

PETERSEN

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Elmview, Inc.

Financial Statements and
Independent Auditors' Report
December, 2015 and 2014



Elmview, Inc.

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INDEPENDENT AUDITORS' REPORT

MATHEW D. PETERSEN

ABBY M. SANDERS

RYAN D. SMITH



3702 KERN ROAD

YAKIMA, WA 98902

509 575 1040 P

509 457 2145 F

Board of Directors
Elmview, Inc.
Ellensburg, Washington

We have audited the accompanying financial statements of Elmview, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in unrestricted net assets, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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 auditors' 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 Elmview, Inc. as of December 31, 2015 and 2014, and the changes in its unrestricted net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Elmview, Inc.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and expenses on pages 16 through 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Petersen CPAs and Advisors, PLLC

June 27, 2016

Elmview, Inc.
Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
Assets		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 1,346,239	\$ 1,914,180
Accounts receivable	1,065,312	824,652
Prepaid expenses	231,426	229,887
Inventory	642	1,509
Total current assets	2,643,619	2,970,228
<i>Property and Equipment:</i>		
Buildings	795,108	724,967
Leasehold improvements	259,771	238,896
Transportation equipment	591,593	486,537
Office equipment and furniture	274,754	259,084
Total	1,921,226	1,709,484
Less: accumulated depreciation	932,875	833,472
Total	988,351	876,012
Land	154,362	181,100
Total property and equipment	1,142,713	1,057,112
Total assets	\$ 3,786,332	\$ 4,027,340
Liabilities and Net Assets		
<i>Current Liabilities:</i>		
Accounts payable	\$ 38,914	\$ 22,994
Salary payable	87,291	282,541
Personal leave payable	122,604	115,895
Taxes and benefits payable	189,085	72,618
Total current liabilities	437,894	494,048
<i>Commitments and Contingencies</i>		
<i>Unrestricted Net Assets</i>	3,348,438	3,533,292
Total liabilities and net assets	\$ 3,786,332	\$ 4,027,340

See accompanying notes to financial statements.

Elmview, Inc.
Statements of Activities and Changes in Unrestricted Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
<i>Income</i>		
Fees from government agencies	\$ 7,055,285	\$ 6,442,897
Public support:		
United way	8,136	10,475
Client Support:		
Resident participation	48,749	33,717
Vocational services	288,436	294,608
Other Elmview services	1,555	1,263
Other revenues		
Interest	2,348	2,653
Rent	55,144	60,400
Trust	61,895	42,733
Gain (loss) on disposal of assets	15,185	(5,654)
Other	96,271	108,203
Donated building usage	33,744	33,744
Total income	7,666,748	7,025,039
<i>Expenses</i>		
Vocational workshop	841,311	782,551
Supported living	5,259,190	4,389,550
Senior nutrition	151,077	152,402
Yakima schools program	254,368	168,007
Diversion	76,816	190,495
Yakima employment	243,411	209,110
Staffed residential services	237,701	189,085
General and administrative	787,728	673,625
Total expenses	7,851,602	6,754,825
<i>Changes in Unrestricted Net Assets</i>	(184,854)	270,214
<i>Unrestricted Net Assets, Beginning of the Year</i>	3,533,292	3,263,078
<i>Unrestricted Net Assets, End of the Year</i>	\$ 3,348,438	\$ 3,533,292

See accompanying notes to financial statements.

Elmview, Inc.
Statement of Functional Expenses
Year Ended December 31, 2015

	Vocational Workshop	Supported Living	Senior Nutrition	Yakima Schools Program
Salaries, staff	\$ 402,152	\$ 4,059,815	\$ 40,605	\$ 222,093
Employee benefits	6,175	47,129	1,173	317
Payroll tax	54,429	465,998	4,733	23,093
Transportation	48,975	96,361	5,935	734
Client wages and taxes	135,650	-	15,768	-
Depreciation	24,432	45,718	811	30
Program	6,595	52,451	648	195
Rent	-	27,907	2,400	4,800
Professional services	-	-	1,367	-
Food	-	78	29,907	-
Production	14,122	-	46,059	-
Utilities	13,875	-	-	-
Building and grounds	1,872	-	-	-
Travel and conferences	252	6,237	-	15
Communication	13,886	12,987	716	1,214
Donated building usage	33,744	-	-	-
Office	3,474	8,825	311	28
Fees and licenses	7,129	16,084	559	39
Insurance	2,555	6,134	85	85
Repairs and maintenance	8,500	1,983	-	-
Health care stipend	63,025	410,825	-	1,100
Health care tax penalty	-	-	-	-
Advertising	-	319	-	75
General	469	339	-	550
Total expenses	\$ 841,311	\$ 5,259,190	\$ 151,077	\$ 254,368

See accompanying notes to financial statements.

