36,881	(333,199)	-	-	(296,318)	-	-	(296,318)
Contributions	1,958,486	-	-	-	1,958,486	-	(1,900,000)	58,486
Public Relations	768,169	-	2,846	-	771,015	-	-	771,015
Computer Services	2,026,037	1,552	20,057	-	2,047,646	-	-	2,047,646
Locum Expense	1,343,750	-	-	-	1,343,750	-	-	1,343,750
Basic Health Program	207	-	-	-	207	2,050,531	-	2,050,738
Building Costs	1,954,488	144,669	101,062	-	2,200,219	-	-	2,200,219
Supplies	4,379,365	171,213	43,384	-	4,593,962	-	-	4,593,962
Publications and Subscriptions	57,511	-	418	-	57,929	-	-	57,929
Community Events	7,230	-	-	-	7,230	-	-	7,230

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
OTHER OPERATING EXPENSES (CONTINUED)								
Drug Supplies	\$ 4,615,218	\$ -	\$ -	\$ -	\$ 4,615,218	\$ -	\$ -	\$ 4,615,218
Postage	363,608	-	3,257	-	366,865	-	-	366,865
Travel and Training	879,672	198,679	46,025	-	1,124,376	-	-	1,124,376
Travel and Training Foster Parents	-	-	19,399	-	19,399	-	-	19,399
Board Expense	59,645	-	-	-	59,645	-	-	59,645
Telephone	1,058,226	52,047	43,102	-	1,153,375	-	-	1,153,375
Equipment	852,183	35,178	10,312	-	897,673	-	-	897,673
Safety	956	-	-	-	956	-	-	956
Equipment Lease	304,407	-	12,652	-	317,059	-	-	317,059
Repairs and Maintenance	814,944	15,951	17,734	-	848,629	-	-	848,629
Dues and Licenses	284,867	625	19,007	-	304,499	-	-	304,499
Insurance	1,578,619	15,581	67,248	-	1,661,448	-	-	1,661,448
Recruitment	953,779	-	498	-	954,277	-	-	954,277
Flex Fund	-	-	6,917	-	6,917	-	-	6,917
Client Expense	-	-	1,730	-	1,730	-	-	1,730
Interest Expense	328,666	-	-	-	328,666	-	-	328,666
Bad Debt	1,169,458	-	72,093	-	1,241,551	-	-	1,241,551
Accounting Services	70,925	-	-	-	70,925	-	-	70,925
Legal Services	176,581	-	-	-	176,581	150	-	176,731
Management Fees	-	956,824	784,835	(1,741,659)	-	-	-	-
Revenue Sales Tax	246,824	-	2,950	-	249,774	-	-	249,774
Miscellaneous	-	2,349,765	-	-	2,349,765	-	-	2,349,765
Depreciation	5,191,811	8,650	71,959	-	5,272,420	-	-	5,272,420
Total Other Operating Expenses	<u>38,593,517</u>	<u>4,615,240</u>	<u>1,626,455</u>	<u>(1,741,659)</u>	<u>43,093,553</u>	<u>2,071,566</u>	<u>(1,900,000)</u>	<u>43,265,119</u>
Total Expenses	<u>111,539,512</u>	<u>8,788,290</u>	<u>5,852,436</u>	<u>(1,741,659)</u>	<u>124,438,579</u>	<u>2,071,566</u>	<u>(1,900,000)</u>	<u>124,610,145</u>
INCREASE (DECREASE) IN NET ASSETS	23,142	(1,290,437)	2,211,053	-	943,758	58,304	-	1,002,062
Net Assets (Deficit) - Beginning of Year	<u>106,762,658</u>	<u>(3,522,072)</u>	<u>5,286,015</u>	<u>-</u>	<u>108,526,601</u>	<u>19,861,182</u>	<u>-</u>	<u>128,387,783</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 106,785,800</u>	<u>\$ (4,812,509)</u>	<u>\$ 7,497,068</u>	<u>\$ -</u>	<u>\$ 109,470,359</u>	<u>\$ 19,919,486</u>	<u>\$ -</u>	<u>\$ 129,389,845</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Supporting	Subtotal	Agena	Total
	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Management and General			
EMPLOYEE-RELATED EXPENSES							
Salaries	\$ 24,778,793	\$ 2,462,421	\$ 2,227,216	\$ 11,685,609	\$ 41,154,039	\$ -	\$ 41,154,039
Program Salaries	-	720,782	-	-	720,782	-	720,782
Provider Salaries	21,705,502	-	804,516	258,587	22,768,605	-	22,768,605
Contract Services - Employee Related	782,244	-	25,062	141,954	949,260	-	949,260
Contract Providers	409,141	-	-	-	409,141	-	409,141
Fringe Benefits	6,545,284	609,503	619,657	2,518,023	10,292,467	-	10,292,467
Program Fringe Benefits	-	112,607	-	-	112,607	-	112,607
Provider Fringe Benefits	3,918,496	-	161,070	29,049	4,108,615	-	4,108,615
Contract Services Fringe Benefits	90,522	-	3,322	11,885	105,729	-	105,729
Contract Provider Fringe Benefits	37,102	-	-	-	37,102	-	37,102
Incentive Fund	15,126	-	-	9,224	24,350	-	24,350
SUI	479,874	-	-	63,329	543,203	-	543,203
Continuing Education	52,549	-	38,945	3,000	94,494	-	94,494
Miscellaneous Employee Expense	-	-	-	24,632	24,632	-	24,632
Total Employee Related Expenses	58,814,633	3,905,313	3,879,788	14,745,292	81,345,026	-	81,345,026
OTHER OPERATING EXPENSES							
Purchased Services	3,900,922	167,101	17,410	1,133,802	5,219,235	20,885	5,240,120
Contract Services	1,208,227	-	10,006	860,307	2,078,540	-	2,078,540
Contract Salaries	-	794,036	-	-	794,036	-	794,036
Salaries Foster Parents	-	-	244,444	-	244,444	-	244,444
Meals and Entertainment	27,644	-	-	23,780	51,424	-	51,424
Unallowed Costs	1,288	(357,078)	-	59,472	(296,318)	-	(296,318)
Contributions	-	-	-	58,486	58,486	-	58,486
Public Relations	297,951	-	100	472,964	771,015	-	771,015
Computer Services	259,786	1,168	-	1,786,692	2,047,646	-	2,047,646
Locum Expense	1,337,562	-	-	6,188	1,343,750	-	1,343,750
Basic Health Program	207	-	-	-	207	2,050,531	2,050,738
Building Costs	1,557,855	118,897	86,537	436,930	2,200,219	-	2,200,219

