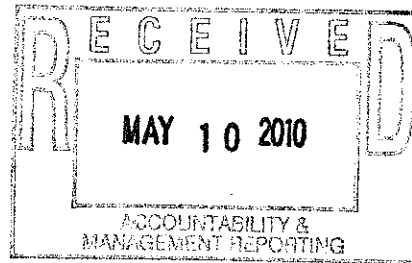
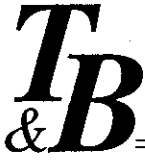


HEALTH ACCESS, INC.

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

JUNE 30, 2009

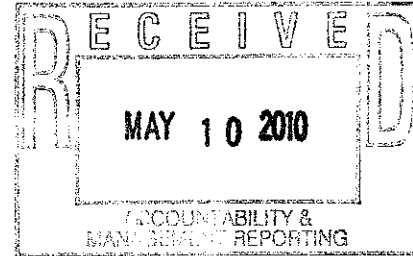




Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N Oak St • PO Box 1916 • Clarksburg WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • www.tetrickbartlett.com

December 18, 2009



To the Board of Directors
Health Access, Inc.

We have audited the financial statements of Health Access, Inc. for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Health Access, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2009. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimate affecting the financial statements was:

Management's estimate of the accumulated depreciation and depreciation expense is based on the estimated useful service lives of the various classes of property. We evaluated the key factors and assumptions used to develop the accumulated depreciation and depreciation expense in determining that is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
Health Access, Inc.

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This information is intended solely for the use of the Board of Directors and management of Health Access, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Tetrick & Bartlett, PLLC".

Tetrick & Bartlett, PLLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Health Access, Inc.
Clarksburg, West Virginia

We have audited the accompanying statement of financial position of Health Access, Inc. (a nonprofit organization) as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note 1 to the financial statements, significant amounts of services and supplies have been donated to Health Access, Inc. for the year ended June 30, 2008, and have not been recorded in the financial statements. In our opinion, accounting principles generally accepted in the United States of America require that such donations be recorded at their fair value at the date of receipt. It was not practicable to determine the effects of the unrecorded donations on the financial statements.

In our opinion, except for the effects of not recording services and supplies received by gift, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Health Access, Inc., as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors
Health Access, Inc.

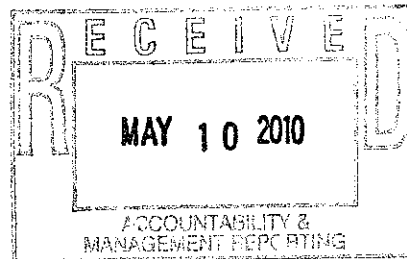
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In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2009 on our consideration of Health Access, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Health Access, Inc. taken as a whole. The accompanying schedule of state grant receipts and expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Tetrick & Battlett, PLLC

December 18, 2009



HEALTH ACCESS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Current Assets

Cash	\$ 137,975
Prepaid assets	1,916
Interest receivable	4,160
Total current assets	<u>144,051</u>

Noncurrent Assets

Unamortized debt expense	<u>1,450</u>
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Assets whose use is limited:

By Board for facilities	<u>177,180</u>
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Property and Equipment:

Building	260,195
Furniture and fixtures	4,976
Office equipment	68,755
Medical equipment	<u>2,150</u>
	336,076
Less: Accumulated depreciation	(76,931)
Net property and equipment	<u>259,145</u>

Total noncurrent assets	<u>437,775</u>
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TOTAL ASSETS	\$ <u>581,826</u>
---------------------	--------------------------

LIABILITIES AND NET ASSETS

Current Liabilities	
Accrued payroll taxes	\$ 7,984
Current portion of long-term debt	5,720
Accrued paid leave	8,514
Total current liabilities	<u>22,218</u>
Long-Term Liabilities	
Note payable	<u>187,704</u>
Total liabilities	<u>209,922</u>
Net Assets	
Unrestricted	371,904
Temporarily restricted	<u>-</u>
Total net assets	<u>371,904</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>581,826</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

