

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Goochland, Virginia

COMBINED FINANCIAL STATEMENTS

June 30, 2021

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9954 Mayland Dr.
Suite 2300
Richmond, VA 23233
804.553.1900
YHBcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Elk Hill Farm, Inc. and Elk Hill Farm Foundation
Goochland, Virginia

Report on the Financial Statements

We have audited the accompanying combined financial statements of Elk Hill Farm, Inc. and Elk Hill Farm Foundation (the “Organization”) which comprise the combined statements of financial position as of June 30, 2021 and 2020, and the related combined statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the combined financial statements (collectively, the financial statements).

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization’s preparation and fair presentation of the combined 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 Organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Elk Hill Farm, Inc. and Elk Hill Farm Foundation as of June 30, 2021 and 2020, and the changes in its net assets, cash flows and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Yount, Hyde & Barbour, P.C.

Richmond, Virginia
October 4, 2021

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statements of Financial Position

June 30, 2021 and 2020

Assets	2021	2020
Current Assets		
Cash	\$ 3,541,340	\$ 4,362,224
Accounts receivable, net	2,094,782	914,180
Pledges receivable, net	198,737	234,523
Employee and other receivables	2,977	497
Prepaid expenses	<u>227,013</u>	<u>141,826</u>
Total current assets	<u>\$ 6,064,849</u>	<u>\$ 5,653,250</u>
Property and Equipment,		
less accumulated depreciation	<u>\$ 2,841,773</u>	<u>\$ 3,092,614</u>
Other Assets		
Pledges receivable, net, less current portion	\$ 43,572	\$ 235,950
Long-term investments	8,058,454	5,678,512
Security deposits	15,265	15,265
Cash surrender value of life insurance policies	<u>306,378</u>	<u>285,108</u>
Total other assets	<u>\$ 8,423,669</u>	<u>\$ 6,214,835</u>
Total assets	<u>\$ 17,330,291</u>	<u>\$ 14,960,699</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 95,273	\$ 86,304
Accrued expenses	530,672	396,278
Deferred compensation, current portion	37,870	18,935
Short-term loan	<u>--</u>	<u>1,753,129</u>
Total current liabilities	<u>\$ 663,815</u>	<u>\$ 2,254,646</u>
Long-Term Liabilities,		
deferred compensation, long-term portion	<u>\$ 237,546</u>	<u>\$ 266,173</u>
Net Assets		
Without donor restrictions:		
Undesignated	\$ 10,169,601	\$ 5,499,612
Designated by board	2,456,014	3,134,701
With donor restrictions	<u>3,803,315</u>	<u>3,805,567</u>
Total net assets	<u>\$ 16,428,930</u>	<u>\$ 12,439,880</u>
Total liabilities and net assets	<u>\$ 17,330,291</u>	<u>\$ 14,960,699</u>

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statement of Activities

Year Ended June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 475,271	\$ 250,556	\$ 725,827
Government grants	3,863,375	--	3,863,375
Tuition assistance and fees	6,716,266	--	6,716,266
Investment income	1,835,727	145,277	1,981,004
Medicaid and insurance income	1,786,334	--	1,786,334
Other	(749)	--	(749)
	<u>\$ 14,676,224</u>	<u>\$ 395,833</u>	<u>\$ 15,072,057</u>
Net assets released from restrictions:			
Satisfaction of restrictions for property and equipment	136,473	(136,473)	--
Satisfaction of time restriction	24,172	(24,172)	--
Satisfaction of program restrictions	237,440	(237,440)	--
Total support and revenue	<u>\$ 15,074,309</u>	<u>\$ (2,252)</u>	<u>\$ 15,072,057</u>
Expenses:			
Program services:			
Community services	\$ 2,546,869	\$ --	\$ 2,546,869
Schools	3,953,968	--	3,953,968
Residential services	3,166,206	--	3,166,206
Total program services	<u>\$ 9,667,043</u>	<u>\$ --</u>	<u>\$ 9,667,043</u>
Supporting services:			
Management and general	\$ 929,351	\$ --	\$ 929,351
Fundraising	486,613	--	486,613
Total supporting services	<u>\$ 1,415,964</u>	<u>\$ --</u>	<u>\$ 1,415,964</u>
Total expenses	<u>\$ 11,083,007</u>	<u>\$ --</u>	<u>\$ 11,083,007</u>
Change in net assets	\$ 3,991,302	\$ (2,252)	\$ 3,989,050
Net assets, beginning of year	<u>8,634,313</u>	<u>3,805,567</u>	<u>12,439,880</u>
Net assets, end of year	<u>\$ 12,625,615</u>	<u>\$ 3,803,315</u>	<u>\$ 16,428,930</u>

