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<td><strong>Federal Programs</strong></td>
<td></td>
</tr>
</tbody>
</table>
To the Board of Directors
Health Care Access Clinic, Inc.
Lawrence, Kansas 66044

INDEPENDENT AUDITORS’ REPORT ON FINANCIAL STATEMENTS

Report on the Financial Statements
We have audited the accompanying financial statements of Health Care Access Clinic, Inc. (a
nonprofit organization), which comprise the statement of financial position as of December 31,
2015, and the related statements of activities, functional expenses, and cash flows for the year then
ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in
accordance with accounting principles generally accepted in the United States of America; this
includes the design, implementation, and maintenance of internal control relevant to the preparation
and fair presentation of financial statements that are free from material misstatement, whether due
to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We
conducted our audit in accordance with auditing standards generally accepted in the United States
of America 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 financial statements are
free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and
disclosures in the financial statements. The procedures selected depend on the auditor’s judgment,
including the assessment of the risks of material misstatement of the financial statements, whether
due to fraud or error. In making those risk assessments, the auditor considers internal control
relevant to the entity’s preparation and fair presentation of the financial statements in order to
design audit procedures that are appropriate in the circumstances, but not for the purpose of
expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express
no such opinion. An audit also includes evaluating the appropriateness of accounting policies used
and the reasonableness of significant accounting estimates made by management, as well as
evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis
for our audit opinion.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Care Access Clinic, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 24, 2016, on our consideration of Health Care Access Clinic, Inc.’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 in considering Health Care Access Clinic, Inc.’s internal control over financial reporting and compliance.

Kohart Accounting, PA

Kohart Accounting, PA
A Professional Association
Certified Public Accountant

May 24, 2016
HEALTH CARE ACCESS, INC.
Lawrence, Kansas

STATEMENT OF FINANCIAL POSITION
As of December 31, 2015

**Assets**

Current assets
- Cash and cash equivalents (Note 3) $320,807
- Prepaid expenses (Note 4) 3,827

Total current assets 324,634

Fixed assets (Note 2)
- Building 257,365
- Land 81,360
- Equipment 122,121
- Building improvements 9,155
- Accumulated depreciation (133,767)

Total fixed assets 336,234

Other assets
- Beneficiary interest in assets held by others (Note 1) 94,888

Total assets 755,756

**Liabilities and Net Assets**

Current Liabilities
- Accounts payable $2,250
- Accrued compensated absences (Note 7) 16,154
- Accrued wages 6,829
- Payroll taxes payable 10,347
- Prepaid revenue 2,075

Total current liabilities 37,655

Net Assets
- Unrestricted 698,101
- Temporarily restricted 20,000

Total net assets 718,101

Total liabilities and net assets 755,756

The accompanying notes to financial statements are an integral part of this statement.
HEALTH CARE ACCESS, INC.
Lawrence, Kansas

STATEMENT OF ACTIVITIES
For the year ended December 31, 2015

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Income</td>
<td>$ 485,852</td>
<td>$</td>
<td>$</td>
<td>$ 485,852</td>
</tr>
<tr>
<td>Program revenue</td>
<td>45,230</td>
<td></td>
<td></td>
<td>45,230</td>
</tr>
<tr>
<td>Contributions</td>
<td>127,161</td>
<td></td>
<td></td>
<td>127,161</td>
</tr>
<tr>
<td>Interest income</td>
<td>164</td>
<td></td>
<td></td>
<td>164</td>
</tr>
<tr>
<td>Change in beneficiary interest</td>
<td>(1,995)</td>
<td></td>
<td></td>
<td>(1,995)</td>
</tr>
<tr>
<td>Fundraising event income</td>
<td>158,105</td>
<td></td>
<td></td>
<td>158,105</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>1,162</td>
<td></td>
<td></td>
<td>1,162</td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td>815,679</td>
<td></td>
<td></td>
<td>815,679</td>
</tr>
</tbody>
</table>

| Expenditures                  |              |                        |                        |        |
| Program services              | 516,919      |                        |                        | 516,919|
| Management and general        | 155,448      |                        |                        | 155,448|
| Fundraising                   | 104,143      |                        |                        | 104,143|
| Total expenditures            | 776,510      |                        |                        | 776,510|

| Change in Net Assets          | 39,169       |                        |                        | 39,169 |

| Net assets, beginning of year | 658,932      | 20,000                 |                        | 678,932|
| Net assets, end of year       | $ 698,101    | $ 20,000               | $                      | $ 718,101|

