

**YAKIMA VALLEY FARM WORKERS CLINIC**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED MARCH 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Yakima Valley Farm Workers Clinic  
Toppenish, Washington

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Yakima Valley Farm Workers Clinic (the Clinic), a nonprofit organization, which comprise the consolidated statement of financial position as of March 31, 2014, and the related consolidated statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Clinic as of March 31, 2014, and the change 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.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the related consolidating statements of activities and changes in net assets, functional expenses, and cash flows are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The schedules of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are also presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. The consolidating statement of financial position and the related consolidating statements of activities and changes in net assets, functional expenses, and cash flows, and the schedules of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such 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 information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2014, on our consideration of the 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 result 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* in considering the Clinic's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Yakima, Washington  
October 3, 2014

**YAKIMA VALLEY FARM WORKERS CLINIC  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents, Unrestricted	\$ 12,577,890
Restricted Cash	3,556,403
Receivables:	
Patients, Net	9,259,293
Grants	1,622,180
Other	6,969,827
Estimated Third-Party Payer Settlements	3,286,026
Inventory	709,280
Prepaid Expenses	701,856
Total Current Assets	<u>38,682,755</u>

**INVESTMENTS**

18,545,186

**ASSETS WHOSE USE IS LIMITED**

64,882,869

**LAND, BUILDINGS, AND EQUIPMENT**

Land	\$ 6,631,479	
Buildings and Building Improvements	77,731,517	
Furniture, Fixtures, and Equipment	20,851,091	
Construction in Progress	5,538,184	
Total	<u>110,752,271</u>	
Less: Accumulated Depreciation	<u>(57,534,057)</u>	
Total Land, Buildings, and Equipment		<u>53,218,214</u>
 Total Assets		 <u><u>\$ 175,329,024</u></u>

See accompanying Notes to Consolidated Financial Statements.

## LIABILITIES AND NET ASSETS

### CURRENT LIABILITIES

Accounts Payable		\$ 3,331,932
Accrued Expenses:		
Vacation		3,834,204
Payroll		6,113,798
Other		20,292,100
Deferred Revenue - Other		13,124
Current Maturities of Long-Term Debt		<u>1,884,309</u>
Total Current Liabilities		<u>35,469,467</u>

### LONG-TERM DEBT

Long-Term Debt, Less Current Maturities		<u>8,582,954</u>
Total Liabilities		<u>44,052,421</u>

### NET ASSETS

Unrestricted	\$ 66,393,734	
Board Designated, Unrestricted	<u>64,882,869</u>	
Total Net Assets		<u>131,276,603</u>

Total Liabilities and Net Assets		<u><u>\$ 175,329,024</u></u>
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**YAKIMA VALLEY FARM WORKERS CLINIC  
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
YEAR ENDED MARCH 31, 2014**

**REVENUE**

Net Patient Service Revenue		\$ 100,949,309
Grant Revenue:		
Department of Health and Human Services	\$ 13,625,763	
PHP Intergovernmental	1,772,166	
Other	16,317,496	
Total Grant Revenue		31,715,425
Other Revenue:		
Investment Income	2,758,740	
Realized Loss on Investments	(1,282,987)	
Unrealized Loss on Investments	(82,190)	
Other Clinic Revenue	(25,206)	
Other	5,922,747	
Donated Revenue	42,651	
Meaningful Use	1,563,174	
Total Other Revenue		8,896,929
Total Revenue		141,561,663

**EXPENSES**

Program Services:		
Yakima Valley Farm Workers Clinic	96,025,106	
Northwest Community Action Center	6,942,529	
Behavioral Health Services	4,630,622	
Supporting Services:		
Management and General	31,950,874	
Agena	482,414	
Total Expenses		140,031,545

**INCREASE IN NET ASSETS**

1,530,118

Net Assets - Beginning of Year

129,746,485

**NET ASSETS - END OF YEAR**

\$ 131,276,603

*See accompanying Notes to Consolidated Financial Statements.*

**YAKIMA VALLEY FARM WORKERS CLINIC  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Services and Grant Revenue	\$ 136,946,213
Cash Paid to Suppliers and Employees	(128,471,427)
Interest Paid	(290,234)
Interest Received	3,008,090
Other Receipts	<u>(87,565)</u>
Net Cash Provided by Operating Activities	<u>11,105,077</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Changes to Land, Buildings, and Equipment	\$	(6,548,318)
Cash Received on Notes Receivable		4,138
Purchase of Investments		(51,955,456)
Sale of Investments		<u>44,404,016</u>
Net Cash Used by Investing Activities		(14,095,620)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments on Long-Term Debt	<u>(820,043)</u>
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**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(3,810,586)

Cash and Cash Equivalents - Beginning of Year

19,944,879

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 16,134,293

*See accompanying Notes to Consolidated Financial Statements.*

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

Increase in Net Assets		\$ 1,530,118
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	\$ 5,468,392	
Loss on Investments	1,365,177	
Accrued Interest on Investment	(11,250)	
(Increase) Decrease in Cash Due to Changes in Assets:		
Patient Receivables	(1,807,342)	
Grant Receivables	593,917	
Due from Related Party	17,300,430	
Receivable - HRSA	438,077	
Other Receivables	(2,564,648)	
Estimated Third-Party Payer Settlements	320,466	
Inventory	(101,633)	
Prepaid Expenses	122,955	
Increase (Decrease) in Cash Due to Changes in Liabilities:		
Checks Written in Excess of Bank Balance	(67,721)	
Accounts Payable	146,187	
Due to Related Party	(17,300,430)	
Accrued Expenses	5,751,704	
Deferred Revenue - Other	(29,322)	
Basic Health Plan Reserve	(50,000)	
Total Adjustments	<u>9,574,959</u>	
Net Cash Provided by Operating Activities		<u>\$ 11,105,077</u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**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, 2014, the Clinic had \$16,471,166 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 \$1,365,177 for the year ended March 31, 2014.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**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, 2014, an allowance for doubtful accounts of approximately \$23,258,000 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 Medical 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 Medicaid Services audit of the Department of Social and Health Services (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 DSHS 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.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Medicaid Funding (Continued)**

The difference for payments from January 1 through June 30, 2009 was addressed in a reconciliation that took place in September 2010. The current impact at March 31, 2014, using the Clinic's selected alternative payment methodology, is estimated at \$15,263,933 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, 2014, 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, 2014, the Clinic had no permanently restricted net assets.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Estimates**

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**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, 2014, 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. The Clinic is no longer subject to income tax examinations by tax authorities for years before 2011.