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Supporting	Subtotal	Agena	Total
	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Management and General			
OTHER OPERATING EXPENSES (CONTINUED)							
Supplies	\$ 4,128,947	\$ 166,345	\$ 36,460	\$ 262,210	\$ 4,593,962	\$ -	\$ 4,593,962
Publications and Subscriptions	5,191	-	-	52,738	57,929	-	57,929
Community Events	7,209	-	-	21	7,230	-	7,230
Drug Supplies	4,615,218	-	-	-	4,615,218	-	4,615,218
Postage	-	-	-	366,865	366,865	-	366,865
Travel and Training	516,652	193,850	41,047	372,827	1,124,376	-	1,124,376
Travel and Training Foster Parents	-	-	19,399	-	19,399	-	19,399
Board Expense	-	-	-	59,645	59,645	-	59,645
Telephone	880,109	42,711	38,627	191,928	1,153,375	-	1,153,375
Equipment	729,936	33,497	6,169	128,071	897,673	-	897,673
Safety	101	-	-	855	956	-	956
Equipment Lease	229,610	-	-	87,449	317,059	-	317,059
Repairs and Maintenance	742,136	11,968	7,483	87,042	848,629	-	848,629
Dues and Licenses	162,755	625	4,715	136,404	304,499	-	304,499
Insurance	1,373,258	15,132	66,601	206,457	1,661,448	-	1,661,448
Recruitment	496,842	-	498	456,937	954,277	-	954,277
Flex Fund	-	-	6,917	-	6,917	-	6,917
Client Expense	-	-	1,730	-	1,730	-	1,730
Interest Expense	328,666	-	-	-	328,666	-	328,666
Bad Debt	1,169,458	-	72,093	-	1,241,551	-	1,241,551
Accounting Services	-	-	-	70,925	70,925	-	70,925
Legal Services	5,750	-	-	170,831	176,581	150	176,731
Total Other Operating Expenses	23,983,280	1,188,252	660,236	7,489,826	33,321,594	2,071,566	35,393,160
REVENUE SALES TAX	238,936	-	2,950	7,888	249,774	-	249,774
MISCELLANEOUS	-	2,349,765	-	-	2,349,765	-	2,349,765
DEPRECIATION	3,627,573	8,650	71,959	1,564,238	5,272,420	-	5,272,420
Total Functional Expenses	\$ 86,664,422	\$ 7,451,980	\$ 4,614,933	\$ 23,807,244	\$ 122,538,579	\$ 2,071,566	\$ 124,610,145