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statement of Activities

Year Ended June 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 1,096,481	\$ 468,010	\$ 1,564,491
Tuition assistance and fees	5,934,189	--	5,934,189
Investment income	147,006	15,672	162,678
Medicaid and insurance income	3,330,755	--	3,330,755
Other	<u>131</u>	<u>--</u>	<u>131</u>
	\$ 10,508,562	\$ 483,682	\$ 10,992,244
Net assets released from restrictions:			
Satisfaction of restrictions for property and equipment	280,337	(280,337)	--
Satisfaction of time restriction	22,718	(22,718)	--
Satisfaction of program restrictions	<u>339,665</u>	<u>(339,665)</u>	<u>--</u>
Total support and revenue	<u>\$ 11,151,282</u>	<u>\$ (159,038)</u>	<u>\$ 10,992,244</u>
Expenses:			
Program services:			
Community services	\$ 3,535,824	\$ --	\$ 3,535,824
Schools	3,902,762	--	3,902,762
Residential services	<u>3,105,991</u>	<u>--</u>	<u>3,105,991</u>
Total program services	<u>\$ 10,544,577</u>	<u>\$ --</u>	<u>\$ 10,544,577</u>
Supporting services:			
Management and general	\$ 919,518	\$ --	\$ 919,518
Fundraising	428,240	--	428,240
Total supporting services	<u>\$ 1,347,758</u>	<u>\$ --</u>	<u>\$ 1,347,758</u>
Total expenses	<u>\$ 11,892,335</u>	<u>\$ --</u>	<u>\$ 11,892,335</u>
Change in net assets	\$ (741,053)	\$ (159,038)	\$ (900,091)
Net assets, beginning of year	<u>9,375,366</u>	<u>3,964,605</u>	<u>13,339,971</u>
Net assets, end of year	<u>\$ 8,634,313</u>	<u>\$ 3,805,567</u>	<u>\$ 12,439,880</u>

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 3,989,050	\$ (900,091)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation and amortization	349,175	382,067
Loss on disposal of property and equipment	749	--
Unrealized and realized loss (gain) on investments	(1,855,438)	4,817
Change in cash surrender value of life insurance	(21,270)	(30,717)
Paycheck Protection Program grant	(1,753,129)	--
(Increase) decrease in operating assets:		
Accounts receivable and other receivables	(1,183,085)	531,938
Pledges receivable	228,164	(222,860)
Prepaid expenses	(85,187)	77,565
Increase (decrease) in operating liabilities:		
Accounts payable	8,969	(1,052)
Accrued expenses	134,396	(328,921)
Deferred compensation	(9,692)	30,717
Net cash (used in) operating activities	<u>\$ (197,298)</u>	<u>\$ (456,537)</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	\$ (102,771)	\$ (33,194)
Proceeds from the sale of property and equipment	3,688	--
Purchase of investments	(551,602)	(33,517)
Proceeds from the sale of investments	27,099	1,296,874
Net cash (used in) provided by investing activities	<u>\$ (623,586)</u>	<u>\$ 1,230,163</u>
Cash Flows from Investing Activities, proceeds from short-term loan	<u>\$ --</u>	<u>\$ 1,753,129</u>
Net (decrease) increase in cash	\$ (820,884)	\$ 2,526,755
Cash		
Beginning of year	<u>4,362,224</u>	<u>1,835,469</u>
End of year	<u>\$ 3,541,340</u>	<u>\$ 4,362,224</u>