**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 October 3, 2014, 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 consolidated financial statements.

**YAKIMA VALLEY FARM WORKERS CLINIC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**NOTE 2 CONSOLIDATED ENTITIES (CONTINUED)**

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.

**NOTE 3 RESTRICTED CASH**

Restricted cash was composed of the following at March 31, 2014:

Medical Reserve	\$ 2,054,934
Molina Security Reserve	<u>1,501,469</u>
Total	<u><u>\$ 3,556,403</u></u>

**NOTE 4 INVESTMENTS**

Market value is determined by quoted market prices. Investments consisted of the following at March 31, 2014:

Corporate Bonds/Notes	\$ 63,780,740
U.S. Government Securities	18,914,587
Other Securities	<u>732,728</u>
Total	<u><u>\$ 83,428,055</u></u>

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

Investments	\$ 18,545,186
Assets Whose Use is Limited	<u>64,882,869</u>
Total	<u><u>\$ 83,428,055</u></u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 4 INVESTMENTS (CONTINUED)**

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.

*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, 2014:

	Level 1	Level 2	Level 3	Total
Corporate Debt Securities	\$ 63,780,740	\$ -	\$ -	\$ 63,780,740
U.S. Government Securities	18,914,587	-	-	18,914,587
Other Securities	732,728	-	-	732,728
Total	<u>\$ 83,428,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,428,055</u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 5 ASSETS WHOSE USE IS LIMITED, DESIGNATED BY BOARD**

As of March 31, 2014, the composition of assets whose use is limited designated by the board was as follows:

Capital Improvements	\$ 26,798,807
Ninety Days Operating Reserves	35,000,000
Employee Health Care Plan	3,813,197
Executive Benefit Plan	1,325,799
Total	<u>66,937,803</u>
Less: Employee Health Care Plan Held in Restricted Cash	(2,054,934)
Total Designated by the Board	<u><u>\$ 64,882,869</u></u>

**NOTE 6 OTHER RECEIVABLES**

Other receivables include a \$3 million receivable from Pacific Northwest University of Health Sciences (the University) to Agena. On June 28, 2012, Agena provided a \$3 million unsecured promissory note to the University to be used to fund construction of the auditorium addition to Butler-Haney Hall. The Clinic recognizes \$11,250 of interest monthly and the note matures December 31, 2015. The remaining balance for other receivables 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.

**NOTE 7 CONSTRUCTION IN PROGRESS**

Included with land, buildings, and equipment is \$5,538,184 of construction in progress as of March 31, 2014. This balance is primarily comprised of the costs associated with the remodel of the Toppenish and Sunnyside clinic locations. As of March 31, 2014, approximately \$110,000 was committed to be paid on existing and future projects.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 8 LONG-TERM DEBT**

Long-term debt at March 31, 2014, consisted of the following:

Revenue Bonds Payable with Bank of America, Dated March 22, 2007, with Monthly Principal Payments and Varying Interest Payments at the Tax-Exempt LIBOR Rate, (1.8925% at March 31, 2014); Collateralized by Real Estate, Due April 1, 2018	\$ 5,288,331
Revenue Bonds Payable with Bank of America, Dated March 17, 2004, with \$24,267 Monthly Principal Payments and Varying Interest Payments at the Tax-Exempt LIBOR Rate, (1.8925% at March 31, 2014); Collateralized by Real Estate, Due February 2015	1,596,283
Revenue Bonds Payable with Bank of America, Dated November 13, 2008, with Monthly Principal Payments and Varying Interest Payments at the Tax-Exempt LIBOR Rate, (3.45% at March 31, 2014); in Equal Combined Installments of \$20,955; Collateralized by Real Estate, Due November 1, 2018	<u>3,582,649</u>
Total	<u>10,467,263</u>
Less: Current Maturities	<u>1,884,309</u>
Total Long-Term Debt	<u><u>\$ 8,582,954</u></u>

Maturities of long-term debt are as follows:

Year Ending March 31,	Amount
2015	\$ 1,884,309
2016	296,278
2017	306,434
2018	316,417
2019	<u>7,663,825</u>
Total	<u><u>\$ 10,467,263</u></u>

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

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**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. 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 Options' 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 Options 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 prepaid balances or receivables exist.

**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.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)**

**Patient Pay (Continued)**

Gross revenues by major payer type and contractual adjustments and write-offs were as follows for the year ended March 31, 2014:

Basic Health Plan	\$ 1,025,164
Medicare	14,866,063
Medicaid	62,513,841
Insurance	26,645,321
Patient, Self-Pay	20,032,517
Healthy Options	<u>18,994,764</u>
Gross Patient Revenue	144,077,670
Less: Contractual Allowances and Write-Offs	<u>(43,128,361)</u>
Net Patient Service Revenue	<u><u>\$ 100,949,309</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 calendar year 2013 was \$1,612,429.

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, 2014 was \$1,075,385.

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, 2014 was \$114,540.