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash Received from Services and Grant Revenue	\$ 88,056,355	\$ 7,639,072	\$ 8,221,974	\$ (1,741,659)	\$ 102,175,742	\$ 1,739,931	\$ -	\$ 103,915,673
Cash Paid to Suppliers and Employees	(81,705,909)	(7,771,553)	(8,633,501)	1,741,659	(96,369,304)	(3,971,556)	-	(100,340,860)
Interest Paid	(328,666)	-	-	-	(328,666)	-	-	(328,666)
Interest Received	2,990,673	-	8,427	-	2,999,100	540,761	-	3,539,861
Net Cash Provided (Used) by Operating Activities	9,012,453	(132,481)	(403,100)	-	8,476,872	(1,690,864)	-	6,786,008
CASH FLOWS FROM INVESTING ACTIVITIES								
Additions to Land, Buildings, and Equipment	(7,603,893)	-	(38,265)	-	(7,642,158)	-	-	(7,642,158)
Cash Received on Notes Receivable	-	-	2,368	-	2,368	-	-	2,368
Purchase of Investments	(44,230,503)	-	-	-	(44,230,503)	(6,380,364)	-	(50,610,867)
Cash Received from Sale of Investments	42,705,159	-	-	-	42,705,159	5,797,233	-	48,502,392
Cash Received from Sale of Fixed Assets	26,850	-	-	-	26,850	-	-	26,850
Net Cash Used by Investing Activities	(9,102,387)	-	(35,897)	-	(9,138,284)	(583,131)	-	(9,721,415)
CASH FLOWS FROM FINANCING ACTIVITIES								
Payments of Long-Term Debt	(1,445,533)	-	-	-	(1,445,533)	-	-	(1,445,533)
NET DECREASE IN CASH AND CASH EQUIVALENTS								
	(1,535,467)	(132,481)	(438,997)	-	(2,106,945)	(2,273,995)	-	(4,380,940)
Cash and Cash Equivalents - Beginning of Year	18,032,183	132,831	440,197	-	18,605,211	5,484,852	-	24,090,063
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,496,716</u>	<u>\$ 350</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 16,498,266</u>	<u>\$ 3,210,857</u>	<u>\$ -</u>	<u>\$ 19,709,123</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Increase (Decrease) in Net Assets	\$ 23,142	\$ (1,290,437)	\$ 2,211,053	\$ -	\$ 943,758	\$ 58,304	\$ -	\$ 1,002,062
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:								
Depreciation	5,191,811	8,650	71,959	-	5,272,420	-	-	5,272,420
Realized and Unrealized Loss on Investments	490,788	-	-	-	490,788	160,069	-	650,857
Gain on Sale of Asset	(5,636)	-	-	-	(5,636)	-	-	(5,636)
Amortization of Bonds	1,451,354	-	-	-	1,451,354	-	-	1,451,354
Increase (Decrease) in Cash Due to Changes in Assets and Liabilities:								
Patient Receivables	(1,483,358)	-	68,113	-	(1,415,245)	-	-	(1,415,245)
Grant Receivable	209,410	(39,347)	98,799	-	268,862	-	-	268,862
Due from Related Party	(850,168)	-	(2,512,280)	3,362,438	(10)	-	-	(10)
Pledge Receivables	-	-	-	-	-	(1,900,000)	1,900,000	-
Receivable - HRSA	(20,061,909)	-	-	-	(20,061,909)	-	-	(20,061,909)
Other Receivables	(250,329)	214,796	-	-	(35,533)	(9,247)	-	(44,780)
Estimated Third-Party Payer Settlements	(867,946)	-	-	-	(867,946)	-	-	(867,946)
Inventory	(52,323)	(20,321)	-	-	(72,644)	-	-	(72,644)
Prepaid Expenses	(53,643)	(7,399)	(8,086)	-	(69,128)	-	-	(69,128)
Checks in Excess of Bank Balance	-	64,649	5,966	-	70,615	-	-	70,615
Accounts Payable	3,109,059	(236,316)	23,983	-	2,896,726	-	-	2,896,726
Pledge Payable	1,900,000	-	-	-	1,900,000	-	(1,900,000)	-
Due to Related Party	2,173,442	1,188,996	-	(3,362,438)	-	10	-	10
Accrued Expenses	2,939,921	18,478	(362,607)	-	2,595,792	-	-	2,595,792
Deferred Revenue - HRSA	18,372,212	-	-	-	18,372,212	-	-	18,372,212