The accompanying notes to financial statements are an integral part of this statement.
HEALTH CARE ACCESS, INC.
Lawrence, Kansas

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>$ 390,617</td>
<td>$ 98,661</td>
<td>$ 40,588</td>
<td>$ 529,866</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>33,782</td>
<td>8,533</td>
<td>3,510</td>
<td>45,825</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>30,848</td>
<td>6,789</td>
<td>2,793</td>
<td>40,430</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>1,861</td>
<td></td>
<td></td>
<td>1,861</td>
</tr>
<tr>
<td>Insurance</td>
<td>7,533</td>
<td>2,963</td>
<td></td>
<td>10,496</td>
</tr>
<tr>
<td>Equipment rent and maintenance</td>
<td>2,615</td>
<td></td>
<td></td>
<td>2,615</td>
</tr>
<tr>
<td>Dues and memberships</td>
<td>2,615</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy</td>
<td>12,129</td>
<td></td>
<td></td>
<td>12,129</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,665</td>
<td>1,973</td>
<td></td>
<td>5,638</td>
</tr>
<tr>
<td>Postage</td>
<td>338</td>
<td></td>
<td>627</td>
<td>965</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>120</td>
<td></td>
<td>120</td>
<td>240</td>
</tr>
<tr>
<td>Advertising</td>
<td>239</td>
<td></td>
<td></td>
<td>239</td>
</tr>
<tr>
<td>Travel</td>
<td>621</td>
<td></td>
<td></td>
<td>621</td>
</tr>
<tr>
<td>Conferences and meetings</td>
<td>1,614</td>
<td></td>
<td></td>
<td>1,614</td>
</tr>
<tr>
<td>Supplies</td>
<td>25,287</td>
<td>3,037</td>
<td>1,910</td>
<td>30,234</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>368</td>
<td></td>
<td>368</td>
<td></td>
</tr>
<tr>
<td>Bank and credit card processing fees</td>
<td>1,195</td>
<td>1,378</td>
<td></td>
<td>2,573</td>
</tr>
<tr>
<td>Professional fees</td>
<td>9,940</td>
<td></td>
<td>10,680</td>
<td>20,620</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,708</td>
<td></td>
<td></td>
<td>16,708</td>
</tr>
<tr>
<td>Information technology</td>
<td>2,688</td>
<td>5,914</td>
<td>2,150</td>
<td>10,752</td>
</tr>
<tr>
<td>Fundraising events costs</td>
<td></td>
<td></td>
<td>41,526</td>
<td>41,526</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 516,919</td>
<td>$ 155,448</td>
<td>$ 104,143</td>
<td>$ 776,510</td>
</tr>
</tbody>
</table>

The accompanying notes to financial statements are an integral part of this statement
HEALTH CARE ACCESS, INC.
Lawrence, Kansas

STATEMENT OF CASH FLOWS
For the year ended December 31, 2015

Cash flows from operating activities
Reconciliation of changes in net assets to net cash provided (used) by operating activities:
Increase (decrease) in net assets $ 39,169
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:
Depreciation 16,708
Changes in current assets and liabilities
(Increase) decrease in prepaid expenses 4,345
(Increase) decrease in grants and other receivable 13,400
Increase (decrease) in accounts payable (8,655)
Increase (decrease) in accrued compensated absences and wages (111)
Increase (decrease) in payroll taxes payable 7,141
Increase (decrease) in prepaid revenue 2,075

Net cash provided (used) by operating activities 74,072

Cash flows from investing activities
Change in beneficiary interest 1,965
Purchase of depreciable assets -