Elmview, Inc.
Statement of Functional Expenses (Continued)
Year Ended December 31, 2015

Diversion	Staffed Residential Services	Yakima Employment	General and Administrative	Total
\$ 45,611	\$ 165,891	\$ 192,475	\$ 342,721	\$ 5,471,363
532	1,533	1,258	4,528	62,645
7,821	23,778	18,255	41,489	639,596
1,987	3,635	6,039	5,492	169,158
-	-	-	-	151,418
403	5,183	1,674	39,094	117,345
883	8,649	1,736	507	71,664
10,200	1,500	3,000	15,788	65,595
-	-	-	26,896	28,263
485	4,152	-	-	34,622
-	38	-	240	60,459
2,986	5,987	-	18,444	41,292
77	-	-	5,193	7,142
-	1,218	882	9,610	18,214
1,251	1,171	112	9,266	40,603
-	-	-	-	33,744
-	713	120	14,546	28,017
229	568	10,496	38,936	74,040
601	1,426	614	14,248	25,748
-	-	-	5,824	16,307
3,750	12,100	6,750	40,150	537,700
-	-	-	140,004	140,004
-	75	-	2,073	2,542
-	84	-	12,679	14,121
<u>\$ 76,816</u>	<u>\$ 237,701</u>	<u>\$ 243,411</u>	<u>\$ 787,728</u>	<u>\$ 7,851,602</u>

See accompanying notes to financial statements.

Elmview, Inc.
Statement of Functional Expenses
Year Ended December 31, 2014

	Vocational Workshop	Supported Living	Senior Nutrition	Yakima Schools Program
Salaries, staff	\$ 377,155	\$ 3,441,552	\$ 52,177	\$ 138,692
Employee benefits	53,814	332,927	4,280	5,617
Payroll tax	48,141	379,241	6,154	13,491
Transportation	48,190	75,877	4,759	1,496
Client wages and taxes	136,092	-	13,666	-
Depreciation	19,927	33,273	744	29
Program	6,421	45,386	256	224
Rent	-	30,887	2,400	5,800
Professional services	-	-	2,014	-
Food	-	755	30,905	-
Production	16,519	-	34,144	-
Utilities	14,075	419	68	-
Building and grounds	2,975	-	-	-
Travel and conferences	541	2,108	-	28
Communication	9,879	19,073	619	1,595
Donated building usage	33,744	-	-	-
Office	4,320	4,331	85	51
Fees and licenses	5,962	12,667	20	79
Insurance	2,266	8,476	111	111
Repairs and maintenance	1,513	321	-	-
Advertising	214	1,792	-	-
Other	-	23	-	-
General	803	442	-	794
Total expenses	\$ 782,551	\$ 4,389,550	\$ 152,402	\$ 168,007

See accompanying notes to financial statements.

Elmview, Inc.
Statement of Functional Expenses (Continued)
Year Ended December 31, 2014

Diversion	Transition	Staffed Residential Services	General and Administrative	Total
\$ 126,659	\$ 143,573	\$ 157,031	\$ 341,665	\$ 4,778,504
3,808	15,152	5,809	48,829	470,236
14,446	20,017	14,132	49,428	545,050
6,759	2,069	4,684	6,431	150,265
-	-	-	-	149,758
403	5,221	111	30,791	90,499
2,748	7,753	659	1,709	65,156
23,620	-	2,650	18,038	83,395
-	175	65	35,424	37,678
2,792	3,433	-	-	37,885
69	-	-	274	51,006
5,235	6,043	75	17,337	43,252
60	1,067	-	4,876	8,978
1,081	690	3,097	5,849	13,394
2,119	1,931	381	7,999	43,596
-	-	-	-	33,744
4	-	104	14,466	23,361
293	567	176	27,910	47,674
244	1,214	111	45,857	58,390
-	-	-	9,898	11,732
-	-	-	120	2,126
-	-	-	2,082	2,105
155	205	-	4,642	7,041
<u>\$ 190,495</u>	<u>\$ 209,110</u>	<u>\$ 189,085</u>	<u>\$ 673,625</u>	<u>\$ 6,754,825</u>

See accompanying notes to financial statements.