The Clinic has a self-insured medical plan for its employees. The plan has a \$300,000 stop-loss provision. Incurred but not reported claims of \$3,813,197 exist at March 31, 2014, and have been included in the accompanying consolidated financial statements in other accrued expenses. The insurance premium expense for the year ended March 31, 2014 was \$10,157,642.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 12 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 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.

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 13 DEFERRED COMPENSATION PLAN**

In addition to profit-sharing ERISA plans for all eligible nonprovider employees, the Clinic 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 10 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.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 13 DEFERRED COMPENSATION PLAN (CONTINUED)**

- A deferred compensation plan for dentists that includes a variable universal life insurance account. For the first 10 years of the dentist'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.
- For senior managers, the Clinic provides a nonqualified 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 ended April 2013 whereby the executive director became fully vested in the retention bonus. The board of directors initiated an extension of the employment agreement for an additional five-year period ending April 2018 and established a second deferred compensation retention bonus plan, whereby the executive director will be fully vested at the end of the five-year period.

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

The Clinic leases facilities throughout Washington. The leases on these facilities have various remaining lease terms with various options to renew. Lease expense under these leases for the year ended March 31, 2014 was \$1,372,194.

The following is a schedule of future minimum lease payments required under the lease agreements:

<u>Year Ending March 31,</u>	<u>Amount</u>
2015	\$ 1,127,633
2016	1,000,263
2017	946,658
2018	834,719
2019	826,595
Thereafter	4,456,053
Total	<u>\$ 9,191,921</u>

**YAKIMA VALLEY FARM WORKERS CLINIC**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2014**  
(SEE INDEPENDENT AUDITORS' REPORT)

	Yakima Valley Farm Workers Clinic	Agena	Eliminating Entries	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents, Unrestricted	\$ 8,863,999	\$ 3,713,891	\$ -	\$ 12,577,890
Restricted Cash	3,556,403	-	-	3,556,403
Receivables:				
Patients, Net	9,259,293	-	-	9,259,293
Grants	1,622,180	-	-	1,622,180
Pledge Receivables	-	7,754,733	(7,754,733)	-
Other	3,958,577	3,011,250	-	6,969,827
Estimated Third-Party Payer Settlements	3,286,026	-	-	3,286,026
Inventory	709,280	-	-	709,280
Prepaid Expenses	701,856	-	-	701,856
Total Current Assets	<u>31,957,614</u>	<u>14,479,874</u>	<u>(7,754,733)</u>	<u>38,682,755</u>
<b>INVESTMENTS</b>	13,227,662	5,317,524	-	18,545,186
<b>ASSETS WHOSE USE IS LIMITED</b>	64,882,869	-	-	64,882,869
<b>LAND, BUILDINGS, AND EQUIPMENT</b>				
Land	6,631,479	-	-	6,631,479
Buildings and Building Improvements	77,731,517	-	-	77,731,517
Furniture, Fixtures, and Equipment	20,851,091	-	-	20,851,091
Construction in Progress	5,538,184	-	-	5,538,184
Total	<u>110,752,271</u>	<u>-</u>	<u>-</u>	<u>110,752,271</u>
Less: Accumulated Depreciation	<u>(57,534,057)</u>	<u>-</u>	<u>-</u>	<u>(57,534,057)</u>
Total Land, Buildings, and Equipment	<u>53,218,214</u>	<u>-</u>	<u>-</u>	<u>53,218,214</u>
 Total Assets	 <u>\$ 163,286,359</u>	 <u>\$ 19,797,398</u>	 <u>\$ (7,754,733)</u>	 <u>\$ 175,329,024</u>

	Yakima Valley Farm Workers Clinic	Agena	Eliminating Entries	Total
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 3,331,932	\$ -	\$ -	\$ 3,331,932
Pledge Payable	7,754,733	-	(7,754,733)	-
Accrued Expenses:				
Vacation	3,834,204	-	-	3,834,204
Payroll	6,113,798	-	-	6,113,798
Other	20,292,100	-	-	20,292,100
Deferred Revenue - Other	13,124	-	-	13,124
Current Maturities of Long-Term Debt	1,884,309	-	-	1,884,309
Total Current Liabilities	<u>43,224,200</u>	-	<u>(7,754,733)</u>	<u>35,469,467</u>
<b>LONG-TERM LIABILITIES</b>				
Long-Term Debt, Less Current Maturities	8,582,954	-	-	8,582,954
Total Liabilities	<u>51,807,154</u>	-	<u>(7,754,733)</u>	<u>44,052,421</u>
<b>NET ASSETS</b>				
Unrestricted	46,596,336	19,797,398	-	66,393,734
Board Designated, Unrestricted	64,882,869	-	-	64,882,869
Total Net Assets	<u>111,479,205</u>	<u>19,797,398</u>	<u>-</u>	<u>131,276,603</u>
Total Liabilities and Net Assets	<u>\$ 163,286,359</u>	<u>\$ 19,797,398</u>	<u>\$ (7,754,733)</u>	<u>\$ 175,329,024</u>

**YAKIMA VALLEY FARM WORKERS CLINIC**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2014**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
<b>REVENUE</b>								
Net Patient Service Revenue	\$ 95,942,155	\$ -	\$ 5,007,154	\$ -	\$ 100,949,309	\$ -	\$ -	\$ 100,949,309
Grant Revenue:								
Department of Health and Human Services	13,625,763	-	-	-	13,625,763	-	-	13,625,763
PHP Intergovernmental	-	-	1,772,166	-	1,772,166	-	-	1,772,166
Other	7,697,345	7,723,075	897,076	-	16,317,496	-	-	16,317,496
Total Grant Revenue	21,323,108	7,723,075	2,669,242	-	31,715,425	-	-	31,715,425
Other Revenue:								
Investment Income	2,424,976	-	-	-	2,424,976	333,764	-	2,758,740
Realized Loss on Investments	(1,104,577)	-	-	-	(1,104,577)	(178,410)	-	(1,282,987)
Unrealized (Loss) Gain on Investments	(87,565)	-	-	-	(87,565)	5,375	-	(82,190)
Other Clinic Revenue	(25,251)	-	45	-	(25,206)	-	-	(25,206)
Other	5,895,804	6,605	20,338	-	5,922,747	-	-	5,922,747
Donated Revenue	-	-	-	-	-	42,651	-	42,651
Meaningful Use	1,563,174	-	-	-	1,563,174	-	-	1,563,174
Intercompany Management Fees	1,802,095	-	-	(1,802,095)	-	-	-	-
Total Other Revenue	10,468,656	6,605	20,383	(1,802,095)	8,693,549	203,380	-	8,896,929
Total Revenue	127,733,919	7,729,680	7,696,779	(1,802,095)	141,358,283	203,380	-	141,561,663

