

HEALTH CARE FOR ALL, INC. AND AFFILIATE
COMBINING FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

HEALTH CARE FOR ALL, INC. AND AFFILIATE

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JUNE 30, 2010 and 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Health Care for All, Inc. and Affiliate:

I have audited the accompanying combining statements of financial position of Health Care for All, Inc. and Affiliate (a Massachusetts corporation, not for profit) (collectively, the Agency) as of June 30, 2010 and 2009, and the related combining statements of activities and changes in net assets, cash flows and functional expenses for the year then ended. These combining financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all respects, the financial position of Health Care for All, Inc. and Affiliate as of June 30, 2010 and 2009, 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.

Medford, Massachusetts

December 17, 2010

**HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010**

<u>ASSETS</u>	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	HEALTH LAW ADVOCATES INC.	<u>ELIMI- NATIONS</u>	<u>COMBINING TOTAL</u>
CURRENT ASSETS:						
Cash and cash equivalents	\$ 518,286	\$ 265,859	\$ 784,145	\$ 1,071,457		\$ 1,855,602
Accounts Receivable	210,628	-	210,628	-	(15,430)	195,198
Current portion of grants and pledges receivable	52,859	802,814	855,673	26,500		882,173
Investments	-		-	54,980		54,980
Prepaid Expenses	61,991		61,991	5,000		66,991
Total current assets	843,764	1,068,673	1,912,437	1,157,937	(15,430)	3,054,944
GRANTS AND PLEDGES RECEIVABLE, Net of current portion and discount	-	299,597	299,597	19,055	-	318,652
PROPERTY AND EQUIPMENT:						
Office equipment	116,029	-	116,029	44,264		160,293
Furniture	-	-	-	7,021		7,021
	116,029	-	116,029	51,285		167,314
Less: accumulated depreciation	86,578		86,578	40,840		127,418
Net property and equipment	29,451		29,451	10,445		39,896
Total Assets:	\$ 873,215	\$ 1,368,270	\$ 2,241,485	\$ 1,187,437	\$ (15,430)	\$ 3,413,492
<u>LIABILITIES AND NET ASSETS</u>						
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 82,951	\$ -	\$ 82,951	\$ 39,441	(15,430)	\$ 106,962
REFUNDABLE ADVANCES	1,667		1,667	37,085		38,752
Total Liabilities	84,618	-	84,618	76,526	(15,430)	145,714
NET ASSETS:						
Unrestricted-						
Operating	759,146	-	759,146	428,406	-	1,187,552
Board designated	-	-	-	397,690	-	397,690
Property and equipment	29,451	-	29,451	10,445	-	39,896
Total unrestricted	788,597	-	788,597	836,541	-	1,625,138
Temporarily restricted	-	1,368,270	1,368,270	274,370	-	1,642,640
Total net assets	788,597	1,368,270	2,156,867	1,110,911	-	3,267,778
Total liabilities and net assets:	\$ 873,215	\$ 1,368,270	\$ 2,241,485	\$ 1,187,437	\$ (15,430)	\$ 3,413,492

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

**HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009**

<u>ASSETS</u>	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>HEALTH LAW ADVOCATES INC.</u>	<u>ELIMI- NATIONS</u>	<u>COMBINING TOTAL</u>
CURRENT ASSETS:						
Cash and cash equivalents	\$ 528,758	\$ 305,213	\$ 833,971	\$ 1,123,533	\$	\$ 1,957,504
Accounts Receivable	131,869	-	131,869	-	(13,116)	118,753
Current portion of grants and pledges receivable	-	482,215	482,215	31,500		513,715
Investments	-	-	-	48,597		48,597
Prepaid Expenses	68,374	-	68,374	1,000		69,374
Total current assets	729,001	787,428	1,516,429	1,204,630	(13,116)	2,707,943
PROPERTY AND EQUIPMENT:						
Office equipment	116,029	-	116,029	44,264		160,293
Furniture	-	-	-	7,021		7,021
	116,029	-	116,029	51,285		167,314
Less: accumulated depreciation	61,200	-	61,200	38,395		99,595
Net property and equipment	54,829	-	54,829	12,890		67,719
Total Assets:	\$ 783,830	\$ 787,428	\$ 1,571,258	\$ 1,245,429	\$ (13,116)	\$ 2,803,571
<u>LIABILITIES AND NET ASSETS</u>						
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 84,146	\$ -	\$ 84,146	\$ 43,834	\$ (13,116)	\$ 114,864
REFUNDABLE ADVANCES	30,063	-	30,063	76,370		106,433
Total Liabilities	114,209	-	114,209	120,204	(13,116)	221,297
NET ASSETS:						
Unrestricted-						
Operating	614,792	-	614,792	406,047	-	1,020,839
Property and equipment	54,829	-	54,829	12,890	-	67,719
Total unrestricted	669,621	-	669,621	816,627	-	1,486,248
Temporarily restricted	-	787,428	787,428	308,598	-	1,096,026
Total net assets	669,621	787,428	1,457,049	1,125,225	-	2,582,274
Total liabilities and net assets:	\$ 783,830	\$ 787,428	\$ 1,571,258	\$ 1,245,429	\$ (13,116)	\$ 2,803,571