Elmview, Inc.
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
<i>Increase (Decrease) in Cash and Cash Equivalents:</i>		
Changes in unrestricted net assets	\$ (184,854)	\$ 270,214
Adjustments to reconcile changes in unrestricted net assets to net cash (used) provided by operating activities:		
Depreciation	117,345	90,499
(Gain) loss on sale of property and equipment	(15,185)	5,654
(Increase) decrease in assets:		
Accounts receivable	(240,660)	(98,797)
Prepaid expenses	(1,539)	14,347
Inventory	867	89
Increase (decrease) in liabilities:		
Accounts payable	15,920	2,812
Salary payable	(195,250)	81,383
Personal leave payable	6,709	1,191
Taxes and benefits payable	116,467	11,107
Total adjustments	(195,326)	108,285
Net cash (used) provided by operating activities	(380,180)	378,499
<i>Cash Flows From Investing Activities:</i>		
Proceeds from sale of property and equipment	203,610	-
Purchase of property and equipment	(391,371)	(190,766)
Net cash used by investing activities	(187,761)	(190,766)
<i>Net (Decrease) Increase in Cash and Cash Equivalents</i>	(567,941)	187,733
<i>Cash and Cash Equivalents, Beginning of the Year</i>	1,914,180	1,726,447
<i>Cash and Cash Equivalents, End of the Year</i>	\$ 1,346,239	\$ 1,914,180

See accompanying notes to financial statements.

Elmview, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Note 1 – Organization and Summary of Significant Accounting Policies

Organization:

Elmview, Inc. (the Organization) is a nonprofit corporation formed in the state of Washington and located in Kittitas County. The purpose of the Organization is to assist developmentally disabled individuals in achieving their highest level of economic and social independence through utilization of vocational, recreational, and living skills programs. The Organization achieves these goals through the implementation of programs in the following areas: Employment Services, Supported Living, and other related projects. The Organization utilizes separate facilities for supported living programs and employment programs/administrative functions.

The Organization is governed by a board of directors that elects officers and hires a director to implement the objectives and policies of the board.

Summary of Significant Accounting Policies:

Basis of Accounting-The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues and expenses are reported in gross amounts except gains and losses, which are reported net.

Financial Statement Presentation-The Organization reports 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. Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Unrestricted net assets are funds controlled and designated by the board which includes the operating and equipment accounts.

Temporarily Restricted – Temporarily restricted net assets are assets with donor-imposed restrictions that allow the use of the assets as specified either by the passage of time or by actions of the Organization. The Organization had no temporarily restricted net assets at December 31, 2015 or 2014.

Permanently Restricted – Permanently restricted net assets are controlled by law or donor-imposed restrictions stating the resources be maintained permanently. The Organization had no permanently restricted net assets at December 31, 2015 or 2014.

Property and Equipment- Property and equipment are stated at cost, except for donated items which are stated at fair market value at the date of receipt. Expenditures for maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized. When assets are disposed of, the related costs and accumulated depreciation are removed from the accounts and the resulting gain or loss is classified as nonoperating income or expense. Management periodically reviews and analyzes fixed assets for potential impairment or obsolescence. No impairment loss was recognized for the years ended December 31, 2015 and 2014.

Elmview, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Depreciation-Depreciation is generally taken over the useful service life of the asset using the straight-line method. Asset lives are based on the following estimated useful lives:

Building	25-39 Years
Leasehold improvements	5-48 Years
Transportation equipment	3-10 Years
Equipment	3-20 Years

Depreciation expense was \$117,345 and \$90,499 for the years ended December 31, 2015 and 2014, respectively.

Accounts Receivable- Receivables, which are unsecured, arise from fee-for-service programs. The Organization has no provision for bad debts as amounts due from governmental agencies are fixed by contractual agreement and any uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents-Cash and cash equivalents consist of cash held in checking and money market accounts. For purposes of the statements of cash flows, the Organization considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Prepaid Expenses-Prepaid expenses consist of the payment of various insurance premiums, which will be expensed in the period for which the insurance coverage pertains as well as deposits held under 501(c) Agencies Trust Unemployment Program.