Net cash provided (used) by investing activities 1,965

Net increase (decrease) in cash for period 76,037

Cash as of beginning of period 244,770

Cash as of end of period $ 320,807

Supplemental Information
Interest paid $ -
Income taxes paid $ -

The accompanying notes to financial statements are an integral part of this statement
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Health Care Access, Inc. was incorporated as a nonprofit organization under the laws of the State of Kansas on November 21, 1988. The nature of Health Care Access, Inc's business is:

1. To facilitate access to health care services to the low-income, uninsured in Douglas County;
2. To provide, coordinate and manage an information and referral system for the medically indigent to needed health care services;
3. Develop resources to acquire needed prescription medication and supplies for the medically indigent; and
4. To inform and educate community members and leaders on issues related to medical indigence.

The financial statements of Health Care Access, Inc. have been prepared on the accrual basis of accounting which is in conformity with accounting principles generally accepted in the United States of America. The significant accounting policies are described below:

Definition of the Entity – Health Care Access, Inc. is a nonprofit corporation governed by a fourteen member board. Health Care Access, Inc. as an entity has been defined to include on a combined basis (a) Health Care Access, Inc. (b) organizations for which Health Care Access, Inc. is financially accountable, and (c) other organizations for which the nature and significance of their relationship with Health Care Access, Inc. are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in Health Care Access, Inc.’s report.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting.

Classification of Net Assets – The Organization has adopted generally accepted accounting principles as outlined in the Financial Accounting Standards Board Accounting Standard Codification (FASB ASC) 958-205. Under FASB ASC 958-205, The Organization is required to report information regarding its financial position and activities according to three classes of net assets – permanently restricted, temporarily restricted, and unrestricted.

Statement of Functional Expenses – The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 what will affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.
Note 1 - Summary of Significant Accounting Policies (continued)

**Income Taxes** – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income determined to be unrelated business taxable income (UBTI) would be taxable.

The Organization follows the accounting standards for uncertain tax positions. The Organization’s policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this policy had no impact on the Organization’s financial statements.

The Organization files as a tax-exempt organization. As of December 31, 2015, its 2012 through 2014 fiscal year tax returns are open for examination by the IRS.

**Cash and Cash Equivalents** – Cash and cash equivalents consist of cash held in checking, money market accounts and certificates of deposit. The Organization considers all cash to be cash equivalents.

**Long-Term Assets** – Property and equipment with a life that benefits future periods has been capitalized at cost. Depreciation is provided over the estimated useful lives of the respective assets (five to thirty-nine years) using the straight-line method. The Kansas Department of Health and Environment retain restrictions over disposition of equipment purchased with grant funds. Depreciation expense for the year ended December 31, 2015 was $16,708.

**Contributions** – Contributions are recognized when the donor makes a promise to give to Health Care Access, Inc. that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization are recorded as permanently restricted net assets. There were no permanently restricted net assets as of December 31, 2015.
Note 1 - Summary of Significant Accounting Policies (continued)

Transfer of Assets to a Not-for-Profit that holds Contributions for Others – The Organization has adopted the provisions of FASB ASC 958-605 with respect to the monies transferred into a fund at Douglas County Community Foundation. The Organization provided the Foundation the power to modify the distribution of funds. The distribution of funds is limited to the income of the fund, net of the fees and expenses for purposes described in Code Section 170(c)(1) or (2)(B) that are consistent with the exempt status and purposes of the Foundation. Under FASB ASC 958-605, the transferring of assets is presumed reciprocal in nature even if the transferring entity explicitly grants the recipient entity variance power when the transferring entity specifies itself as the beneficiary. As a result, the Organization recognized in the Statement of Financial Position $94,888 as an asset. The asset is considered a beneficiary interest in assets held by others.