**YAKIMA VALLEY FARM WORKERS CLINIC**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED MARCH 31, 2014**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
<b>EMPLOYEE-RELATED EXPENSES</b>								
Salaries	\$ 36,564,365	\$ 206,611	\$ 2,121,873	\$ -	\$ 38,892,849	\$ -	\$ -	\$ 38,892,849
Program Salaries	4,399,354	3,319,203	697,030	-	8,415,587	-	-	8,415,587
Provider Salaries	25,582,329	-	758,000	-	26,340,329	-	-	26,340,329
Contract Providers Salaries	564,640	-	-	-	564,640	-	-	564,640
Fringe Benefits	10,152,231	52,477	594,911	-	10,799,619	-	-	10,799,619
Program Fringe Benefits	1,240,889	855,628	204,165	-	2,300,682	-	-	2,300,682
Provider Fringe Benefits	4,428,186	-	132,272	-	4,560,458	-	-	4,560,458
Contract Services Fringe Benefits	76,123	(203)	(3)	-	75,917	-	-	75,917
Contract Provider Fringe Benefits	60,577	-	-	-	60,577	-	-	60,577
Incentive Fund	19,746	1,698	202	-	21,646	-	-	21,646
SUI	(1,195,617)	-	15,829	-	(1,179,788)	-	-	(1,179,788)
Continuing Education	64,691	-	13,313	-	78,004	-	-	78,004
Miscellaneous Employee Expense	(390,997)	1,930	4,667	-	(384,400)	-	-	(384,400)
Total Employee-Related Expenses	81,566,517	4,437,344	4,542,259	-	90,546,120	-	-	90,546,120
<b>OTHER OPERATING EXPENSES</b>								
Purchased Services	7,704,714	101,506	136,116	-	7,942,336	20,919	-	7,963,255
Contract Services	3,306,105	648,671	9,875	-	3,964,651	-	-	3,964,651
Contract Salaries	723,871	-	-	-	723,871	-	-	723,871
Salaries Foster Parents	-	-	192,401	-	192,401	-	-	192,401
Meals and Entertainment	229,889	9,250	2,943	-	242,082	-	-	242,082
Bank Fees	313,564	-	-	-	313,564	-	-	313,564
Unallowed Costs	161	532	2	-	695	-	-	695
Contributions	67,966	500	-	-	68,466	-	-	68,466
Public Relations	1,593,662	1,298	15,258	-	1,610,218	-	-	1,610,218
Computer Services	3,239,915	1,354	3,150	-	3,244,419	-	-	3,244,419
Locum Expense	1,470,430	-	-	-	1,470,430	-	-	1,470,430
Basic Health Program	81,901	-	-	-	81,901	461,460	-	543,361
Building Costs	1,004,027	41,675	39,333	-	1,085,035	-	-	1,085,035
Space Costs	1,116,178	196,159	59,859	-	1,372,196	-	-	1,372,196
Supplies	5,350,216	283,402	29,088	-	5,662,706	-	-	5,662,706
Publications and Subscriptions	21,638	3,697	169	-	25,504	-	-	25,504
Community Events	53,469	346	101	-	53,916	-	-	53,916