**YAKIMA VALLEY FARM WORKERS CLINIC
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED MARCH 31, 2012
(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (CONTINUED)								
Increase (Decrease) in Cash Due to Changes in Assets and Liabilities (Continued):								
Deferred Revenue	\$ 2,000	\$ (34,230)	\$ -	\$ -	\$ (32,230)	\$ -	\$ -	\$ (32,230)
Basic Health Plan Reserve	(1,704,004)	-	-	-	(1,704,004)	-	-	(1,704,004)
Professional Liability Reserve	(1,521,370)	-	-	-	(1,521,370)	-	-	(1,521,370)
Total Adjustments	<u>8,989,311</u>	<u>1,157,956</u>	<u>(2,614,153)</u>	<u>-</u>	<u>7,533,114</u>	<u>(1,749,168)</u>	<u>-</u>	<u>5,783,946</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,012,453</u>	<u>\$ (132,481)</u>	<u>\$ (403,100)</u>	<u>\$ -</u>	<u>\$ 8,476,872</u>	<u>\$ (1,690,864)</u>	<u>\$ -</u>	<u>\$ 6,786,008</u>



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Yakima Valley Farm Workers Clinic
Toppenish, Washington

We have audited the consolidated financial statements of Yakima Valley Farm Workers Clinic (the Clinic) as of and for the year ended March 31, 2012, and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Clinic is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Clinic's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clinic's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clinic's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Yakima Valley Farm Workers Clinic in a separate letter dated December 21, 2012.

This report is intended solely for the information and use of management, the board of directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Yakima, Washington
December 21, 2012



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Board of Directors
Yakima Valley Farm Workers Clinic
Toppenish, Washington

Compliance

We have audited Yakima Valley Farm Workers Clinic's (the Clinic) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Clinic's major federal programs for the year ended March 31, 2012. The Clinic's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Clinic's management. Our responsibility is to express an opinion on the Clinic's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Clinic's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Clinic's compliance with those requirements.

In our opinion, Yakima Valley Farm Workers Clinic complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2012.

Internal Control Over Compliance

Management of the Clinic is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Clinic's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clinic's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management of the Clinic in a separate letter dated December 21, 2012.