Note 2 – Fixed Assets

Property and equipment are summarized by major classifications at December 31, 2015 as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance @ 12/31/2014</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance @ 12/31/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$ 122,121</td>
<td></td>
<td></td>
<td>$ 122,121</td>
</tr>
<tr>
<td>Buildings</td>
<td>257,365</td>
<td></td>
<td></td>
<td>257,365</td>
</tr>
<tr>
<td>Land</td>
<td>81,360</td>
<td></td>
<td></td>
<td>81,360</td>
</tr>
<tr>
<td>Building improvements</td>
<td>9,155</td>
<td></td>
<td></td>
<td>9,155</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 470,001</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 470,001</strong></td>
</tr>
</tbody>
</table>

Note 3 – Cash and Credit Risk

At year end, the bank carrying amounts of the Organization’s deposits were $323,426, which consisted of $204,444 in checking accounts, $118,982 in money markets.

On November 9, 2010, the FDIC issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. The unlimited insurance coverage is available to all depositors, including consumers, businesses, and government entities. This unlimited insurance coverage is separate from, and in addition to, the insurance coverage provided to a depositor’s other deposit accounts held at an FDIC-insured institution. The deposits were fully secured, as of December 31, 2015.
HEALTH CARE ACCESS, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 4 – Prepaid Expenses

Prepaid expenses consist of the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Insurance</td>
<td>$3,327</td>
</tr>
<tr>
<td>Prepaid 2016 KHM Fees</td>
<td>500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,827</strong></td>
</tr>
</tbody>
</table>

Note 5 – Temporarily Restricted Net Assets

Temporarily restricted net assets represent contributions received with donor or grantor imposed restrictions as to the use of the funds or due to donor imposed time restrictions. Temporarily restricted net assets consist of the following as of December 31, 2015:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use restricted funds</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Note 6 – Compensated Absences

**Paid Time Off (PTO)** – Paid time off accumulates beginning after one month of employment at the rate of 10 hours per month for the first five years of employment with a maximum accumulation of 200 hours. For employees with more than five years of employment accumulate PTO at the rate of 12 hours per month with a maximum accumulation of 240 hours.

Staff members are not eligible to take accumulated paid time off until successful completion of the 30 days of employment. Voluntary termination after one year or more of service qualifies employees for payment of accumulated paid time off.

The provision for accrued paid time off as of December 31, 2015 totaled $16,154.

**Sick Leave** – After thirty calendar days of employment, full time employee shall accrue sick leave at six hours per month to total no more than 360 hours. Upon termination or retirement of any employee, there is no cash payment for any accrued sick leave.

No provision is made for accumulated sick leave in these financial statements.
HEALTH CARE ACCESS, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 7 – Donated Services and Materials

The Organization relies on local physicians, nurses and hospitals to achieve its objective of serving the health care needs of Douglas County, Kansas. Local hospitals donated $1,566,776 of services and $3,631 of lab value in 2015.

Additionally, the Organization receives prescription medicines in the form of samples from various drug companies and local physicians. The value of these totaled $312,753 for the 2015 year.

The building space the Organization operates its administrative activities in, was leased to the Organization rent free for the year ended December 31, 2015. The estimated fair market rental of the building space was $24,192.

Note 8 – Commitments and Contingencies

The Organization receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization’s programs and activities.

Note 9 – Risk Management

The Organization is exposed to various risks of loss related to limited torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters. The Organization carries commercial insurance and has not incurred any losses in the past three years.

Note 10 – Subsequent Events

Management has evaluated subsequent events through May 24, 2016, the date in which the financial statements were available to be issued.
Board of Directors
Health Care Access Clinic, Inc.
Lawrence, Kansas 66044

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

We have audited the financial statements of Health Care Access Clinic, Inc. (a nonprofit organization) as of and for the year ended December 31, 2015 and have issued our report thereon dated May 24, 2016. 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

In planning and performing our audit, we considered Health Care Access Clinic, Inc.’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Health Care Access Clinic, Inc.’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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization’s financial statements that is more than inconsequential will not be prevented or detected by the organization’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization’s internal control.
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Health Care Access Clinic, Inc.'s financial statements are free of material misstatement, we performed test 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 Health Care Access Clinic, Inc. in a separate letter dated May 24, 2016.

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

**Kohart Accounting, PA**

Kohart Accounting, PA  
A Professional Association  
Certified Public Accountant  

May 24, 2016