Inventory-The Organization maintains a small amount of inventory for the Senior Nutrition Program. Inventory is stated at the lower of cost (first-in, first-out method) or market (net realizable value).

Donated Property-Donated property and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated Building Usage-The Organization utilizes buildings on a no-rent basis. The estimated fair market value of the usage has been reflected in the financial statements as income and expense. During 2015 and 2014, the Organization was donated the use of two facilities for preparation and serving of senior meals. The use of these facilities is restricted to certain days and hours. At December 31, 2015 and 2014, the value of the donated building usage meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Contributions-Contributions received are recorded as revenue in the period received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions received where the restriction is satisfied during the same fiscal period as the contribution is received are shown as unrestricted contributions and corresponding increases to unrestricted net assets.

Elmview, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Income- The primary sources of income are from the State of Washington Department of Social and Health Services (DSHS) and Kittitas County (the County). The Organization contracts to provide services on a fee-for-service basis and through block grants. Fee-for-service contracting involves providing services on a pre-determined standard unit basis and billing on a pre-determined fee per standard unit at the completion of the service unit. Revenue is not recognized until the services have been performed. There are no external restrictions on fund balance excesses resulting from fee-for-service contracting. The block grant involves payment for service capacity.

Expense Allocation-Substantially all expenses are allocated among programs based on direct costs incurred by each program. Expenses not directly allocable to program areas are included as general expenses. Certain expenses are allocated among programs based on related salary expenses, and on estimates made by the Organization's management. The cost of providing various programs and other activities has been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs-The Organization charges advertising costs to expenses as incurred. Advertising expenses for the years ended December 31, 2015 and 2014 were \$2,542 and \$2,126, respectively.

Federal Income Tax-Under provisions of Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from federal income taxes, except for net income from unrelated business activities. As of December 31, 2015 and 2014, the Organization had no unrelated business activities subject to federal income taxes.

Management evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustments to the financial statements.

Subsequent Events-Subsequent events have been evaluated through June 27, 2016, which is the date the financial statements were available to be issued.

Note 2 – Programs

The Organization's activities include the following significant programs:

Vocational Workshop – Provides employment training, placement, and retention services to people with disabilities.

Supported Living – Provides up to 24-hour services to people with developmental disabilities in the client's home. These services include assistance with all aspects of regular living.

Senior Nutrition – Provides meals to seniors at the Ellensburg Adult Activities Center and Support Country Centennial Center, and are delivered to individual homes.

Yakima Schools Program – Provides support to students with disabilities in a classroom setting.

Diversion – Provides short-term housing to people with developmental disabilities in crisis situations.

Elmview, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Note 2 – Programs (continued)

Transition – Provides longer-term housing to people with developmental disabilities in crisis situations.

Yakima Employment – Provides employment training, placement, and retention services to people with disabilities.

Staffed Residential Services – Contract with DSHS to provide residential services to people with developmental disabilities less than 21 years of age in an Organization owned house.

Note 3 –Accounts Receivable:

Accounts receivable were as follows at December 31:

	2015	2014
Due from governmental agencies	\$ 777,279	\$ 814,146
Sales and other	288,033	10,506
Total accounts receivable	\$ 1,065,312	\$ 824,652

Note 4 –Retirement Plan:

The Organization has a defined contribution retirement plan (the Plan) pursuant to Section 401 (k) of the Internal Revenue Code, whereby eligible employees may contribute a percentage of compensation subject to statutory limitations. The Organization may match employee contributions and/or contribute additional amounts to the Plan solely at the discretion of the board of directors. For the years ended 2015 and 2014, the Organization contributed \$0 and \$22,660, respectively, to the retirement plan.

Note 5 – Property and Equipment:

The Organization currently uses a training/office building and an adjoining shop facility constructed on land owned by the County. The training/office building was built by the Organization in 1974 for \$92,865. The shop facility, built in 1983, was financed with \$7,694 of the Organization's funds and \$44,000 obtained through the County under Referendum 37. The County owns the land on which the buildings were constructed. The Organization currently uses the training/office building, but ownership reverted to the County on January 1, 1994. The County also owns the shop facility. The Organization has a no-rent lease with the County for use of the land, training/office building, and shop facility through October 31, 2022. The Organization has classified all of its investments in the training/office building and shop facility as leasehold improvements and is depreciating them over the terms of the leases governing the use of each property. The value of the no-rent lease, \$33,744 for each of the years ended December 31, 2015 and 2014, has been reflected as revenue in the statements of activities and changes in unrestricted net assets.