HEALTH ACCESS, INC.
STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Total
Public Support, Grants and Revenues			
Direct public support	\$ 64,443	\$ -	\$ 64,443
United Way	51,595	4,500	56,095
United Hospital Center	10,000	-	10,000
Dominion	20,000	-	20,000
Interest income	4,982	-	4,982
George F. & Ella P Evans Foundation Grant	5,000	-	5,000
Harrison County	20,000	-	20,000
City of Clarksburg	2,000	-	2,000
State Grant income – Uncompensated Care	115,000	-	115,000
Breast and Cervical Cancer Program	6,484	-	6,484
Pharmacy handling fee	34,066	-	34,066
Other income	278	-	278
Bingo and raffle income	462,781	-	462,781
Other fund-raising income	4,415	-	4,415
Net assets released from restrictions:			
Restriction satisfied by expenditure of funds	12,499	(12,499)	-
Total Public Support, Grants and Revenues	813,543	(7,999)	805,544
Expenses			
Program expenses:			
Salaries and wages	249,018	-	249,018
Payroll taxes	21,896	-	21,896
Telephone	5,361	-	5,361
Postage	2,073	-	2,073
Accounting and legal fees	10,330	-	10,330
Contract services	5,109	-	5,109
Repairs and maintenance	5,382	-	5,382
Operating supplies	19,299	-	19,299
Taxes and licenses	3,242	-	3,242
Dues and subscriptions	1,370	-	1,370
Insurance	6,514	-	6,514
Depreciation and amortization	12,748	-	12,748
Travel	2,794	-	2,794
Interest expense	14,991	-	14,991
Utilities	5,468	-	5,468
Threat Preparedness Grant	523	-	523
Miscellaneous	2,979	-	2,979
Total program expenses	369,097	-	369,097

The accompanying independent auditor's report and notes are integral parts of this statement.

HEALTH ACCESS, INC.
 STATEMENT OF ACTIVITIES AND
 CHANGES IN NET ASSETS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Total
Fund-raising expenses:			
Bingo and raffle	\$ 459,757	\$ -	\$ 459,757
Other fund-raising	-	-	-
Total fund-raising expenses	<u>459,757</u>	<u>-</u>	<u>459,757</u>
Total expenses	828,854	-	828,854
Change in net assets	(15,311)	(7,999)	(23,310)
Net assets at beginning of year	<u>387,215</u>	<u>7,999</u>	<u>395,214</u>
Net assets at end of year	<u>\$ 371,904</u>	<u>\$ -</u>	<u>\$ 371,904</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

HEALTH ACCESS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	
Cash Flows From Operating Activities		
Change in net assets	\$ (23,310)	
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,748	
(Increase) decrease in:		
Prepaid assets	530	
Interest receivable	(2,544)	
Increase (decrease) in:		
Accrued payroll taxes	7,523	
Accrued paid leave	<u>(3,076)</u>	
Net cash used in operating activities		\$ (8,129)
Cash Flows From Investing Activities		
Payments for property and equipment	(5,196)	
Decrease in assets whose use is limited	<u>13,111</u>	
Net cash from investing activities		7,915
Cash Flows From Financing Activities		
Repayment of long-term debt	<u>(4,732)</u>	
Net cash (used in) financing activities		<u>(4,732)</u>
Increase in cash		(4,946)
Cash at beginning of year		<u>142,921</u>
Cash at end of year		\$ <u><u>137,975</u></u>

During the year ended June 30, 2009, Health Access, Inc. paid interest totaling \$14,991.

The accompanying independent auditor's report and notes are integral parts of this statement.

HEALTH ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies

Nature of Activities

Health Access, Inc. is a nonprofit community health care facility, organized for the purpose of providing health care services to needy residents of Clarksburg, West Virginia, and the surrounding areas.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of the Organization to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

Cash

For purposes of the statement of cash flows, the organization considers cash to be cash and cash equivalents.

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. The total cash held by the Organization at June 30, 2009 includes \$65,314 in monies that are not covered by insurance provided by the federal government.

Land, Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the asset.

HEALTH ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2009

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services and Medical Supplies

Volunteers have donated significant amounts of time to Health Access, Inc. In addition, significant amounts of medical supplies have been donated. No amounts have been reflected in the statements for these donations for the year ended June 30, 2009.

Public Support, Grants, and Revenues

Annual contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give that are designated for future periods are recorded at their net realizable value, and classified as temporarily restricted net assets. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and other contributions of cash would normally be classified as temporarily restricted support if they were received with donor stipulations that limit the use of the donated assets. However, all contributions are routinely expended per donor wishes in the year received. As the donor's preferences are satisfied in the current year's activities, SFAS No. 116 recommends treating these grants and contributions as unrestricted.