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

HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	HEALTH LAW ADVOCATES INC.	ELIMI- NATIONS	COMBINING TOTAL
OPERATING REVENUES:						
Grants and contributions	\$ 418,162	\$ 2,072,259	\$ 2,490,421	\$ 247,898		\$ 2,738,319
Special events	335,719		335,719	369,165		704,884
Contract service revenue	340,132		340,132	66,785	(11,670)	395,247
Miscellaneous	40,079		40,079			40,079
Interest and dividends	6,354		6,354	5,099		11,453
Net assets released from restrictions-						
Satisfaction of program restrictions	1,491,417	(1,491,417)	-	-		-
Total operating revenues	<u>2,631,863</u>	<u>580,842</u>	<u>3,212,705</u>	<u>688,947</u>	<u>(11,670)</u>	<u>3,889,982</u>
OPERATING EXPENSES:						
Oral Health	402,691		402,691			402,691
Policy	659,802		659,802			659,802
Health Reform Campaign	424,770		424,770			424,770
Outreach and Enrollment	599,291		599,291			599,291
Program Services	-		-	545,885		545,885
Administrative	146,128		146,128	127,121	(11,670)	261,579
Development	280,205		280,205	124,826		405,031
Total operating expenses	<u>2,512,887</u>	<u>-</u>	<u>2,512,887</u>	<u>797,832</u>	<u>(11,670)</u>	<u>3,299,049</u>
Changes in net assets from operations	118,976	580,842	699,818	(108,885)		590,933
UNREALIZED LOSS ON INVESTMENTS	-	-	-	3,671		3,671
LEGAL SETTLEMENT, Net of legal fees				90,900		90,900
Changes in net assets	118,976	580,842	699,818	(14,314)		685,504
NET ASSETS, beginning of year	<u>669,621</u>	<u>787,428</u>	<u>1,457,049</u>	<u>1,125,225</u>		<u>2,582,274</u>
NET ASSETS, end of year	<u>\$ 788,597</u>	<u>\$ 1,368,270</u>	<u>\$ 2,156,867</u>	<u>\$ 1,110,911</u>	<u>\$ -</u>	<u>\$ 3,267,778</u>

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

**HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	HEALTH LAW ADVOCATES INC.	ELIMI- NATIONS	COMBINING TOTAL
OPERATING REVENUES:						
Grants and contributions	\$ 393,405	\$ 1,293,034	\$ 1,686,439	\$ 389,227	\$ (6,250)	\$ 2,069,416
Special events	275,216		275,216	442,653		717,869
Contract service revenue	313,391		313,391	11,130	(7,982)	316,539
Miscellaneous	7,555		7,555	-		7,555
Interest and dividends	15,435		15,435	19,566		35,001
Net assets released from restrictions- Satisfaction of program restrictions	2,115,999	(2,115,999)	-	-		-
Total operating revenues	<u>3,121,001</u>	<u>(822,965)</u>	<u>2,298,036</u>	<u>862,576</u>	<u>(14,232)</u>	<u>3,146,380</u>
OPERATING EXPENSES:						
Research	37,062		37,062	-		37,062
Oral Health	655,436		655,436	-		655,436
Policy	969,421		969,421	-		969,421
Health Reform Campaign	502,740		502,740	-	-	502,740
Outreach and Enrollment	576,463		576,463	-	(6,250)	570,213
Community Benefits	14,499		14,499	-		14,499
Program Services	-		-	594,771	-	594,771
Administrative	136,119		136,119	149,307	(7,982)	277,444
Development	284,737		284,737	124,474	-	409,211
Total operating expenses	<u>3,176,477</u>	<u>-</u>	<u>3,176,477</u>	<u>868,552</u>	<u>(14,232)</u>	<u>4,030,797</u>
Changes in net assets	(55,476)	(822,965)	(878,441)	(24,784)	-	(903,225)
NET ASSETS , beginning of year	<u>725,097</u>	<u>1,610,393</u>	<u>2,335,490</u>	<u>1,150,009</u>	<u>-</u>	<u>3,485,499</u>
NET ASSETS , end of year	<u>\$ 669,621</u>	<u>\$ 787,428</u>	<u>\$ 1,457,049</u>	<u>\$ 1,125,225</u>	<u>\$ -</u>	<u>\$ 2,582,274</u>

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

**HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

	HEALTH CARE FOR ALL, INC.	HEALTH LAW ADVOCATES, INC.	COMBINING TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Changes in net assets	\$ 699,818	\$ (14,314)	\$ 685,504
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:			
Depreciation	25,378	2,445	27,823
Loss on disposal of Equipment	-		
Unrealized loss (gain) on investments	-	(3,671)	(3,671)
Changes in operating assets and liabilities-			
Accounts receivable	(78,759)		(78,759)
Grants and pledges receivable	(673,055)	13,854	(659,201)
Prepaid expenses	6,383	(4,000)	2,383
Accounts payable and accrued expenses	(1,195)	(4,393)	(5,588)
Refundable advances	(28,396)		(28,396)
Contract Revenue Received in Advance	-	(39,285)	(39,285)
Net cash provided by (used in) operating activities	(49,826)	(49,364)	(99,190)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of investments	-	(2,712)	(2,712)
Net cash used in investing activities	-	(2,712)	(2,712)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(49,826)	(52,076)	(101,902)
CASH AND CASH EQUIVALENTS, beginning of year	833,971	1,123,533	1,957,504
CASH AND CASH EQUIVALENTS, end of year	\$ 784,145	\$ 1,071,457	\$ 1,855,602