**YAKIMA VALLEY FARM WORKERS CLINIC**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED MARCH 31, 2014**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Eliminating Entries	Subtotal	Agena	Eliminating Entries	Total
<b>OTHER OPERATING EXPENSES (CONTINUED)</b>								
Drug Supplies	\$ 4,283,906	\$ -	\$ -	\$ -	\$ 4,283,906	\$ -	\$ -	\$ 4,283,906
Postage	272,155	3,788	2,199	-	278,142	-	-	278,142
Travel and Training	1,056,743	166,928	60,528	-	1,284,199	-	-	1,284,199
Travel and Training Foster Parents	-	-	1,157	-	1,157	-	-	1,157
Board Expense	68,182	-	-	-	68,182	-	-	68,182
Telephone	1,006,014	45,391	36,040	-	1,087,445	-	-	1,087,445
Equipment	1,185,682	34,295	44,424	-	1,264,401	-	-	1,264,401
Safety	47,963	-	-	-	47,963	-	-	47,963
Equipment Lease	315,975	13,699	14,829	-	344,503	-	-	344,503
Repairs and Maintenance	655,912	11,370	9,489	-	676,771	-	-	676,771
Dues and Licenses	224,688	2,897	12,629	-	240,214	-	-	240,214
Insurance	735,804	18,525	20,207	-	774,536	36	-	774,572
Recruitment	1,181,079	2,914	23,916	-	1,207,909	-	-	1,207,909
Flex Fund	-	-	3,982	-	3,982	-	-	3,982
Client Expense	(3)	400	38,004	-	38,401	-	-	38,401
Interest Expense	290,234	-	-	-	290,234	-	-	290,234
Bad Debt	864,414	-	-	-	864,414	-	-	864,414
Accounting Services	84,967	120	-	-	85,087	-	-	85,087
Legal Services	343,214	-	-	-	343,214	-	-	343,214
Management Fees	-	1,225,308	864,686	(1,802,095)	287,899	-	-	287,899
Property Taxes	92,265	124	3,493	-	95,882	-	-	95,882
Revenue Sales Tax	618,456	7,384	4,601	-	630,441	-	-	630,441
Miscellaneous	(4)	1,281,349	-	-	1,281,345	-	-	1,281,345
Depreciation	5,468,392	-	-	-	5,468,392	-	-	5,468,392
Total Other Operating Expenses	<u>45,073,744</u>	<u>4,102,882</u>	<u>1,628,479</u>	<u>(1,802,095)</u>	<u>49,003,010</u>	<u>482,415</u>	<u>-</u>	<u>49,485,425</u>
Total Expenses	<u>126,640,261</u>	<u>8,540,226</u>	<u>6,170,738</u>	<u>(1,802,095)</u>	<u>139,549,130</u>	<u>482,415</u>	<u>-</u>	<u>140,031,545</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	1,093,658	(810,546)	1,526,041	-	1,809,153	(279,035)	-	1,530,118
Net Assets (Deficit) - Beginning of Year	<u>106,506,035</u>	<u>(5,837,243)</u>	<u>9,001,260</u>	<u>-</u>	<u>109,670,052</u>	<u>20,076,433</u>	<u>-</u>	<u>129,746,485</u>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ 107,599,693</u>	<u>\$ (6,647,789)</u>	<u>\$ 10,527,301</u>	<u>\$ -</u>	<u>\$ 111,479,205</u>	<u>\$ 19,797,398</u>	<u>\$ -</u>	<u>\$ 131,276,603</u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MARCH 31, 2014  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Supporting Services		Total
	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Management and General	Agena	
<b>EMPLOYEE-RELATED EXPENSES</b>						
Salaries	\$ 23,889,727	\$ 25,400	\$ 1,806,032	\$ 13,171,690	\$ -	\$ 38,892,849
Program Salaries	4,175,606	3,318,587	697,029	224,365	-	8,415,587
Provider Salaries	25,112,754	-	758,000	469,575	-	26,340,329
Contract Providers Salaries	564,640	-	-	-	-	564,640
Fringe Benefits	7,292,149	-	513,479	2,993,991	-	10,799,619
Program Fringe Benefits	1,189,297	855,627	204,170	51,588	-	2,300,682
Provider Fringe Benefits	4,353,596	-	124,022	82,840	-	4,560,458
Contract Services Fringe Benefits	65,621	-	-	10,296	-	75,917
Contract Provider Fringe Benefits	60,578	-	-	(1)	-	60,577
Incentive Fund	13,554	-	125	7,967	-	21,646
SUI	201,447	-	-	(1,381,235)	-	(1,179,788)
Continuing Education	59,463	-	12,814	5,727	-	78,004
Miscellaneous Employee Expense	(441,762)	482	1,004	55,876	-	(384,400)
Total Employee-Related Expenses	66,536,670	4,200,096	4,116,675	15,692,679	-	90,546,120
<b>OTHER OPERATING EXPENSES</b>						
Purchased Services	4,395,284	49,051	50,077	3,447,925	20,918	7,963,255
Contract Services	474,927	648,666	7,967	2,833,091	-	3,964,651
Contract Salaries	654,143	-	-	69,728	-	723,871
Salaries Foster Parents	-	-	192,401	-	-	192,401
Meals and Entertainment	117,172	9,251	2,082	113,577	-	242,082
Bank Fees	-	-	-	313,564	-	313,564
Unallowed Costs	-	531	2	162	-	695
Contributions	37,000	500	-	30,966	-	68,466
Public Relations	811,609	1,298	4,498	792,813	-	1,610,218
Computer Services	778,520	1,059	914	2,463,926	-	3,244,419
Locum Expense	1,470,430	-	-	-	-	1,470,430
Basic Health Program	-	-	-	81,901	461,460	543,361
Space Costs	906,264	195,336	48,444	222,152	-	1,372,196
Building Costs	774,786	19,333	11,121	279,795	-	1,085,035