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services				Supporting Services		
	Community Services	Schools	Residential Services	Total	Management and General	Fundraising	Total
Salaries	\$ 1,783,929	\$ 2,591,102	\$ 1,968,628	\$ 6,343,659	\$ 466,392	\$ 332,212	\$ 7,142,263
Employee health and retirement plan costs	221,733	292,974	285,780	800,487	97,613	13,718	911,818
Workers comp	44,432	42,677	31,074	118,183	9,184	4,713	132,080
Payroll taxes	128,320	184,763	141,002	454,085	49,866	19,275	523,226
Total salaries, benefits and taxes	\$ 2,178,414	\$ 3,111,516	\$ 2,426,484	\$ 7,716,414	\$ 623,055	\$ 369,918	\$ 8,709,387
Allowances	--	--	3,221	3,221	--	--	3,221
Clothing and personal	--	2,075	4,174	6,249	--	--	6,249
Professional services	88,103	69,036	119,076	276,215	20,000	40,196	336,411
Educational supplies	--	54,396	302	54,698	--	--	54,698
Utilities	56,722	79,702	95,184	231,608	15,267	5,983	252,858
Food	5,739	108,384	71,327	185,450	43,550	574	229,574
House supplies	--	--	17,686	17,686	--	--	17,686
Insurance	--	--	--	--	145,000	--	145,000
Maintenance	33,060	108,250	120,524	261,834	7,629	5,198	274,661
Work pay	--	--	7,710	7,710	--	--	7,710
Medical and dental	35	6,047	4,361	10,443	223	--	10,666
Miscellaneous	1,871	945	3,593	6,409	--	986	7,395
Postage	769	2,222	916	3,907	--	157	4,064
Printing	--	337	(35)	302	--	28,387	28,689
Recreation	7,062	7,839	34,191	49,092	--	23	49,115
Rent	19,200	259,340	74,207	352,747	--	--	352,747
Social services	--	64	3,022	3,086	--	--	3,086
Special events	5,414	4,439	5,152	15,005	--	6,999	22,004
Staff development	9,403	17,183	20,922	47,508	12,246	3,191	62,945
Office expenses	11,439	31,868	9,471	52,778	54,703	7,145	114,626
Travel and transportation	7,091	3,528	22,352	32,971	6,783	1,286	41,040
Total expenses before depreciation	\$ 2,424,322	\$ 3,867,171	\$ 3,043,840	\$ 9,335,333	\$ 928,456	\$ 470,043	\$ 10,733,832
Depreciation and amortization	122,547	86,797	122,366	331,710	895	16,570	349,175
Total program and supporting services expenses	\$ 2,546,869	\$ 3,953,968	\$ 3,166,206	\$ 9,667,043	\$ 929,351	\$ 486,613	\$ 11,083,007

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services				Supporting Services		
	Community Services	Schools	Residential Services	Total	Management and General	Fundraising	Total
Salaries	\$ 2,508,027	\$ 2,543,330	\$ 1,950,571	\$ 7,001,928	\$ 454,831	\$ 290,048	\$ 7,746,807
Employee health and retirement plan costs	311,710	250,733	275,331	837,774	94,075	16,193	948,042
Workers comp	55,522	47,558	34,759	137,839	9,122	4,793	151,754
Payroll taxes	202,995	192,191	141,373	536,559	48,650	21,443	606,652
Total salaries, benefits and taxes	\$ 3,078,254	\$ 3,033,812	\$ 2,402,034	\$ 8,514,100	\$ 606,678	\$ 332,477	\$ 9,453,255
Allowances	--	--	2,019	2,019	--	--	2,019
Clothing and personal	--	1,698	5,932	7,630	--	--	7,630
Professional services	95,873	68,757	123,714	288,344	20,000	24,507	332,851
Educational supplies	998	89,671	171	90,840	--	--	90,840
Utilities	42,619	76,103	79,624	198,346	16,082	4,410	218,838
Food	12,203	129,165	72,047	213,415	40,547	1,687	255,649
House supplies	--	--	11,576	11,576	--	--	11,576
Insurance	--	--	--	--	135,649	--	135,649
Maintenance	38,121	83,385	104,790	226,296	5,783	5,398	237,477
Work pay	--	1,826	5,498	7,324	--	--	7,324
Medical and dental	--	3,003	6,687	9,690	--	--	9,690
Miscellaneous	3,792	1,649	3,116	8,557	--	494	9,051
Postage	1,022	3,060	1,199	5,281	--	1,220	6,501
Printing	--	88	(1)	87	--	15,464	15,551
Recreation	16,031	6,021	25,846	47,898	--	(406)	47,492
Rent	35,152	240,320	65,874	341,346	--	362	341,708
Social services	--	--	2,828	2,828	595	--	3,423
Special events	10,965	6,133	7,642	24,740	--	3,289	28,029
Staff development	16,498	12,198	17,694	46,390	10,274	17,151	73,815
Office expenses	10,934	33,566	10,096	54,596	57,805	1,608	114,009
Travel and transportation	32,583	15,675	30,990	79,248	25,429	3,214	107,891
Total expenses before depreciation	\$ 3,395,045	\$ 3,806,130	\$ 2,979,376	\$ 10,180,551	\$ 918,842	\$ 410,875	\$ 11,510,268
Depreciation and amortization	140,779	96,632	126,615	364,026	676	17,365	382,067
Total program and supporting services expenses	\$ 3,535,824	\$ 3,902,762	\$ 3,105,991	\$ 10,544,577	\$ 919,518	\$ 428,240	\$ 11,892,335