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

**HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	HEALTH CARE FOR ALL, INC.	HEALTH LAW ADVOCATES, INC.	COMBINING TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Changes in net assets	\$ (878,441)	\$ (24,784)	\$ (903,225)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:			
Depreciation	22,245	2,923	25,168
Loss on disposal of Equipment	238		238
Unrealized loss on investments	-	18,808	18,808
Changes in operating assets and liabilities-			
Accounts receivable	(1,775)	-	(1,775)
Grants and pledges receivable	431,502	(59,409)	372,093
Prepaid expenses	13,565	500	14,065
Accounts payable and accrued expenses	(50,621)	8,487	(42,134)
Refundable advances	9,012	-	9,012
Contract Revenue Received in Advance		76,370	76,370
Net cash provided by (used in) operating activities	(454,275)	22,895	(431,380)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property and equipment	(37,684)	(11,526)	(49,210)
Purchases of investments	-	(2,340)	(2,340)
Net cash used in investing activities	(37,684)	(13,866)	(51,550)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(491,959)	9,029	(482,930)
CASH AND CASH EQUIVALENTS, beginning of year	1,325,930	1,114,504	2,440,434
CASH AND CASH EQUIVALENTS, end of year	\$ 833,971	\$ 1,123,533	\$ 1,957,504

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

**HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010**

2009

	PROGRAM SERVICES						SUPPORT SERVICES					HEALTH LAW ADVOCATES, INC.	ELIMI- NATIONS	COMBINING TOTAL	COMBINING TOTAL	
	RESEARCH	ORAL HEALTH	POLICY	HEALTH REFORM CAMPAIGN	OUTREACH AND ENROLLMENT	COMMUNITY BENEFITS	TOTAL PROGRAM SERVICES	ADMINIS- TRATIVE	COMMUNI- CATIONS	DEVELOP- MENT	TOTAL SUPPORT SERVICES					TOTAL
PERSONNEL AND RELATED:																
Salaries	\$	\$ 126,974	\$ 294,298	\$ 200,459	\$ 230,341	\$	\$ 852,072	\$ 265,865	\$ 92,553	\$ 101,303	\$ 459,721	\$ 1,311,793	\$ 423,419	\$	\$ 1,735,212	\$ 2,070,781
Employee benefits		20,827	48,273	32,881	37,783		139,764	40,756	15,179	16,620	72,555	212,319	46,746		259,065	318,522
Payroll taxes		12,663	29,349	19,991	22,971		84,974	29,700	9,255	10,077	49,032	134,006	33,456		167,462	157,253
Contracting services							-	141,295	-	-	141,295	141,295			141,295	104,405
Staff Training		100	1,209	1,149	207		2,665	1,010	589	55	1,654	4,319	752		5,071	18,352
Total personnel and related costs		<u>160,564</u>	<u>373,129</u>	<u>254,480</u>	<u>291,302</u>	<u>-</u>	<u>1,079,475</u>	<u>478,626</u>	<u>117,576</u>	<u>128,055</u>	<u>724,257</u>	<u>1,803,732</u>	<u>504,373</u>	<u>-</u>	<u>2,308,105</u>	<u>2,669,313</u>
OTHER:																
Program Consulting	\$	\$ 128,141	\$ (12,212)	\$ 5,250	\$ 38,391	\$	\$ 159,570	\$ 4,550	\$	\$ 11,968	\$ 16,518	\$ 176,088	\$	\$	\$ 176,088	\$ 340,292
Occupancy		-					-	174,262			174,262	174,262	91,824		266,086	232,729
Professional fees					21,506		21,506	49,720	2,760	200	52,680	74,186	36,332	(11,670)	98,848	220,868
Printing and postages		1,145	3,167	3,083	9,134		16,529	2,083	1,405	13,425	16,913	33,442	8,029		41,471	79,127
Subgrants			16,000				16,000	13,066			13,066	29,066			29,066	81,500
Travel		651	8,373	7,350	4,459		20,833	4,322	1,313	801	6,436	27,269	14,414		41,683	54,443
Meeting and events		1,046	1,594	1,221	1,606		5,467	3,669		63,290	66,959	72,426	68,696		141,122	157,170
Telephone		2,035	4,466	5,874	2,463		14,838	12,143	4,411	749	17,303	32,141	10,703		42,844	39,690
Supplies		162	752	1,084	1,493		3,491	5,108	1,170	204	6,482	9,973	4,554		14,527	23,911
Depreciation							-	25,378			25,378	25,378	2,445		27,823	25,169
Fees and Charges and maintenance		1,229	5,820	820	1,262		9,131	18,899	10,023	625	29,547	38,678	16,479		55,157	49,601
Advertising		438		2,015	2,195		4,648	11,155	423	20	11,598	16,246	38,933		55,179	53,925
Contracted services		-	-	-	-		-	-	-	-	-	-	1,050		-	1,964
Total other		<u>134,847</u>	<u>27,960</u>	<u>26,697</u>	<u>82,509</u>	<u>-</u>	<u>272,013</u>	<u>324,355</u>	<u>21,505</u>	<u>91,282</u>	<u>437,142</u>	<u>709,155</u>	<u>293,459</u>	<u>(11,670)</u>	<u>990,944</u>	<u>1,361,484</u>
Total operating expenses before allocations		<u>295,411</u>	<u>401,089</u>	<u>281,177</u>	<u>373,811</u>	<u>-</u>	<u>1,351,488</u>	<u>802,981</u>	<u>139,081</u>	<u>219,337</u>	<u>1,161,399</u>	<u>2,512,887</u>	<u>797,832</u>	<u>(11,670)</u>	<u>3,299,049</u>	<u>4,030,797</u>
ADMINISTRATIVE ALLOCATION		<u>80,142</u>	<u>193,268</u>	<u>107,270</u>	<u>162,855</u>	<u>-</u>	<u>543,535</u>	<u>(656,853)</u>	<u>52,450</u>	<u>60,868</u>	<u>(543,535)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
COMMUNICATIONS ALLOCATIONS		<u>27,138</u>	<u>65,445</u>	<u>36,323</u>	<u>62,625</u>	<u>-</u>	<u>191,531</u>	<u>-</u>	<u>(191,531)</u>	<u>-</u>	<u>(191,531)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	\$	<u>\$ 402,691</u>	<u>\$ 659,802</u>	<u>\$ 424,770</u>	<u>\$ 599,291</u>	<u>\$ -</u>	<u>\$ 2,086,554</u>	<u>\$ 146,128</u>	<u>\$ -</u>	<u>\$ 280,205</u>	<u>\$ 426,333</u>	<u>\$ 2,512,887</u>	<u>\$ 797,832</u>	<u>\$ (11,670)</u>	<u>\$ 3,299,049</u>	<u>\$ 4,030,797</u>