**YAKIMA VALLEY FARM WORKERS CLINIC  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
YEAR ENDED MARCH 31, 2014  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Supporting Services		Total
	Yakima Valley Farm Workers Clinic	Northwest Community Action Center	Behavioral Health Services	Management and General	Agena	
<b>OTHER OPERATING EXPENSES (CONTINUED)</b>						
Supplies	\$ 4,774,535	\$ 270,534	\$ 12,598	\$ 605,039	\$ -	\$ 5,662,706
Publications and Subscriptions	12,718	3,553	-	9,233	-	25,504
Community Events	25,401	346	10	28,159	-	53,916
Drug Supplies	4,284,999	-	-	(1,093)	-	4,283,906
Postage	165,725	1,724	514	110,179	-	278,142
Travel and Training	597,487	163,187	52,262	471,263	-	1,284,199
Travel and Training Foster Parents	-	-	1,157	-	-	1,157
Board Expense	-	-	-	68,182	-	68,182
Telephone	773,867	28,753	14,914	269,911	-	1,087,445
Equipment	843,063	28,926	24,990	367,422	-	1,264,401
Safety	319	-	-	47,644	-	47,963
Equipment Lease	242,670	12,238	7,016	82,579	-	344,503
Repairs and Maintenance	581,355	4,035	3,629	87,752	-	676,771
Dues and Licenses	90,466	2,596	11,150	136,002	-	240,214
Insurance	353,769	10,695	1,669	408,403	36	774,572
Recruitment	750,892	2,913	23,255	430,849	-	1,207,909
Flex Fund	-	-	3,982	-	-	3,982
Client Expense	-	400	38,001	-	-	38,401
Interest Expense	290,234	-	-	-	-	290,234
Bad Debt	864,414	-	-	-	-	864,414
Management Fees	287,899	-	-	-	-	287,899
Property Taxes	3,850	-	-	92,032	-	95,882
Accounting Services	-	120	-	84,967	-	85,087
Legal Services	62,293	-	-	280,921	-	343,214
Total Other Operating Expenses	25,426,091	1,455,045	512,653	14,229,044	482,414	42,105,247
<b>REVENUE SALES TAX</b>	473,230	6,043	1,294	149,874	-	630,441
<b>MISCELLANEOUS</b>	-	1,281,345	-	-	-	1,281,345
<b>DEPRECIATION</b>	3,589,115	-	-	1,879,277	-	5,468,392
Total Functional Expenses	<u>\$ 96,025,106</u>	<u>\$ 6,942,529</u>	<u>\$ 4,630,622</u>	<u>\$ 31,950,874</u>	<u>\$ 482,414</u>	<u>\$ 140,031,545</u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
CONSOLIDATING STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2014  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Yakima Valley Farm Workers Clinic	Agena	Eliminating Entries	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Services and Grant Revenue	\$ 137,065,347	\$ (119,134)	\$ -	\$ 136,946,213
Cash Paid to Suppliers and Employees	(127,716,284)	(755,143)	-	(128,471,427)
Interest Paid	(290,234)	-	-	(290,234)
Interest Received	2,685,576	322,514	-	3,008,090
Other Receipts	(87,565)	-	-	(87,565)
Net Cash Provided (Used) by Operating Activities	11,656,840	(551,763)	-	11,105,077
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Changes to Land, Buildings, and Equipment	(6,548,318)	-	-	(6,548,318)
Cash Received on Notes Receivable	4,138	-	-	4,138
Purchase of Investments	(52,418,143)	462,687	-	(51,955,456)
Sale of Investments	44,404,016	-	-	44,404,016
Net Cash (Used) Provided by Investing Activities	(14,558,307)	462,687	-	(14,095,620)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments on Long-Term Debt	(820,043)	-	-	(820,043)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>				
	(3,721,510)	(89,076)	-	(3,810,586)
Cash and Cash Equivalents - Beginning of Year	16,141,912	3,802,967	-	19,944,879
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 12,420,402</u>	<u>\$ 3,713,891</u>	<u>\$ -</u>	<u>\$ 16,134,293</u>

	Yakima Valley Farm Workers Clinic	Agena	Eliminating Entries	Total
<b>RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Increase (Decrease) in Net Assets	\$ 1,809,153	\$ (279,035)	\$ -	\$ 1,530,118
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Depreciation	5,468,392	-	-	5,468,392
Loss on Investments	1,365,177	-	-	1,365,177
Accrued Interest on Investment	-	(11,250)	-	(11,250)
(Increase) Decrease in Cash Due to Changes in Assets:				
Patient Receivables	(1,807,342)	-	-	(1,807,342)
Grant Receivables	593,917	-	-	593,917
Due from Related Party	17,300,430	-	-	17,300,430
Pledge Receivables	-	(272,728)	272,728	-
Receivable - HRSA	438,077	-	-	438,077
Other Receivables	(2,575,898)	11,250	-	(2,564,648)
Estimated Third-Party Payer Settlements	320,466	-	-	320,466
Inventory	(101,633)	-	-	(101,633)
Prepaid Expenses	122,955	-	-	122,955
Increase (Decrease) in Cash Due to Changes in Liabilities:				
Checks in Excess of Bank Balance	(67,721)	-	-	(67,721)
Accounts Payable	146,187	-	-	146,187
Pledge Payable	272,728	-	(272,728)	-
Due to Related Party	(17,300,430)	-	-	(17,300,430)
Accrued Expenses	5,751,704	-	-	5,751,704
Deferred Revenue	(29,322)	-	-	(29,322)
Basic Health Plan Reserve	(50,000)	-	-	(50,000)
Total Adjustments	<u>9,847,687</u>	<u>(272,728)</u>	<u>-</u>	<u>9,574,959</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 11,656,840</u>	 <u>\$ (551,763)</u>	 <u>\$ -</u>	 <u>\$ 11,105,077</u>



**INDEPENDENT AUDITORS' 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, 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, the consolidated financial statements of Yakima Valley Farm Workers Clinic (the Clinic), which comprise the consolidated statement of financial position as of March 31, 2014, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 3, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Clinic's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Clinic's internal control.

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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Directors  
Yakima Valley Farm Workers Clinic

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clinic's consolidated financial statements are free from 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 the consolidated 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Yakima, Washington  
October 3, 2014

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

Board of Directors  
Yakima Valley Farm Workers Clinic  
Toppenish, Washington

**Report on Compliance for Each Major Federal Program**

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, 2014. The Clinic's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Clinic's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Clinic's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Clinic complied, in all material respects, with the types of 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, 2014.

**Report on Internal Control Over Compliance**

Management of the Clinic is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Clinic's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Yakima, Washington  
October 3, 2014

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MARCH 31, 2014**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

Financial Statements

Type of auditors’ report issued: Unmodified

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: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.224/93.527	Health Care Centers Cluster
17.274	Youth Build
17.259	WIA Youth Activities (WIA Cluster)
84.287	OSPI 21st Century
93.558	Community Jobs (TANF Cluster)
84.360A	Rural Tri-District Consortium (HSGI)
93.530	ACA THC GME

Dollar threshold used to distinguish between type A and type B programs: \$695,399