See Notes to Combined Financial Statements.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Elk Hill Farm, Inc. (Elk Hill) provides residential services, day educational treatment programs and community services to at-risk adolescents from across the Commonwealth of Virginia. Tuition fees are received primarily from social service organizations, courts systems, Medicaid, school systems, and charitable organizations.

Elk Hill Farm Foundation (the Foundation) is a charitable foundation that holds investments and receives certain contributions. The Foundation provides support to Elk Hill through a 5% spending rate contribution. The Foundation Board of Trustees are also members of the Elk Hill Farm, Inc. Board.

The operations of Elk Hill and the Foundation have been combined in the accompanying combined financial statements. All inter-organization accounts and transactions have been eliminated. The Elk Hill and the Foundation are referred to herein as the Organization.

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time.

Basis of Presentation

Accounting standards establish classifications for net assets, revenues, gains and losses, based on the existence or absence of donor-imposed restrictions as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that can be filled by actions of the Organization pursuant to those stipulations that expire by the passage of time or are required to be maintained permanently by the Organization. For net assets that are required to be maintained permanently, the donors of such assets permit the Organization to use the income earned on those assets.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Use of Estimates

The preparation of combined financial statements in conformity 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 disclosures of contingent assets and liabilities at the date of the combined financial statements and reported amounts of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value Measurement

The FASB's authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands disclosure about fair value measurements. This guidance enables the reader of the combined financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active exchange markets for identical assets or liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

The Organization has various processes and controls in place to ensure that fair value is reasonably estimated. A model validation policy governs the use and control of valuation models used to estimate fair value. This policy requires review and approval of models, and periodic re-assessments of models to ensure that they are continuing to perform as designed. The Organization performs due diligence procedures over third-party pricing service providers in order to support their use in the valuation process. Where market information is not available to support internal valuations, independent reviews of the valuations are performed, and any material exposures are escalated through a management review process.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended June 30, 2021 and 2020, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its combined financial position or results of operations.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

The following is a description of the valuation methodologies used for instruments measured at fair value:

Long-Term Investments

The fair value of investments is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Income Tax Status

The Organizations are exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue code and comparable state law. In addition, contributions to both qualify for the charitable contribution deduction under Section 170(b)(1)(a). They have been classified as organizations that are not private foundations under Section 509(a)(2).

Cash

The Organization has cash balances that may at times exceed the federally insured limits. The Organization has not experienced any losses on such amounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable from program service fees are recognized based on student attendance records and the standard rates published by Elk Hill and government agencies. The Organization does not accrue interest or fees on overdue receivables. An allowance for doubtful accounts is provided when deemed necessary and is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Receivables past due more than 90 days are considered delinquent. Delinquent receivables are written off when management believes that all reasonable collection efforts have been exhausted.

Management has provided allowances totaling \$195,831 and \$131,449 of receivables that it has deemed uncollectible at June 30, 2021 and 2020, respectively.

The Employee Retention Credit, originally provided for within the CARES Act, is a refundable tax credit against certain employment taxes based on qualified wages paid to employees. The employee retention credit receivable is \$1,056,992 as of June 30, 2021.