Elmview, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Note 5 – Property and Equipment (continued):

Property and equipment totaled \$1,142,713 and \$1,057,112 at December 31, 2015 and 2014, respectively. Property is summarized by major classification and functional use as follows:

	2015						Total
	Vocational Workshop	Tenant Support	Intensive Tenant Support	Other Programs	507 N Ruby	General	
Land	\$ -	\$ 129,362	\$ -	\$ 25,000	\$ -	\$ -	\$ 154,362
Building	-	629,686	-	165,422	-	-	795,108
Leasehold improvements	259,771	-	-	-	-	-	259,771
Transportation equipment	171,824	-	333,474	1,500	-	84,795	591,593
Office equipment and furniture	86,802	1,844	32,912	55,125	4,719	93,352	274,754
Total	518,397	760,892	366,386	247,047	4,719	178,147	2,075,588
Less: accumulated depreciation	(406,671)	(130,012)	(204,742)	(52,633)	(2,373)	(136,444)	(932,875)
Total	\$ 111,726	\$ 630,880	\$ 161,644	\$ 194,414	\$ 2,346	\$ 41,703	\$ 1,142,713

	2014						Total
	Vocational Workshop	Tenant Support	Intensive Tenant Support	Other Programs	507 N Ruby	General	
Land	\$ -	\$ 79,200	\$ -	\$ 25,000	\$ 76,900	\$ -	\$ 181,100
Building	-	435,554	-	163,588	126,684	-	725,826
Leasehold improvements	238,037	-	-	-	-	-	238,037
Transportation equipment	174,324	-	276,952	1,500	-	33,761	486,537
Office equipment and furniture	77,476	1,844	27,808	55,125	4,719	92,112	259,084
Total	489,837	516,598	304,760	245,213	208,303	125,873	1,890,584
Less: accumulated depreciation	(385,015)	(113,582)	(159,032)	(48,603)	(13,703)	(113,537)	(833,472)
Total	\$ 104,822	\$ 403,016	\$ 145,728	\$ 196,610	\$ 194,600	\$ 12,336	\$ 1,057,112

Note 6 – Elmview Trust Investment:

The Elmview Trust Fund (the Trust) is an unrelated entity that makes available to the Organization the earnings of funds maintained by the Trust, subject to approval by the Trust. The Trust engages in fundraising activities and uses those funds to make contributions to the Organization based on the Trust board approval. The Organization may at times receive unrestricted contributions and will forward the contributions to the Trust for management on its behalf.

The Trust has made \$41,895 and \$42,733 in contributions to the Organization for the years ended December 31, 2015 and 2014, respectively.

Note 7 – Personal Leave:

Employees of the Organization are entitled to paid personal days for any purpose they deem necessary, depending on length of service and other factors. The Organization recognizes and allocates to the various programs the costs of personal leave when paid. Yearly increases or decreases in the liability for personal leave are allocated to the general fund. Paid personal leave days at year-end do not accumulate past 240 hours.

Elmview, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Note 8 – Contingencies:

The Organization receives a substantial amount of its revenues from numerous federal, state, and local government fee-for-service and grant-type contracts. A significant reduction in the level of this support may have an effect on the Organization's programs and activities. These contracts may be subject to audit by the agency awarding the grant. Management believes that no material liability, if any, would result from such an audit and that they are in compliance with all applicable rules and regulations. The Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies.

Note 9 – Line of Credit:

The Organization has an unsecured \$250,000 line of credit with a commercial bank. Interest on the line is variable. The interest rate may change at any time based on the bank's sole discretion. The line of credit shall continue until the parties agree in writing to terminate the agreement. No amounts were outstanding on the line of credit at December 31, 2015 and 2014.

Note 10 – Operating Lease Commitment:

The Organization had a lease for its office location in Yakima, Washington. A three-year noncancelable operating lease was effective beginning April 1, 2008, requiring annual payments of \$24,000. The term of the lease expired March 31, 2011 and the Organization renewed the lease through May 1, 2014. On May 1, 2014, the Organization renewed the lease on a month-to-month basis at the rate of \$2,060 per month. Rent expense under this lease for the years ended December 31, 2015 and 2014 was \$19,920 and \$20,520, respectively.