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED MARCH 31, 2014**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CLINICS  
YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Health and Human Services:</b>				
Health Care Centers Cluster	93.224/93.527	H80CS00639C0-13-01	\$ 25,626,305	\$ 11,041,042
Spanish Language Parent Education	93.590	90CA1787-02	169,556	77,000
Spanish Language Parent Education	93.590	90CA1787-03	138,926	85,293
Expectant & Parenting Teens, Women, Fathers, and their Families	93.500	N20480	113,000	20,653
Postdoctoral Training in General, Pediatric, and Public Health Dentistry	93.884	D88HP20110-03-00	299,052	70,192
Postdoctoral Training in General, Pediatric, and Public Health Dentistry	93.884	D88HP20110-04-00	288,378	157,249
Rural Health Performance Improvement	93.912	G20RH19286A0	128,213	49,150
Rural Health Workforce Development Program	93.912	G98RH19718	118,691	22,037
OP Early Intervention Services to HIV Disease	93.918	H76HA001199-19-00	443,733	154,548
OP Early Intervention Services to HIV Disease	93.918	H76HA00199-21-00	274,958	264,065
Total Direct Programs			27,600,812	11,941,229
 <i>Passed Through Washington Early Learning Fund dba Thrive by Five WA:</i>				
YVMH-Yakima County NFP (MEICHV)	93.505	N/A	430,165	252,289
 <i>Passed Through HRSA Grant:</i>				
Affordable Care Act (THC) (GME) Payment Program	93.530	T91HP25795	300,000	196,790
Affordable Care Act (THC) (GME) Payment Program	93.530	T91HP24224	300,000	214,198
Affordable Care Act (THC) (GME) Payment Program	93.530	T91HP24224	300,000	224,081
Total Pass-Through Program			900,000	635,069
 <i>Passed Through University of Washington:</i>				
AETC	93.145	743805	93,700	32,351
AETC	93.145	753761	111,408	76,640
Total Pass-Through Program			205,108	108,991

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CLINICS (CONTINUED)  
YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Health and Human Services (Continued):</b>				
<i>Passed Through Yakima Health District:</i>				
HIV Intervention	93.917	N19435	\$ 165,000	\$ (10,397)
HIV Intervention	93.917	N19995	165,000	146,025
Total Pass-Through Program			330,000	135,628
<i>Passed Through Yakima Valley Memorial Hospital:</i>				
Maternal Child Health Program	93.994	N19936	44,000	31,796
Maternal Child Health Program	93.994	N19936	37,125	10,434
Total Pass-Through Program			81,125	42,230
<i>Passed Through National Association of Community Health Centers:</i>				
Americorp Healthcare	94.006	10EDHMD0020037	92,250	36,923
Americorp Healthcare	94.006	13edhmd0010033	87,750	39,445
Total Pass-Through Program			180,000	76,368
<i>Passed Through Yakima County, Department of Community Services:</i>				
Substance Abuse & Mental Health Services Administration Project Launch	93.243	PL FW 12-13	42,480	24,165
<i>Passed Through State of Washington, Department of Commerce :</i>				
Ombudsman Program	93.042	N/A	36,483	9,440

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CLINICS (CONTINUED)  
YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Health and Human Services (Continued):</b>				
<i>Passed Through State of Oregon, Department of Human Services:</i>				
Immunization Program	93.268	142829	\$ 13,352	\$ 13,352
<i>Passed Through Seattle-King County:</i>				
HIV Intervention	93.153	N19730	106,894	37,088
HIV Intervention	93.153	N20212	106,894	40,464
Total Pass-Through Program			<u>213,788</u>	<u>77,552</u>
<i>Passed Through Yakima Neighborhood Health Services:</i>				
Yakima Neighborhood Health Services	93.525	N/A	54,180	41,379
<i>Passed Through Fred Hutchinson Cancer Research Center:</i>				
Intervention to Increase Screening for Cervical Cancer in Women of Mexican Descent	93.397	756404	49,394	16,752
Intervention to Increase Screening for Cervical Cancer in Women of Mexican Descent	93.397	785595	40,725	23,489
Total Pass-Through Program			<u>90,119</u>	<u>40,241</u>
Total Department of Health and Human Services			<u>30,177,612</u>	<u>13,397,933</u>
<b>Department of Education:</b>				
<i>Passed Through Sunnyside School District:</i>				
North Central Ed Ser. Dist. Migrant Dental	84.011	3601200047	9,000	1,650
North Central Ed Ser. Dist. Migrant Dental	84.011	3601300029	9,000	3,400
Total Department of Education			<u>18,000</u>	<u>5,050</u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CLINICS (CONTINUED)  
YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Agriculture:</b>				
<i>Passed Through Washington State Department of Health:</i>				
WIC	10.557	N19887-1	\$ 4,475,043	\$ 2,588,346
<i>Passed Through State of Oregon, Department of Human Services:</i>				
WIC	10.557	135600	1,622,160	448,730
WIC	10.557	142055	1,607,773	1,230,635
Total Department of Agriculture			<u>7,704,976</u>	<u>4,267,711</u>
Total Expenditures of Federal Awards for the Clinics			<u>\$ 37,900,588</u>	<u>\$ 17,670,694</u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NORTHWEST COMMUNITY ACTION CENTER  
YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Health and Human Services:</b>				
<i>Passed Through State of Washington, Department of Human Services:</i>				
Project Launch	93.243	PL FW 12	\$ 63,565	\$ -
Project Launch	93.243	PL FW 12-13	<u>54,371</u>	<u>23,439</u>
Total Pass-Through Program			117,936	23,439
 <i>Passed Through Washington Early Learning Fund dba Thrive by Five WA:</i>				
MIECHV Thrive By Five Cohort 6	93.505	N/A	348,328	156,705
 <i>Passed Through State of Washington, Department of Commerce:</i>				
Low Income Home Energy Assistance Program - Energy	93.568	14-32606-073	1,322,054	534,418
Low Income Home Energy Assistance Program - Weatherization	93.568	F12-43101-425	214,603	19,355
Low Income Home Energy Assistance Program - Weatherization	93.568	F13-43101-425	221,278	195,868
Community Service Block Grant	93.569	F12-32100-030	244,972	67,866
Community Service Block Grant	93.569	F13-32100-030	<u>225,584</u>	<u>143,905</u>
Total Pass-Through Program			2,228,491	961,412
 <i>Passed Through South Central Workforce Development Council:</i>				
Community Jobs	93.558	SCWDC-PY12-WF-FWC	974,240	318,692
Community Jobs	93.558	SCWDC-PY13-WF-FWC	<u>1,036,341</u>	<u>535,495</u>
Total Pass-Through Program			2,010,581	854,187
 <i>Passed Through People for People:</i>				
Basic Food & Nutrition	10.561	1213-61148	18,750	330