Contributions of donated noncash assets are recorded at their fair values in the period received.

Uncollectible promises to give are written off when they are determined to be uncollectible.

Income Taxes

Health Access, Inc. is a nonprofit organization under Internal Revenue Code Section 501(c)(3) and is exempt from federal and state income taxes.

HEALTH ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2009

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Cash

Health Access, Inc. is required by the West Virginia State Tax Department to maintain separate checking accounts for its bingo and raffle fund-raising activities. During the year, the bingo and raffle activities ceased, therefore there is no balance in these accounts at June 30, 2009.

3. Prepaid Assets

Prepaid assets at June 30, 2009, consist of the following:

Prepaid insurance	\$ 1,183
Utilities Deposit	<u>733</u>
Total	<u>\$ 1,916</u>

4. Assets Whose Use is Limited

The composition of the assets whose use is limited at June 30, 2009, is set forth below:

By Board for facilities:	
Cash	\$ 6,143
Certificates of Deposit	<u>171,037</u>
	<u>\$ 177,180</u>

HEALTH ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2009

5. Notes Payable

The Organization's obligation under notes payable consists of the following:

6.5% note payable, due in 220 monthly installments of \$1,510, including interest, through October 1, 2027, (followed by a balloon payment of \$175) secured by a Deed of Trust on the building

Total due	\$ 193,424
Less: current portion	(5,720)
Non current portion	<u>\$ 187,704</u>

The future scheduled maturities of long-term debt are as follows:

<u>Years ending June 30,</u>	
2010	\$ 5,720
2011	6,104
2012	6,512
2013	6,948
2014	7,414
Thereafter	<u>160,726</u>
	<u>\$ 193,424</u>

6. Temporarily Restricted Net Assets

There were no temporarily restricted net assets at June 30, 2009.

HEALTH ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2009

7. Bingo and Raffle Activities

Following is a summary of operating activities of Health Access for the year ended June 30, 2009.

Total Public Support, Grants and Revenues (as presented in the Statement of Activities and Changes in Net Assets)	\$ 805,544
Less: Bingo and raffle and other fund-raising income	<u>(462,781)</u>
Operating public support, grants and revenues	<u>342,763</u>
Total Expenses (as presented in the Statement of Activities and Changes in Net Assets)	828,854
Less: Bingo and raffle and other fund-raising expenses	<u>(459,757)</u>
Operating expenses	<u>369,097</u>
Operating Change in Net Assets	(26,334)
Net change in Net Assets due to Fund-raising Activities	<u>3,024</u>
Change in Net Assets (as presented in the Statement of Activities and Changes in Net Assets)	<u>\$ (23,310)</u>

During the year, Health Access, Inc ceased all bingo and raffle activities.

HEALTH ACCESS, INC.
 SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2009

<u>Identifying State Grant Information</u>	<u>Period of Time</u>	<u>Amount of Award</u>	<u>Receipt of Funds</u>	<u>Expenditure (Refund) of Funds</u>
DHHR - Health Right/Free Clinic #G090355	07/01/08-06/30/09	\$ 115,000	\$ 115,000	\$ 115,000
DHHR – WV Bureau for Public Health/ Threat Preparedness #G080960	04/15/08-06/30/08	-	-	(523)
		<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 114,477</u>



**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***

To the Board of Directors
Health Access, Inc.
Clarksburg, West Virginia

We have audited the financial statements of Health Access, Inc. as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009, which was qualified due to the failure of the Organization to record donated services. 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 Access, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Health Access, Inc.'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 result 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 the 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 the internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

Segregation of Duties

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Condition: Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to different individuals.

Cause: Responsibilities of approval, execution, recording and custody are distributed among the office staff to the best degree possible. However, complete segregation of duties is not economically feasible.

Effect: Because of the failure to segregate duties, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts that would be more than inconsequential in relation to the financial statements being audited may occur and not be detected within a timely period by management in the normal course of performing their assigned functions.

Entity's Response: The size of the organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were larger. The Board agrees that complete segregation of duties is not economically feasible. However, to mitigate the effects of this material weakness, the Board of Directors will remain involved in the financial affairs and the organization to provide oversight and independent review functions.

Health Access, Inc.'s written response to the material weakness identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

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

This report is intended solely for the information of the Board of Directors and other state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Tetuck & Battlett, PLLC

December 18, 2009