Note 11 – Concentration of Credit Risk:

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk for cash and cash equivalents and has never experienced any such loss.

SUPPLEMENTARY INFORMATION

Elmview, Inc.
Schedule of Revenues and Expenses
Year Ended December 31, 2015

	Vocational Workshop	Supported Living	Senior Nutrition
<i>Income</i>			
Fees from government agencies	\$ 577,336	\$ 5,519,869	\$ -
Public support:			
United way	-	-	8,136
Client Support:			
Resident participation	4,334	-	32,984
Vocational services	146,048	-	142,388
Other Elmview services	-	-	-
Other revenues			
Interest	7	-	-
Rent	-	-	-
Trusts and grants	-	20,000	-
Gain on disposal of assets	-	-	-
Other	85,700	100	440
Donated building usage	33,744	-	-
Total income	<u>847,169</u>	<u>5,539,969</u>	<u>183,948</u>
<i>Expenses</i>			
Salaries, staff	402,152	4,059,815	40,605
Employee benefits	6,175	47,129	1,173
Payroll tax	54,429	465,998	4,733
Transportation	48,975	96,361	5,935
Client wages and taxes	135,650	-	15,768
Depreciation	24,432	45,718	811
Program	6,595	52,451	648
Rent	-	27,907	2,400
Professional services	-	-	1,367
Food	-	78	29,907
Production	14,122	-	46,059
Utilities	13,875	-	-
Building and grounds	1,872	-	-
Travel and conferences	252	6,237	-
Communication	13,886	12,987	716
Donated building usage	33,744	-	-
Office	3,474	8,825	311
Fees and licenses	7,129	16,084	559
Insurance	2,555	6,134	85
Repairs and maintenance	8,500	1,983	-
Health insurance stipend	63,025	410,825	-
Health care tax penalty	-	-	-
Advertising	-	319	-
General	469	339	-
Total expenses	<u>841,311</u>	<u>5,259,190</u>	<u>151,077</u>
<i>Increase (Decrease) in Unrestricted</i>			
Net Assets	<u>\$ 5,858</u>	<u>\$ 280,779</u>	<u>\$ 32,871</u>

Elmview, Inc.
Schedule of Revenues and Expenses (continued)
Year Ended December 31, 2015

Yakima Schools Program	Diversion	Staffed Residential Services	Yakima Employment	General and Administrative	Total
\$ 340,115	\$ 75,044	\$ 164,776	\$ 372,583	\$ 5,562	\$ 7,055,285
-	-	-	-	-	8,136
-	-	11,431	-	-	48,749
-	-	-	-	-	288,436
-	-	-	-	1,555	1,555
-	-	-	-	2,341	2,348
-	-	-	-	55,144	55,144
-	-	-	-	41,895	61,895
-	-	-	-	15,185	15,185
-	-	3,255	-	6,776	96,271
-	-	-	-	-	33,744
<u>340,115</u>	<u>75,044</u>	<u>179,462</u>	<u>372,583</u>	<u>128,458</u>	<u>7,666,748</u>
222,093	45,611	165,891	192,475	342,721	5,471,363
317	532	1,533	1,258	4,528	62,645
23,093	7,821	23,778	18,255	41,489	639,596
734	1,987	3,635	6,039	5,492	169,158
-	-	-	-	-	151,418
30	403	5,183	1,674	39,094	117,345
195	883	8,649	1,736	507	71,664
4,800	10,200	1,500	3,000	15,788	65,595
-	-	-	-	26,896	28,263
-	485	4,152	-	-	34,622
-	-	38	-	240	60,459
-	2,986	5,987	-	18,444	41,292
-	77	-	-	5,193	7,142
15	-	1,218	882	9,610	18,214
1,214	1,251	1,171	112	9,266	40,603
-	-	-	-	-	33,744
28	-	713	120	14,546	28,017
39	229	568	10,496	38,936	74,040
85	601	1,426	614	14,248	25,748
-	-	-	-	5,824	16,307
1,100	3,750	12,100	6,750	40,150	537,700
-	-	-	-	140,004	140,004
75	-	75	-	2,073	2,542
550	-	84	-	12,679	14,121
<u>254,368</u>	<u>76,816</u>	<u>237,701</u>	<u>243,411</u>	<u>787,728</u>	<u>7,851,602</u>
<u>\$ 85,747</u>	<u>\$ (1,772)</u>	<u>\$ (58,239)</u>	<u>\$ 129,172</u>	<u>\$ (659,270)</u>	<u>\$ (184,854)</u>