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

**HEALTH CARE FOR ALL INC. AND AFFILIATE
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009**

	PROGRAM SERVICES						SUPPORT SERVICES					TOTAL	HEALTH LAW ADVOCATES, INC.	ELIMI- NATIONS	COMBINING TOTAL	
	RESEARCH	ORAL HEALTH	POLICY	HEALTH REFORM CAMPAIGN	OUTREACH AND ENROLLMENT	COMMUNITY BENEFITS	TOTAL PROGRAM SERVICES	ADMINIS- TRATIVE	COMMUNI- CATIONS	DEVELOP- MENT	TOTAL SUPPORT SERVICES					
PERSONNEL AND RELATED:																
Salaries	\$ 20,955	\$ 185,266	\$ 403,972	\$ 237,040	\$ 242,672	\$ 10,702	\$ 1,100,607	\$ 253,634	\$ 104,442	\$ 115,491	\$ 473,567	\$ 1,574,174	\$ 496,607	\$ -	\$ 2,070,781	
Employee benefits	3,843	32,507	70,898	41,308	42,734	2,132	193,422	41,422	18,230	20,157	79,809	273,231	45,291	-	318,522	
Payroll taxes	1,519	13,461	29,353	17,230	17,629	772	79,964	21,177	7,589	8,396	37,162	117,126	40,127	-	157,253	
Contracting services	-	-	-	-	-	-	-	104,405	-	-	104,405	104,405	-	-	104,405	
Staff Training	-	2,269	4,242	1,908	4,033	-	12,452	3,231	505	590	4,326	16,778	1,574	-	18,352	
Total personnel and related costs	26,317	233,503	508,465	297,486	307,068	13,606	1,386,445	423,869	130,766	144,634	699,269	2,085,714	583,599	-	2,669,313	
OTHER:																
Program Consulting	-	247,150	33,680	15,470	2,076	450	298,826	9,000	18,591	13,875	41,466	340,292	-	-	340,292	
Occupancy	-	-	-	-	-	-	-	166,806	-	-	166,806	166,806	65,923	-	232,729	
Professional fees	-	1,330	3,367	-	12,378	-	17,075	132,045	693	25	132,763	149,838	78,580	(7,550)	220,868	
Printing and postages	455	7,732	6,208	2,991	11,892	200	29,478	2,514	18,563	20,097	41,174	70,652	8,475	-	79,127	
Subgrants	-	-	65,000	-	22,750	-	87,750	-	-	-	-	87,750	-	(6,250)	81,500	
Travel	1,657	6,016	14,781	7,237	5,177	150	35,018	11,435	2,226	150	13,811	48,829	5,614	-	54,443	
Meeting and events	-	9,566	23,558	1,513	2,129	-	36,766	5,846	624	49,752	56,222	92,988	64,182	-	157,170	
Telephone	175	3,308	4,874	5,813	4,772	-	18,942	9,377	3,935	344	13,656	32,598	7,092	-	39,690	
Supplies	33	1,029	2,177	505	2,383	93	6,220	12,192	500	986	13,678	19,898	4,445	(432)	23,911	
Depreciation	-	-	-	-	-	-	-	22,246	-	-	22,246	22,246	2,923	-	25,169	
Dues and subscriptions	-	650	4,684	220	393	-	5,947	3,300	11,086	850	15,236	21,183	4,012	-	25,195	
Fees and Charges	-	1,400	500	-	-	-	1,900	5,181	63	-	5,244	7,144	4,314	-	11,458	
Non-capital equipment, repairs and maintenance	-	417	1,523	309	3,135	-	5,384	11,601	5,299	760	17,660	23,044	30,881	-	53,925	
Insurance	-	-	-	-	-	-	-	5,531	-	-	5,531	5,531	7,417	-	12,948	
Advertising	-	110	-	-	110	-	220	1,689	55	-	1,744	1,964	-	-	1,964	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	1,095	-	1,095	
Total other	2,320	278,708	160,352	34,058	67,195	893	543,526	398,763	61,635	86,839	547,237	1,090,763	284,953	(14,232)	1,361,484	
Total operating expenses before allocations	28,637	512,211	668,817	331,544	374,263	14,499	1,929,971	822,632	192,401	231,473	1,246,506	3,176,477	868,552	(14,232)	4,030,797	
ADMINISTRATIVE ALLOCATION	5,918	100,610	211,162	120,258	142,037	-	579,985	(686,513)	53,264	53,264	(579,985)	-	-	-	-	
COMMUNICATIONS ALLOCATIONS	2,507	42,615	89,442	50,938	60,163	-	245,665	-	(245,665)	-	(245,665)	-	-	-	-	
Total operating expenses	\$ 37,062	\$ 655,436	\$ 969,421	\$ 502,740	\$ 576,463	\$ 14,499	\$ 2,755,621	\$ 136,119	\$ -	\$ 284,737	\$ 420,856	\$ 3,176,477	\$ 868,552	\$ (14,232)	\$ 4,030,797	