Promises to Give

Unconditional promises to give (pledges) are recognized as assets and revenue in the period the promise is received. Promises to give are recorded at net realizable value. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Contributions

Contributions received are recorded as with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

Revenue Recognition

Revenue Recognition Methodology for Exchange Transactions

For exchange transactions, the Organization recognizes revenue in accordance with Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers, as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

For any amounts received in advance and for which performance obligations have not been satisfied, a contract liability (deferred revenue) is recorded.

Revenue Recognition Methodology for Contributions

Contributions are recognized when received or unconditionally promised. The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

Revenue Streams

The Organization receives various sources of revenue.

Tuition assistance and fees and Medicaid and insurance income are recognized when the services have been provided and the related expenses have been incurred. They represent an exchange transaction and are recognized during the year, as the related services are provided. The performance obligation of delivering services are simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the year. Billings occur monthly after services are provided.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Long-Term Investments

Investments with readily determinable fair values are reported at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the change of net assets in the accompanying combined statements of activities. Realized gains and losses are determined by specific identification using the first in and first out method.

Property and Equipment

Property and equipment are stated at cost or, if donated, at estimated fair market value at date of receipt. Acquisitions of new buildings, equipment, land improvements and major betterments are capitalized. Repairs and maintenance costs are expensed as incurred. Depreciation is provided using the straight-line method over the following estimated useful lives of the assets:

	<u>Years</u>
Buildings and leasehold improvements	10-40
Furniture, fixtures and equipment	3-10
Transportation equipment	5-7

Donated Services

The Organization pays for most services requiring specific expertise. However, individuals and businesses volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations and various committee assignments. These are recorded as support at their estimated fair value. There were no donated services recorded for fiscal years ended 2021 and 2020.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct cost as part of the right-of-use asset. ASU No. 2016-02 is effective for the Organization for its year ending June 30, 2023. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption Topic 842 will have on its combined financial statements.

In September 2020, the FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. ASU 2020-07 is effective for the Organization for its year ending June 30, 2022. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2020-07 will have on its combined financial statements.

New Accounting Pronouncements

In June 2018, the FASB issued Accounting Standards Update No. 2018-08, Not-for-Profit Entities (Topic 958), which clarifies the scope and the accounting guidance for contributions made. The Organization has implemented the provisions of ASU 2018-08 for contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the Organization's implementation of ASU 2018-08.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The update replaced most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative transition method. ASU 2014-09 was effective for the Organization for the year ended June 30, 2021.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Note 2. Liquidity and Availability

The Organization receives contributions and payments from social service organizations, courts systems, Medicaid, and school systems to support the Organization's programs. General expenditures consist of costs associated with operation of the various programs. The Organization's cash flows have seasonal variations during the year. To manage liquidity, the Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets, at year-end:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,541,340	\$ 4,362,224
Accounts receivable, net	2,094,782	914,180
Pledges receivable, net	198,737	234,523
Investments	<u>8,058,454</u>	<u>5,678,512</u>
Total financial assets	<u>\$ 13,893,313</u>	<u>\$ 11,189,439</u>
Less those unavailable for general expenditure within one year, due to:		
Board designated funds	\$ 2,456,014	\$ 3,134,701
Net assets with donor restrictions	<u>3,803,315</u>	<u>3,805,567</u>
Financial assets not available to be used within one year	<u>\$ 6,259,329</u>	<u>\$ 6,940,268</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,633,984</u>	<u>\$ 4,249,171</u>

Note 3. Concentrations

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and invested cash deposited in a large regional bank and with a brokerage firm.

Money market accounts with the brokerage firm are not insured by the FDIC, but have limited protection provided by the Securities Investor Protection Corporation (SIPC).