Elmview, Inc.
Schedule of Revenues and Expenses
Year Ended December 31, 2014

	Vocational Workshop	Supported Living	Senior Nutrition
<i>Income</i>			
Fees from government agencies	\$ 570,845	\$ 4,909,213	\$ 1,122
Public support:			
United way	-	-	10,475
Client Support:			
Resident participation	-	-	25,437
Vocational services	170,496	-	124,112
Other Elmview services	-	-	-
Other revenues			
Interest	-	-	-
Rent	-	-	-
Trust	-	-	-
Gain on disposal of assets	-	-	-
Other	88,718	800	914
Donated building usage	33,744	-	-
Total income	<u>863,803</u>	<u>4,910,013</u>	<u>162,060</u>
<i>Expenses</i>			
Salaries, staff	377,155	3,441,552	52,177
Employee benefits	53,814	332,927	4,280
Payroll tax	48,141	379,241	6,154
Transportation	48,190	75,877	4,759
Client wages and taxes	136,092	-	13,666
Depreciation	19,927	33,273	744
Program	6,421	45,386	256
Rent	-	30,887	2,400
Professional services	-	-	2,014
Food	-	755	30,905
Production	16,519	-	34,144
Utilities	14,075	419	68
Building and grounds	2,975	-	-
Travel and conferences	541	2,108	-
Communication	9,879	19,073	619
Donated building usage	33,744	-	-
Office	4,320	4,331	85
Fees and licenses	5,962	12,667	20
Insurance	2,266	8,476	111
Repairs and maintenance	1,513	321	-
Advertising	214	1,792	-
Other	-	23	-
General	803	442	-
Total expenses	<u>782,551</u>	<u>4,389,550</u>	<u>152,402</u>
<i>Increase (Decrease) in Unrestricted</i>			
<i>Net Assets</i>	<u>\$ 81,252</u>	<u>\$ 520,463</u>	<u>\$ 9,658</u>

Elmview, Inc.
Schedule of Revenues and Expenses (continued)
Year Ended December 31, 2014

Yakima Schools Program	Diversion	Transition	Staffed Residential Services	General and Administrative	Total
\$ 216,203	\$ 189,411	\$ 208,387	\$ 311,253	\$ 36,463	\$ 6,442,897
-	-	-	-	-	10,475
-	-	8,280	-	-	33,717
-	-	-	-	-	294,608
-	-	-	-	1,263	1,263
-	-	-	-	2,653	2,653
-	-	-	-	60,400	60,400
-	-	-	-	42,733	42,733
-	-	-	-	(5,654)	(5,654)
-	-	-	-	17,771	108,203
-	-	-	-	-	33,744
<u>216,203</u>	<u>189,411</u>	<u>216,667</u>	<u>311,253</u>	<u>155,629</u>	<u>7,025,039</u>
138,692	126,659	143,573	157,031	341,665	4,778,504
5,617	3,808	15,152	5,809	48,829	470,236
13,491	14,446	20,017	14,132	49,428	545,050
1,496	6,759	2,069	4,684	6,431	150,265
-	-	-	-	-	149,758
29	403	5,221	111	30,791	90,499
224	2,748	7,753	659	1,709	65,156
5,800	23,620	-	2,650	18,038	83,395
-	-	175	65	35,424	37,678
-	2,792	3,433	-	-	37,885
-	69	-	-	274	51,006
-	5,235	6,043	75	17,337	43,252
-	60	1,067	-	4,876	8,978
28	1,081	690	3,097	5,849	13,394
1,595	2,119	1,931	381	7,999	43,596
-	-	-	-	-	33,744
51	4	-	104	14,466	23,361
79	293	567	176	27,910	47,674
111	244	1,214	111	45,857	58,390
-	-	-	-	9,898	11,732
-	-	-	-	120	2,126
-	-	-	-	2,082	2,105
794	155	205	-	4,642	7,041
<u>168,007</u>	<u>190,495</u>	<u>209,110</u>	<u>189,085</u>	<u>673,625</u>	<u>6,754,825</u>
<u>\$ 48,196</u>	<u>\$ (1,084)</u>	<u>\$ 7,557</u>	<u>\$ 122,168</u>	<u>\$ (517,996)</u>	<u>\$ 270,214</u>