

Mission

The REACH Healthcare Foundation strives to assess community health needs and allocate our energy and resources to programs that make a positive and measurable impact on the health of the members of the communities we serve, with a particular emphasis on the underserved and indigent.

Vision

All persons living in communities served by the REACH Healthcare Foundation will have the information and access to healthcare they need to live healthier lives.

Guiding Principles

The REACH Healthcare Foundation will hold to its mission and achieve its vision through application of the following guiding principles.

REACH shall:

- Serve as a community catalyst for change
- Leverage our investments wherever possible, creating strategic alliances and encouraging effective partnerships
- Demonstrate respect for the individuals and communities we serve
- Recognize the diversity within and among the communities we serve
- Achieve transparency and openness in our dealings with others
- Create and maintain an awareness of the needs of all underserved populations
- Encourage creativity and creative problem solving
- Employ integrity and a team approach in our decision-making
- Utilize a fair and equitable process for applicants
- Require accountability of ourselves and our grantees
- Practice sound corporate governance

The REACH Healthcare Foundation

2004 Annual Report



The REACH Healthcare Foundation
6700 Antioch Road, Suite 110 Merriam, KS 66204
www.reachhealth.org
Email: grants@reachhealth.org
Phone: (913) 432-4196 Toll-free: (866) 866-8805
Fax: (913) 789-6432



Equal access. It's within reach.

Letter from the Chair and President

"Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."

--World Health Organization.

The REACH Healthcare Foundation is in a unique position to begin addressing the gap in access to healthcare experienced by our community's poor and uninsured populations. But as a healthcare foundation new to the philanthropy landscape, we must be vigilant. Funding of programs and services that provide some healthcare, or slightly-better-than-nothing healthcare, would be relatively easy, but isn't good enough. The Foundation's commitment to equal access means more than that.

At REACH, we work with other key stakeholders to identify and support creative, evidence-based efforts to create a true system of care for those who find themselves without adequate access. Local, state and federal units of government, the philanthropic community, the business community and non-profit service providers all have a stake, and a role to play, in developing a sustainable healthcare system for every member of our society. By working together, we may one day even find a way to move beyond the tendency to treat poor health, and instead prevent its onset altogether.

The Foundation's initial year of operations was marked by dramatic change and growth. Our Board of Directors and staff took on the daunting task of establishing a viable non-profit organization from scratch, while at the same time educating ourselves about the extensive needs present in the communities we serve. We narrowed our initial funding focus to make a greater impact, and attempted to create efficient grantmaking systems to remain accountable to our many stakeholders. We look forward to 2005 and making our initial grant awards, when our efforts will begin to connect our target population to the services they need and deserve.

On behalf of the Board and staff of REACH, we thank you for your support and patience during our founding year, and we encourage you to add your voice to our efforts. Equal access . . . it's within reach.



Mark Parkinson
Chairman of the
Board of Directors



Brenda Sharpe
President and CEO

The REACH Healthcare Foundation Statement of Financial Position - December 31, 2004

ASSETS	
Cash	\$ 240,169
Prepaid expenses and deposits	11,518
Investments	99,360,000
Furniture, fixtures and equipment, less accumulated depreciation of \$10,214	<u>119,824</u>
	<u>\$ 99,731,511</u>

LIABILITIES AND NET ASSETS	
Accounts payable	\$ 10,239
Commitments and contingency (Notes 2 and 5)	
Net assets, unrestricted:	
Historic dollar value	99,044,244
Available for general activities	<u>677,028</u>
	<u>99,721,272</u>
	<u>\$ 99,731,511</u>

STATEMENT OF ACTIVITIES AND NET ASSETS PERIOD FROM INCEPTION (AUGUST 27, 2003) THROUGH DECEMBER 31, 2004

Revenues, gains and other support:	
Contributions	\$ 99,044,344
Interest income, net of expenses of \$7,686	1,927,240
Other income	<u>45</u>
Total revenues, gains and other support	<u>100,971,629</u>
Operating expenses (Note 3)	<u>1,250,357</u>
Net assets, December 31, 2004	<u>\$ 99,721,272</u>

STATEMENT OF CASH FLOWS PERIOD FROM INCEPTION (AUGUST 27, 2003) THROUGH DECEMBER 31, 2004

Cash flows from operating activities:	
Change in net assets, unrestricted	\$ 99,721,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,214
Changes in assets and liabilities:	
Prepaid expenses and deposits	(11,518)
Accounts payable	<u>10,239</u>
Net cash provided by operating activities	<u>99,730,207</u>
Cash flows from investing activities:	
Purchases of furniture, fixtures and equipment	(130,038)
Purchases of investments	(397,170,000)
Proceeds from maturities of investments	<u>297,810,000</u>
Net cash used by investing activities	<u>(99,490,038)</u>
Cash, December 31, 2004	<u>\$ 240,169</u>