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

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 1 - Operations, Nonprofits Status and Significant Accounting Policies

Operations:

Health Care for All, Inc. (HCFA) is a Massachusetts not-for-profit corporation founded in 1985. HCFA is a state-based consumer advocacy group focused on creating an affordable, accessible, culturally competent, consumer-centered health care system. It does this through assistance to individuals and through policy change activities focused on expanding access to health coverage for all residents of Massachusetts, with particular emphasis on children, immigrants and others, improving the health care system, reducing health disparities, improving health care quality, expanding access to quality, affordable prescription drugs, and expanding access to oral health.

Health Law Advocates, Inc. (HLA) is a Massachusetts not-for-profit corporation founded in 1996. HLA provides free legal representation to eligible consumers who live or work in Massachusetts and seek access to health care. HLA fights for health care justice through representation of groups of consumers and communities and through education and outreach.

HCFA maintains the following programs:

Research produces and disseminates research reports relevant to health care in Massachusetts and serves as a resource to HCFA staff, residents, media, government and public and private sector organizations. The department periodically publishes research on specific issues related to Massachusetts health care, including access, quality, and cost issues.

Policy educates the public and policymakers on a variety of health care issues and monitors implementation of health care legislation and regulation. Additionally, the department coordinates coalitions on disparities, health care quality, children's health, and prescription drugs.

- **Health Care Quality:** The Quality team coordinates the work of the Consumer Health Quality Council, citizens organized to reduce medical errors, promote public reporting and transparency, improve patient and provider communication and partnership, and ensure patient safety for all residents of Massachusetts. The Consumer Health Quality Council is building a collective voice statewide and its members serve as

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 1 - Operations, Nonprofits Status and Significant Accounting Policies
(Continued)

Spokespeople, advocates, and recruiters for additional volunteers. Our quality initiative works to bring a consumer voice to policy discussions and legislative debates regarding quality, patient safety, and medical errors.

- Prescription Reform Coalition (MPRC): MPRC brings together community organizations, providers, labor organizations and groups concerned with children and families to educate the public and policy makers about effective policies to assure access to quality, affordable prescription drugs. The coalition works to support programs that reduce conflicts of interest between prescribers and drug manufacturers, educate prescribers on effective use of generic and low-cost drugs, and promote transparency in the field.
- Children's Health Access: HCFA's work on improving access to health for children includes the Children's Health Access Coalition (CHAC) and the Children's Mental Health Campaign (CMHC). CHAC is a group of more than 60 organizations from across the state committed to ensuring that all of Massachusetts' children get affordable and comprehensive health services. CHAC includes community, business, consumer, provider, and advocacy organizations who collaboratively define the Coalition's agenda. The group works to improve benefits and reduce barriers to enrollment in Mass Health, the state's Medicaid program, and other programs such as the Children's Medical Security Plan and Healthy Start. CMHC brings together advocates, families, educators, and providers to address the ongoing and expanding crisis in the children's mental health system. The coalition advocates for coordinated mental health services that serve the interests of the child.
- Health Disparities: The Disparities Action Network (DAN) is the first group of its kind to bring together statewide group of advocates, researchers, providers and institutions to work to improve state policy and eliminate racial and ethnic disparities. More than 60 organizations make up the DAN and focus on the

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 1 - Operations, Nonprofits Status and Significant Accounting Policies
(Continued)

complex issues that underlie health inequality

- The DAN works to increase knowledge and support for health equity policy among decision makers, educate media and public audiences about the root causes of racial and ethnic health disparities, and connect diverse community members to policy making and advocacy activities.

Outreach and Enrollment works to find and enroll people in the state who do not have health coverage. We do this through an extensive network of partners, grass roots efforts, media communications, both earned and paid, on-line enrollment assistance, and our Help Line. Our Help Line is a free service to Massachusetts consumers who need help with health coverage. It is staffed with four full-time counselors who answer calls in English, Spanish, and Portuguese. Counselors help callers fill out applications for health coverage over the phone and finds and directs callers to other health-related services. Health Care For All uses information provided by callers to inform our policy work.

Community Benefits works with leaders in local communities to ensure that health care institutions, including non-profit hospitals and insurers, are meeting community needs.

The Health Reform Team works to reform the Massachusetts health care system to provide affordable, quality, patient-centered care for every resident of the Commonwealth.

- The Affordable Care Today!! (ACT!!) coalition is a broad-based, statewide coalition of approximately 75 different groups that include community and religious organizations, labor unions, doctors, hospitals, community health centers, public health advocates, and consumers. The coalition played a central role in the passage of the 2006 comprehensive Massachusetts Health Reform law, and now works to support full implementation of the law. The coalition focuses on the access for low and moderate income people, protecting the affordability standards, assuring adequate minimum creditable coverage standards, supporting adequate reimbursement rates,

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 1 - Operations, Nonprofits Status and Significant Accounting Policies
(Continued)

and supporting safety net care provisions, including Mass Health, the Medical Security Program, and the Health Safety Net.