This report is intended solely for the information and use of management, the board of directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Yakima, Washington
December 21, 2012

**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2012**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	_____	X	_____	no
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	yes	_____	X	_____	none reported
Noncompliance material to financial statements noted?	_____	yes	_____	X	_____	no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	yes	_____	X	_____	no
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	yes	_____	X	_____	none reported

Type of auditors’ report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	_____	X	_____	no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.416	ARRA - Health Careers Opportunity Program
93.526	Capital Development
93.568	Low Income Home Energy Assistance Program
81.042	Weatherization Assistance for Low Income Persons

Dollar threshold used to distinguish between type A and type B programs:	_____	\$792,708
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Auditee qualified as low-risk auditee?	_____	X	_____	yes	_____	no
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**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED MARCH 31, 2012**

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CLINICS
YEAR ENDED MARCH 31, 2012**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
Department of Health and Human Services:				
Community Health Centers	93.224	H80CS00639-10-01	\$ 2,750,829	\$ 1,119,329
Community Health Centers	93.224	H80CS00639-10-02	7,454,852	7,454,852
Community Health Centers	93.224	H80CS00639-11-00	1,871,225	48,741
IDS - ARRA - Increased Demand for Services	93.703	C81CS14407	2,500,000	30,680
ARRA - Health Careers Opportunity Program	93.416	D1HHP15678-01-00	976,747	366,990
Capital Development	93.526	C8ACs21303AC	12,000,000	4,386,371
Spanish Language Parent Education	93.590	90CA173102	133,519	-
Spanish Language Parent Education	93.590	90CA173103	175,724	120,853
Spanish Language Parent Education	93.590	90CA178701	138,926	29,982
Enhanced Yakima County Nurse Family Partnership Program at CV	93.670	90CA175604	506,991	231,280
Enhanced Yakima County Nurse Family Partnership Program at CV	93.670	90CA175605	400,000	193,906
Postdoctoral Training in General, Pediatric, and Public Health Dentistry	93.884	D88HP20110AO	263,565	105,197
Residency Training in General and Pediatric Dentistry	93.884	D88HP20110-02-00	266,620	225,983
Rural Health Care Services Outreach Grant Program	93.912	D04RH12750-02-01	155,726	21,759
Rural Health Care Services Outreach Grant Program	93.912	D04RH12750-03-01	165,761	117,537
Rural Health Network Development Program	93.912	D06RH09548-03-01	236,897	73,320
Rural Health Performance Improvement	93.912	G20RH19286A0	100,000	7,529
Rural Health Performance Improvement	93.912	G20RH19286A0	100,000	72,081
OP Early Intervention Services to HIV Disease	93.918	H76HA001199-17-00	347,315	92,860
OP Early Intervention Services to HIV Disease	93.918	H76HA001199-19-00	347,315	239,145
Subtotal Direct Programs			30,892,012	14,938,395
 <i>Passed through Columbia Basin Health Association:</i>				
Rural Health Workforce Development Program	93.912	G98RH19718	77,951	23,850
 <i>Passed through University of Washington:</i>				
HIV Intervention	93.145	654929	125,000	43,228
HIV Intervention	93.145	722614	118,519	70,669
Aggravating Factors of Asthma in a Rural Environment	93.113	667689-1	161,350	46,458
Subtotal Passed through Program			404,869	160,355

**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CLINICS (CONTINUED)
YEAR ENDED MARCH 31, 2012**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
Department of Health and Human Services (Continued):				
<i>Passed through Yakima Health District:</i>				
HIV Intervention	93.917	N18877	\$ 131,904	\$ 131,904
<i>Passed through Yakima Valley Memorial Hospital:</i>				
Maternal Child Health Program	93.994/93.110	N/A	69,520	51,956
Subtotal Passed through Program				
<i>Passed through National Association of Community Health Centers:</i>				
Americorp Healthcare	94.006	10EDHMD002	134,225	76,721
Americorp Healthcare	94.006	10EDHMD0020037	82,200	31,029
Subtotal Passed through Program			216,425	107,750
<i>Passed through Washington State Department of Health:</i>				
ARRA - IIS-HER Enhanced Operability	93.712	138464	35,000	-
HRSA Grants to States to Support Oral Health	93.236	N18063-3	78,000	66,216
ARRA - Capital Equipment for Training Dental Professionals	93.411	N18760	40,524	40,510
Subtotal Passed through Program			153,524	106,726
<i>Passed through Yakima County, Department of Community Services:</i>				
Substance Abuse & Mental Health Services Administration Project Launch	93.243	PL-FW-11	92,694	51,872
Substance Abuse & Mental Health Services Administration Project Launch	93.243	PL-FW-12	64,781	31,040
Subtotal Passed through Program			157,475	82,912
<i>Passed through State of Washington, Department of Commerce</i>				
Ombudsman Program	93.042	N/A	40,406	5,648
Ombudsman Program	93.042	N/A	50,828	25,222
Subtotal Passed through Program			91,234	30,870