HOUSE PARK & DOBRATZ, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

STANLEY H. HOUSE
STEPHEN M. PARK
MICHAEL A. DOBRATZ
STEVEN V. WIEBLER
MARY H. STRATMAN

605 WEST 47TH STREET - SUITE 301
KANSAS CITY, MISSOURI 64112
TEL: (816) 931-3393
FAX: (816) 931-9636

Independent Auditors' Report

Board of Directors
The REACH Healthcare Foundation
Merriam, Kansas

We have audited the statement of financial position of The REACH Healthcare Foundation (the Foundation) as of December 31, 2004, and the related statements of activities and changes in net assets and cash flows for the period from inception (August 27, 2003) through December 31, 2004. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The REACH Healthcare Foundation as of December 31, 2004, and the changes in its net assets and its cash flows for the period from inception (August 27, 2003) through December 31, 2004, in conformity with U.S. generally accepted accounting principles.

House Park & Dobratz, P.C.

March 4, 2005



Board of Directors

Executive Committee

Mark Parkinson, Chair
Pat Adair, Vice-Chair
Bob Regnier, Secretary
Frank Friedman, Treasurer
T. Nelson Mann,
Chair, Grants Committee
Anthony Springfield,
Member-at-large

Stanley Brand, M.D.
Tim Carmody
Linda Clarkson
Joyce Crumpton
Joshua Freeman, M.D.
Phyllis Gilmore
Michelle Haley, M.D.
Jack Holland
Curtis Krizek

Dennis Lister
J. Brett Milbourn
Gregg Motley
Joab Ortiz
Tom Robinett
Lyn Shaw
Glen Singer, M.D.
George Speer, M.D.
Jon Stewart

Donna Talkington
Teola Tillman
Cardelia Walker

Brenda Sharpe,
President and CEO, Ex-Officio



Community Advisory Committee

Steering Committee

Ken Davis, Chair
John David "JD" Rios, Vice-Chair
Judy Works, Secretary
Art Collins, Chair,
Performance Review Sub-Committee
Evie Curtis, Chair,
Community Research Sub-Committee

Evie Hagerman, Chair,
Nominating Sub-Committee

W. Bruce Anderson
Pamela Chapin
Cheryl Freidline
Mark Gillett, M.D.
Sharrieff Hazim

Craig Herre, D.D.S.
Katherine Idleburg
Audrey Langworthy
Barbara Larison
Ken Martinez
Gary Parker
E. Wynn Presson
Carol Sader

Mahnaz Shabbir
Judy Smith
John Smith
Carlton Young

Brenda Sharpe,
President and CEO, Ex-Officio

> Community Health Needs Assessment

In 2004, the REACH Healthcare Foundation engaged the services of the Kansas Health Institute (KHI), an independent, non-profit health policy and research organization. At the Foundation's request, KHI compiled data for an assessment of the health and well-being of residents of Allen, Wyandotte and Johnson Counties of Kansas.

Four aspects of health were assessed:

Determinants of Health

Health Outcomes

Special Populations, and

Health Services

Eleven focus areas within those aspects of health were probed in greater detail. An executive summary of this report is available on the Foundation's website at www.reachhealth.org.

In the final analysis, the assessment painted a vivid picture of more needs than any one organization could satisfy. By necessity, the Foundation established three priorities among those needs identified, and set about the task of developing a process by which funds could be disbursed to address them. By tackling access issues related to Oral Health, Mental Health and Safety Net Services for the indigent and uninsured members of the communities we serve, we believe we will have the greatest opportunity to create social change with limited philanthropic resources.

> Who We Serve

The three counties served by the REACH Healthcare Foundation are very different. Two are contiguous, urban and considered a part of the Kansa City metropolitan area. The third, Allen County, is rural and separated from Johnson County by approximately 64 miles.

Allen County with its 14,234 residents is the smallest in population, but the largest in area. Johnson County has 476,536 residents, and Wyandotte County, the smallest of the three geographically, is home to 158,331 residents.

The percentage of the uninsured population under the age of 65 in Wyandotte County is nearly double the state's average of 10.5%. The percentage is 11% in Allen County and 5.5% in Johnson County. The total number of uninsured people in Johnson County exceeds the number in Allen and Wyandotte Counties combined.

An uninsured person in these three counties is more likely to be young (under 25) and to live in a family where the parents are married and work at least part-time.

In Johnson and Wyandotte Counties, children and young adults birth to 24 were most likely to not have health insurance. In Allen County, the largest group of uninsured people was the 25 to 44 age group.



> REACH Accomplishments

- Convened a diverse 27 member board of directors and 25 member community advisory committee
- Established foundation headquarters and staffed the organization
- Developed a mission statement, vision and guiding principles
- Conducted a community health needs assessment
- Identified 2005 funding priorities
- Created the foundation's long term investment strategy