- The Campaign for Better Care works to achieve patient-centered reform of the health care delivery system in Massachusetts, through comprehensive payment reform. The Campaign brings together senior organizations, public health advocates, chronic disease groups, community members, disability groups, mental health organizations, religious organizations and low income advocates to promote reforms that increase accountability, transparency and reduce costs to consumers. The Campaign supports reform of the payment structure to reward primary and preventive care that promotes health and wellness.

Oral Health: The Oral Health program uses a comprehensive approach to advocacy activities, community organizing in Massachusetts. The Oral Health Advocacy Taskforce is a broad-based coalition of consumers, advocates, health care professionals, academics, and insurers. The Oral Health Advocacy Taskforce works closely with the Legislative Oral Health Caucus to improve oral health for all persons in the Commonwealth through public policy advocacy. The coalition works to increase access to dental insurance for all Massachusetts residents, strengthen and expand the capacity of safety-net dental providers, increase access to community water fluoridation, increase awareness of the importance of oral health. The Watch Your Mouth Campaign focuses on community organizing and media outreach aimed at broadening knowledge of the role of oral health in overall health.

HCFA is the sole member of HLA and approves the Board of Directors of HLA. Due to this factor, the financial statements of HCFA and HLA are presented on a combining basis (see page below).

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Nonprofits Status:

HCFA and HLA (collectively, the Agency) are exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. The Agency is also exempt from state income taxes. Donors may deduct contributions made to the Agency within the Internal Revenue Code regulations.

Significant Accounting Policies:

Principles of Combination

The combining financial statements include the net assets of HCFA and HLA. All significant balances between classes of net assets, intercompany balances and transactions have been eliminated in the accompanying combining financial statements.

Estimates

The preparation of combining financial statements in accordance 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 at the date of the combining financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Unrestricted grants and contributions are recorded when unconditionally pledged. Contract service revenue is recorded over the contract period as services are provided. Donor designated grants and contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor stipulated time restrictions ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions.

Special events are recorded at the time of the events.

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Property and Equipment and Depreciation: Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair market value at the time of donation. Depreciation is computed using the straight-line method over the following estimated useful life of three to seven years.

Expense Allocations

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

Grants and Pledges Receivable and Allowance for Doubtful Accounts

Pledges are recorded at their net present value when unconditionally committed. Grants and pledges receivable include unconditional promises to give (refer to Note 6).

Any allowance is recorded based on management's analysis of specific grants and pledges and their estimates of amounts that may become uncollectible. Grants and pledges are written off against the allowance when they are determined to be uncollectible. There was no allowance at June 30, 2010 and 2009.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and money market funds. These are considered to be cash and cash equivalents for the purpose of the combining statements of cash flows.

Donated Services

HCFA is the recipient of donated legal services. The valuation of these services is not readily ascertainable or subject to precise measurement; therefore, it has not been reflected into the accompanying combining financial statements.

Refundable Advance

Refundable advances consist of contract advances. The value of the refundable advances for the year ended June 30, 2010 and June 30, 2009, was \$38,752 and \$30,063 respectively. These amounts are expected to be recognized as revenue in fiscal year 2011.

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 2 - Investments

Health Law Advocates, Inc. records its investments at fair market value. Interest, dividends and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred or based on market value changes during the period. Interest and dividends earned on investments are reinvested. The following is a summary of the investment portfolio and unrealized appreciation as of June 30, 2010 and 2009:

<u>2010</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	<u>\$75,909</u>	<u>\$54,980</u>	<u>(\$20,929)</u>

<u>2009</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	<u>\$73,197</u>	<u>\$48,597</u>	<u>(\$24,600)</u>

Investments are not insured and are subject to ongoing market fluctuations.

Note 3 - Net Assets

Unrestricted Net Assets: Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Agency. The Agency has grouped its unrestricted net assets into the following categories:

- **Operating Net Assets** - represent fund which are available to carry on the operations of the Agency.

Board Designated Net Assets - represent funds set aside by the Board of Directors to be used as an operating reserve to meet future cash flow needs and for other purposes as approved by the Board of Directors. These funds may only be used with the approval of the Board of Directors. During 2010 and 2009, HLA's Board of Directors approved the use of \$ -0- and \$59,460, respectively, for the dental program.

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 3 - Net Assets (Continued)

- **Property and Equipment Net Assets** - reflect and account for the activities relating to the Agency's property and equipment.

Temporarily Restricted Net Assets: The Agency receives contributions and grants which are designated by donors for specific purposes. These contributions are recorded as temporarily restricted net assets consist of the following at June 30:

	<u>2010</u>	<u>2009</u>
Program and Purpose restrictions:		
HCFA	\$1,368,270	\$ 787,428
HLA	<u>274,370</u>	<u>\$ 308,598</u>
Total temporarily restricted net assets	<u>\$1,642,640</u>	<u>\$1,096,026</u>

Note 4 - Line of Credit

HCFA has available a \$175,000 line of credit with a bank. Borrowings under the line are due on demand, and interest is payable monthly at prime rate plus 0%. The line of credit is secured by all assets of HCFA. As of June 30, 2010 and 2009, there was no outstanding balance under this agreement.