**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CLINICS (CONTINUED)
YEAR ENDED MARCH 31, 2012**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
Department of Health and Human Services (Continued):				
<i>Passed through State of Oregon, Department of Human Services:</i>				
Immunization Program	93.268	131416-1	\$ 18,321	\$ 18,321
Children's Health Equity Outreach Project	93.767	131819	200,000	84,948
Subtotal Passed through Program			<u>218,321</u>	<u>103,269</u>
<i>Passed through Seattle-King County:</i>				
HIV Intervention	93.153	D40404D	108,176	43,938
HIV Intervention	93.153	N19054	108,176	67,432
Subtotal Passed through Program			<u>216,352</u>	<u>111,370</u>
Total Department of Health and Human Services			<u>32,629,587</u>	<u>15,849,357</u>
Centers for Disease Control and Prevention:				
<i>Passed through Fred Hutchinson Cancer Research Center:</i>				
Intervention to Increase Screening for Cervical Cancer in Women of Mexican Descent	93.397	726092	32,856	14,963
Intervention to Increase Screening for Cervical Cancer in Women of Mexican Descent	93.397	699159	19,026	17,349
			<u>51,882</u>	<u>32,312</u>
Department of Agriculture:				
<i>Passed through Washington State Department of Health:</i>				
WIC	10.557	N18668 (1)	5,063,934	2,113,641
<i>Passed through State of Oregon, Department of Human Services:</i>				
WIC	10.557	132059-4	1,561,573	557,791
WIC	10.557	135600	1,568,939	1,107,825
Total Department of Agriculture			<u>8,194,446</u>	<u>3,779,257</u>
Total Expenditures of Federal Awards for the Clinics			<u>\$ 40,875,915</u>	<u>\$ 19,660,926</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NORTHWEST COMMUNITY ACTION CENTER
YEAR ENDED MARCH 31, 2012**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
Department of Health and Human Services:				
<i>Passed through State of Washington, Department of Commerce</i>				
Low Income Home Energy Assistance Program - Weatherization	93.568	11-32106-073	\$ 1,910,176	\$ 1,142,062
Low Income Home Energy Assistance Program - Weatherization	93.568	12-32106-073	1,533,502	885,121
Low Income Home Energy Assistance Program - Weatherization	93.568	F11-43101-425	242,495	49,924
Community Service Block Grant	93.569	F12-32100-030	244,972	-
Community Service Block Grant	93.569	F11-32100-030	114,520	103,734
Community Service Block Grant	93.569	F10-32100-031	125,216	60,340
Subtotal Passed through Program			4,170,881	2,241,181
<i>Passed through South Central Workforce Development Council:</i>				
Community Jobs	93.558	SCWDC-PY10-WF-FWC	1,054,308	270,649
Community Jobs	93.558	SCWDC-PY11-WF-FWC	841,721	628,392
Subtotal Passed through Program			1,896,029	899,041
<i>Passed through Washington State Department of Health:</i>				
Basic Food & Nutrition	10.561	1013-11663	25,000	315
Basic Food & Nutrition	10.561	1113-38235	37,500	965
Basic Food & Nutrition	10.561	Program No. 4200, 2010-2011	34,001	14,957
Basic Food & Nutrition	10.561	Program No. 4200, 2011-2012	7,899	3,758
Subtotal Passed through Program			104,400	19,995
Total Department of Health and Human Services			6,171,310	3,160,217

YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NORTHWEST COMMUNITY ACTION CENTER (CONTINUED)
YEAR ENDED MARCH 31, 2012