**YAKIMA VALLEY FARM WORKERS CLINIC**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NORTHWEST COMMUNITY ACTION CENTER (CONTINUED)**  
**YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Health and Human Services (Continued):</b>				
<i>Passed Through Washington State Department of Health:</i>				
Basic Food & Nutrition	10.561	N19700	\$ 117,834	\$ 52,696
Basic Food & Nutrition	10.561	N20275	<u>168,931</u>	<u>62,327</u>
Total Pass-Through Program			<u>286,765</u>	<u>115,023</u>
Total Department of Health and Human Services			5,010,851	2,111,096
<b>Department of Labor:</b>				
Youth Build	17.274	YB-23510-12-60-A-53	1,087,656	532,364
<i>Passed Through South Central Workforce Development Council:</i>				
Workforce Investment Act	17.259	SCWDC-PY12-WIAY-NCAC	334,958	70,921
Workforce Investment Act	17.259	SCWDC-PY13-WIAY-NCAC	<u>315,250</u>	<u>224,387</u>
Total Pass-Through Program			<u>650,208</u>	<u>295,308</u>
Total Department of Labor			1,737,864	827,672

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NORTHWEST COMMUNITY ACTION CENTER (CONTINUED)  
YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Education:</b>				
<i>Passed Through OSPI:</i>				
OSPI 21st Century	84.287	992721	\$ 496,000	\$ 333,188
OSPI 21st Century	84.287	992110	111,207	72,880
OSPI 21st Century	84.287	993683	346,225	155,609
OSPI 21st Century	84.287	992913	458,306	296,121
OSPI 21st Century	84.287	993783	502,200	148,832
OSPI 21st Century	84.287	992110	490,000	271,214
OSPI 21st Century	84.287	993883	106,108	41,769
OSPI 21st Century	84.287	993584	416,694	226,523
Total Pass-Through Program			2,926,740	1,546,136
 <i>Passed Through Sunnyside School District No. 201:</i>				
Rural Tri-District Consortium - High School Graduation Initiative Program	84.360A	Sunnyside S.D./NCAC	796,326	392,131
Rural Tri-District Consortium - High School Graduation Initiative Program	84.360A	Sunnyside S.D./NCAC	812,487	321,116
Total Pass-Through Program			1,608,813	713,247
Total Department of Education			4,535,553	2,259,383
 <b>Department of Energy:</b>				
<i>Passed Through State of Washington, Department of Commerce</i>				
Emergency Solutions Grant Program	14.231	ESG NCAC 14	115,365	23,537
Emergency Solutions Grant Program	14.231	ESG NCAC 13	153,755	40,074
ARRA - Technology Alliance	11.558	Technology Alliance	30,000	30,000
Weatherization Assistance for Low Income Persons	81.042	F13-43103-425	64,433	26,024
Total Pass-Through Program			363,553	119,635
Total Expenditures of Federal Awards for Northwest Community Action Center			\$ 11,647,821	\$ 5,317,786

**YAKIMA VALLEY FARM WORKERS CLINIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – BEHAVIORAL HEALTH SERVICES  
YEAR ENDED MARCH 31, 2014**

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Amount	Expenditures
<b>Department of Health and Human Services:</b>				
<i>Passed Through Yakima County, Department of Community Services:</i>				
System of Care Wraparound SAMSHA	93.104	CMHI FW WS 12-13	\$ 220,725	\$ 90,401
System of Care Wraparound SAMSHA	93.104	CMHI FW WS 13-14	80,300	49,657
Total Pass-Through Program			<u>301,025</u>	<u>140,058</u>
<i>Passed Through Yakima County, Department of Assessment and Ref.:</i>				
Chemical Dependency Treatment	93.959/93.778	FW FY2013	115,396	1,808
Chemical Dependency Treatment	93.959/93.778	FW FY2014	84,784	2,658
Total Pass-Through Program			<u>200,180</u>	<u>4,466</u>
<i>Passed Through Yakima County, Department of Human Services:</i>				
Project Launch	93.243	PL FW 12-13	107,896	46,968
Total Pass-Through Program			<u>107,896</u>	<u>46,968</u>
Total Expenditures of Federal Awards for Behavioral Health Services			<u>609,101</u>	<u>191,492</u>
Total Consolidated Federal Awards			<u>\$ 50,157,510</u>	<u>\$ 23,179,972</u>

**YAKIMA VALLEY FARM WORKERS CLINIC  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED MARCH 31, 2014**

**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      Contract Amount**

Contract amount represents the total grant award.

**NOTE C      Expenditures**

This column reports grant expenditures incurred during the year.

**NOTE D      Schedule of Expenditures of Federal Awards Totals - Expenditures**

The schedules are presented by agency. The below table shows the overall combined totals that are not shown in the individual schedules.

Department of Health and Human Services	\$	15,700,521
Department of Education		2,264,433
Department of Agriculture		4,267,711
Department of Labor		827,672
Department of Energy		119,635
Total		\$ 23,179,972
Total for Project Launch (CFDA 93.243)	\$	70,407
Total for MIECHV Thrive by Five (CFDA 93.505)	\$	408,994

**YAKIMA VALLEY FARM WORKERS CLINIC  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED MARCH 31, 2014**

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No matters noted.