HLA has available a \$50,000 a line of credit with a bank. Borrowings under the line are due on demand, and interest is payable monthly at the bank's base lending rate of 3.25% at both June 30, 2010 and 2009. The line is unsecured and is renewed annually. As of June 30, 2010 and 2009, there was no outstanding balance under this agreement.

Note 5 - Subleases

The Agency leases space from another non-profit organization under sublease agreements expiring through September 30, 2014. The facility leases require the Agency to maintain certain insurance coverage and pay for its proportionate share of real estate taxes and operating expenses. Rent expense under the facility leases

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 5 - Subleases (continued)

was \$254,048 and \$223,405 for the years ended June 30, 2010 and 2009, respectively, and is included in occupancy in the accompanying combining statements of functional expenses. Future minimum lease payments under these agreements for the next five years are as follows:

	<u>HCFA</u>	<u>HLA</u>	<u>Total</u>
2011	197,064	61,914	258,978
2012	211,554	66,466	278,020
2013	216,384	67,984	284,368
2014	54,096	16,996	71,092

Note 6 - Grants and Pledges Receivable

Grants and pledges receivable are due as follows:

	<u>HCFA</u>	<u>HLA</u>	<u>Total</u>
2010	\$855,673	\$26,500	\$882,173
2011	308,634	10,000	318,634
2012	<u> </u>	<u>10,000</u>	<u>10,000</u>
	\$1,164,307	\$46,500	\$1,210,807
Less- Discount	<u>9,037</u>	<u>945</u>	<u>9,982</u>
	\$1,155,270	\$45,555	\$1,200,825
Less- Current Portion	<u>855,673</u>	<u>26,500</u>	<u>882,173</u>
Long-term Pledges Receivable, net	<u>\$ 299,597</u>	<u>\$ 19,055</u>	<u>\$ 318,652</u>

For the year 2011 to 2012 receivables have been discounted using a 5% discount rate.

Four of HCFA donor's pledge receivable balances for 2010 and three for 2009, represent approximately 89% and 99% of the total accounts, grants and pledges receivable as of June 30, 2010 and 2009, respectively. One of HLA donor's grants and pledges receivable balance represent approximately 64% of the total accounts, grants and pledges receivable as of June 30, 2010 and 2009.

**HEALTH CARE FOR ALL, INC. AND AFFILIATE
NOTES TO THE COMBINING FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

Note 7 - Benefit Plan

The Agency has a defined contribution pension plan pursuant to Internal Revenue Code Section 401 (k), covering all eligible employees. Employees become eligible to participate after completing one year of service. The Agency contributes up to 5% of each employee's annual salary. For the years ended June 30, 2010 and 2009, pension costs were \$50,946 and \$68,916, respectively, and are included in payroll taxes and fringe benefits in the accompanying combining financial statements.

Note 8 - Concentration of Credit Risk

The Agency maintains its cash balances in three banks in Massachusetts and in an investment account with a major brokerage firm. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to \$250,000. HCFA also has amounts invested in a brokerage firm's cash and money market accounts. These are insured by de Securities Investor Protection Corporation (SIPC) and additional insurance carried by the investment firm. At certain times during the year, HLA's cash balances exceeded the insured amounts. Management monitors on a regular basis, the financial condition of the financial institutions, along with their balances, to keep this potential risk to a minimum. The Agency has not experienced any losses in such accounts.

Note 9 - Legal Settlement

HLA, from time-to-time, represents HCFA and other eligible consumers in lawsuits. HLA gets legal fees through court order when cases are resolved. During 2010, HLA received approximately \$125,000 as a legal settlement from the Commonwealth of Massachusetts. HLA paid out \$34,100 of the legal settlement to another legal aid organization for their involvement in the lawsuits. This amount is netted against legal settlement in the accompanying statements of activities and changes in net assets.

HEALTH CARE FOR ALL, INC.

**COMMENTS, OBSERVATIONS AND RECOMMENDATIONS ON INTERNAL
CONTROLS, PROCEDURES AND OTHER MATTERS
DECEMBER 17, 2010**

JOHN M. MONTICONE

Certified Public Accountant

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Medford, Massachusetts 02155

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Telephone: (781) 395-0024

Fax: (781) 391-6097

December 17, 2010

The Board of Directors
Health Care for All, Inc.
30 Winter Street
Boston, MA 02108

Dear Directors:

The management of Health Care For All, Inc. (HCFA) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of combining financial statements in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies may deteriorate.

In planning and performing our audit of the combining financial statements of HCFA for the year ended June 30, 2010, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We are pleased to provide this management letter containing comments, observations, and recommendations on internal control, procedures, and other matters, which came to our attention during the audit of HCFA. Before deciding on a course of action based on our comments, you may wish to assess the expected benefits and related costs of our suggestions. We would be glad to clarify any of our comments or discuss with you how we can provide further assistance.

This report is intended solely for the information and use of the Board of Directors, management, and others in the organization.

Very truly yours,

HEALTH CARE FOR ALL, INC.

**COMMENTS, OBSERVATIONS AND RECOMMENDATIONS ON INTERNAL
CONTROLS, PROCEDURES AND OTHER MATTERS
DECEMBER 17, 2010**

GENERAL

I thank HCFA's management and the financial staff for their assistance and cooperation during the audit.

The following are comments, observations and recommendations to assist you with the continued development of the internal control structure and related policies and procedures.

PRIOR YEAR ITEMS ADDRESSED

The following items were noted during the fiscal year 2009 audit of HCFA's financial statements and have been addressed by HCFA:

None.