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
Department of Labor:				
<i>Passed through South Central Workforce Council:</i>				
Workforce Investment Act	17.259	SCWDC-PY10-WIAY-NCAC	\$ 375,522	\$ 106,719
Workforce Investment Act	17.259	SCWDC-PY11-WIAY-NCAC	345,527	278,424
Total Department of Labor			<u>721,049</u>	<u>385,143</u>
Department of Housing and Urban Development:				
<i>Passed through Yakima County Department of Community Services:</i>				
ARRA - Homeless Prevention & Rapid Re-Housing Program	14.257	HPRP PHAA NCAC 1	275,712	42,209
Emergency Shelter Homelessness Prevention Program	14.231	10-46000-235	395,090	85,109
Total Department of Housing and Urban Development			<u>670,802</u>	<u>127,318</u>
Department of Education:				
<i>Passed through OSPI:</i>				
OSPI 21st Century	84.287	993531	734,437	274,504
OSPI 21st Century	84.287	993561	681,733	412,501
OSPI 21st Century	84.287	993632	361,670	141,190
OSPI 21st Century	84.287	993662	337,900	204,474
OSPI 21st Century	84.287	993745	513,704	183,194
OSPI 21st Century	84.287	993771	514,359	314,264
OSPI 21st Century	84.287	993811	106,908	61,816
OSPI 21st Century	84.287	993861	120,619	58,240
Supplemental Educational Services Provider	84.010	N/A	Max 1,607 p/student	5,671
Supplemental Educational Services Provider	84.010	N/A	<u>Max 1,424 p/student</u>	<u>772</u>
Subtotal Passed through Program			<u>3,371,330</u>	<u>1,656,626</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NORTHWEST COMMUNITY ACTION CENTER (CONTINUED)
YEAR ENDED MARCH 31, 2012**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
Department of Education (Continued):				
<i>Passed through Sunnyside School District No. 201:</i>				
Rural Tri-District Consortium - High School Graduation Initiative Program	84.360A	Sunnyside S.D./NCAC	\$ 710,648	\$ 289,600
Rural Tri-District Consortium - High School Graduation Initiative Program	84.360A	Sunnyside S.D./NCAC	804,314	298,741
Subtotal Passed through Program			<u>1,514,962</u>	<u>588,341</u>
Total Department of Education			<u>4,886,292</u>	<u>2,244,967</u>
Department of Energy:				
<i>Passed through State of Washington, Department of Commerce</i>				
Weatherization Assistance for Low Income Persons	81.042	F09-43103-425	383,727	84,763
Weatherization Assistance for Low Income Persons - ARRA	81.042	F09-431AR-425	1,440,449	479,244
Total Department of Energy			<u>1,824,176</u>	<u>564,007</u>
Total Expenditures of Federal Awards for Northwest Community Action Center			<u>\$ 14,273,629</u>	<u>\$ 6,481,652</u>

**YAKIMA VALLEY FARM WORKERS CLINIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – BEHAVIORAL HEALTH SERVICES
YEAR ENDED MARCH 31, 2012**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
Department of Health and Human Services:				
<i>Passed through Yakima County, Department of Community Services:</i>				
System of Care	93.104	N/A	\$ 174,220	\$ 39,042
System of Care	93.104	N/A	358,440	145,846
Project Launch	93.243	PL-FW-11	100,453	49,444
Project Launch	93.243	PL-FW-12	98,401	44,380
Chemical Dependency Treatment	93.959	CDE FY 2012	7,200	2,324
Total Expenditures of Federal Awards for Behavioral Health Services			738,714	281,036
Total Consolidated Federal Awards			\$ 55,888,258	\$ 26,423,614

**YAKIMA VALLEY FARM WORKERS CLINIC
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2012**

NOTE A Significant Accounting Policies

The schedules of expenditures of federal awards are prepared on the same basis of accounting as the basic consolidated financial statements.

NOTE B Program or Award Amount

Award amount represents the total grant award.

NOTE C Expenditures

This column reports grant expenditures incurred during the year.

**YAKIMA VALLEY FARM WORKERS CLINIC
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MARCH 31, 2012**

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters noted.