PRIOR YEAR ITEMS IN PROCESS

There is no prior year item in process.

CURRENT YEAR ITEMS

None.

JOHN M. MONTICONE

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December 17, 2010

The Board of Directors
Health Care for All, Inc.
30 Winter Street
Boston, MA 02108

We have audited the combining financial statements of Health Care for All, Inc. and Affiliate (collectively, the Agency) for the year ended June 30, 2010, and have issued our report thereon dated December 17, 2010. Professional standards require that we provide you with the following information related to our audit.

1. Our Responsibility Under Auditing Standards Generally Accepted in the United States of America.

As stated in our engagement letter dated July 15, 2010, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the combining financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Agency. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

2. Significant Accounting Policies

Management has the responsibility for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Agency are described in Note 1 to the combining financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the Agency during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

3. Accounting Estimates

Accounting estimates are integral part of the combining 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 combining financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the combining financial statements were:

- Allocation of administrative expenses
- Useful lives of property and equipment
- Allowance for doubtful accounts
- Discount on pledges receivable

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the combining financial statements taken as a whole.

4. Significant audit Adjustments

For purpose of this letter, professional standards define a significant audit adjustment as a proposed correction of the combining financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Agency that could potentially cause future combining financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current combining financial statements. We proposed no audit adjustments to the Agency over the combining financial statements.

5. Other information in Documents Containing Audited Combining Financial Statements

If the audited combining financial Statements are included in annual reports or other documents, we will ascertain that disclosures in these documents are substantially consistent with the audited combining financial statements.

6. Disagreements with Management

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

7. Consultation with Other 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 Agency's combining 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.

8. Issues Discussed Prior to Retention of Independent Auditors

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 Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

9. Difficulties Encountered in Performing the Audit

We encountered no difficulties dealing with management in performing our audit. We appreciate the courtesy and cooperation extended to us during the audit.

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

Sincerely,

HEALTH CARE FOR ALL, INC.
KEY FINANCIAL RATIOS
FOR THE YEAR ENDED JUNE 30, 2010, AND 2009

	2010		2009	
1) CURRENT UNRESTRICTED RATIO:				
CURRENT ASSETS	843,764	10.0	729,001	6.4
CURRENT LIABILITIES	84,618		114,209	
2) OPERATING REVENUES:				
GRANTS AND CONTRIBUTIONS	418,162	15.9%	393,405	12.6%
SPECIAL EVENTS	335,719	12.8%	275,216	8.8%
CONTRACT SERVICES REVENUE	340,132	12.9%	313,391	10.0%
MISCELLANEOUS	40,079	1.5%	7,555	0.2%
INTEREST AND DIVIDENDS	6,354	0.2%	15,435	0.5%
NET ASSETS RELEASED FROM RESTRICTIONS	1,491,417	56.7%	2,115,999	67.8%
	<u>2,631,863</u>	<u>100.0%</u>	<u>3,121,001</u>	<u>100.0%</u>
3) OPERATING EXPENSES:				
PERSONEL & RELATED	1,803,732	71.8%	2,085,714	65.7%
PROGRAM CONSULTING	176,088	7.0%	340,293	10.7%
OTHER	304,361	12.1%	473,669	14.9%
SUBGRANTS	29,066	1.2%	87,750	2.8%
OCCUPANCY	174,262	6.9%	166,806	5.3%
DEPRECIATION	25,378	1.0%	22,246	0.7%
	<u>2,512,887</u>	<u>100.0%</u>	<u>3,176,478</u>	<u>100.0%</u>
PROGRAM SERVICES (INCLUDING COMMUNICATION)	1,490,569	59.3% ¹	2,122,374	66.8% ¹
ADMINISTRATIVE	802,981	32.0%	822,631	25.9%
DEVELOPMENT	219,337	8.7% ²	231,473	7.3% ²
	<u>2,512,887</u>	<u>100.0%</u>	<u>3,176,478</u>	<u>100.0%</u>
4) NUMBER OF MONTHS OPERATING EXPENSES IN UNRESTRICTED NET ASSETS:				
TOTAL OPERATING EXPENSES	2,512,887		3,176,478	
LESS - DEPRECIATION	25,378		22,246	
	<u>2,487,509</u>		<u>3,154,232</u>	
DIVIDED BY 12 MONTHS	<u>12</u>		<u>12</u>	
MONTHLY OPERATING EXPENSES	<u>207,292</u>		<u>262,853</u>	
UNRESTRICTED OPERATING NET ASSETS	759,146		614,792	
DIVIDED BY MONTHLY OPERATING EXPENSES	<u>207,292</u>		<u>262,853</u>	
MONTHS OPERATING EXPENSES IN UNRESTRICTED NET ASSETS	<u>3.7</u>		<u>2.3</u>	

¹ Program Service Expense / Total Expense = Programs Service Expense ratio measures the relationship of funds spent for program purposes to all expenses. This ratio has been the subject of much scrutiny including the Wise Giving Alliance of the Better Business Bureau which has set a standard of 65% for this ratio.

² Fundraising Expense / Total Expense = Fundraising Ratio measures the relationship between fundraising expenses and the total expenses. This is one of the most analysed ratio and ample evidence that nonprofits do not report fundraising expenses reliably. Unique circumstances facing a nonprofit might make its fundraising ratio higher or lower than that of another organization. For example, nonprofits that can rely largely on foundation funding will have much lower fundraising cost that organizations that must raise money through many smaller contributions.