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Note 4. Pledges Receivable

The Organization projects that donors will remit contributions receivable as follows:

Year Ending June 30:

2022	\$ 205,693
2023	--
2024	--
2025	<u>50,400</u>
	\$ 256,093
Less discount	<u>(13,784)</u>
	<u>\$ 242,309</u>

Note 5. Property and Equipment

Property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 265,229	\$ 265,229
Buildings and leasehold improvements	7,171,302	7,129,598
Furniture, fixtures and equipment	1,261,471	1,200,405
Intangibles	61,065	61,065
Transportation equipment	<u>511,232</u>	<u>626,289</u>
	\$ 9,270,299	\$ 9,282,586
Less accumulated depreciation	<u>6,428,526</u>	<u>6,189,972</u>
	<u>\$ 2,841,773</u>	<u>\$ 3,092,614</u>

Depreciation and amortization expense totaled \$349,175 and \$382,067 for the years ended June 30, 2021 and 2020, respectively.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Note 6. Long-Term Investments

Investments are carried at fair value and are summarized as follows as of June 30, 2021 and 2020.

	2021		2020	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities	\$ 4,132,065	\$ 6,434,738	\$ 3,760,749	\$ 4,656,793
Bond mutual funds	<u>1,151,609</u>	<u>1,623,716</u>	<u>958,463</u>	<u>1,021,719</u>
	<u>\$ 5,283,674</u>	<u>\$ 8,058,454</u>	<u>\$ 4,719,212</u>	<u>\$ 5,678,512</u>

The following schedule summarizes investment income which is reported in the combined statements of activities for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 125,566	\$ 167,495
Realized gains	27,099	359,653
Unrealized gains (losses)	<u>1,828,339</u>	<u>(364,470)</u>
	<u>\$ 1,981,004</u>	<u>\$ 162,678</u>

Note 7. Retirement Plan

The Organization has established a retirement plan for all employees who work more than 20 hours per week. This is a voluntary contributory plan and the Organization matches the employee contribution up to 5% for all employees who work at least a thousand hours per year. Contributions to the plan by the Organization amounted to \$173,804 and \$167,112 for the years ended June 30, 2021 and 2020, respectively.

Note 8. Deferred Compensation

The Organization has established deferred compensation plans for its chief executive officer and former chief executive officer that is funded by life insurance policies.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Note 9. Net Assets With Donor Restrictions

Net assets with donor restrictions for the following purposes were as follows as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specific purpose:		
Scholarships	\$ 29,428	\$ 49,728
Property and equipment	146,240	282,713
Unrestricted pledges	8,944	33,116
Literacy and education	32,000	--
Program / Innovation fund	60,742	61,897
Eco grant	10,000	--
Adventure grant	12,000	--
Workforce Development	79,252	109,090
Substance abuse	--	25,000
Ball Cottage renovation	324,748	328,470
Early intervention	17,547	17,547
Staunton School	2,969	2,969
School based mental health	63,000	--
Other	1,248	2,329
	<u>\$ 788,118</u>	<u>\$ 912,859</u>
Accumulated earnings from endowment funds	\$ 272,128	\$ 151,695
Endowment funds:		
Scholarship	591,521	591,521
General	2,151,548	2,149,492
	<u>\$ 2,743,069</u>	<u>\$ 2,741,013</u>
Total net assets with donor restrictions	<u>\$ 3,803,315</u>	<u>\$ 3,805,567</u>

Note 10. Endowment Funds

The Organization's endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization classifies permanent endowment funds to include the original value of gifts donated to the permanent endowment and subsequent gifts to the permanent endowment assets.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Accumulated earnings and realized gains are reported as net assets without donor restrictions where no donor restrictions or board-imposed designations exist. To the extent that endowment assets earn interest and dividends beyond the amount appropriated for expenditure in any given year, the excess is classified as net assets with donor restrictions until appropriated by the Board for expenditure.

The Organization has adopted an investment policy to achieve income and growth through current yield and realized/unrealized capital appreciation. The policy targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Organization expects its endowment funds to provide an average rate of return of approximately 5% annually. The Organization has adopted a spending policy for distribution each year which allows for up to 5% of the endowment fund's fair market value (averaged over the previous three calendar year ends preceding the current calendar year).

Changes in endowment net assets for the years ended June 30, 2021 and 2020 were as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 3,134,701	\$ 2,892,708	\$ 6,027,409
Investment income	--	145,277	145,277
Transfer	48,038	--	48,038
Contributions	515,771	2,057	517,828
Appropriation of endowment assets for expenditure	(1,242,496)	(24,844)	(1,267,340)
Endowment Net Assets, End of Year	<u>\$ 2,456,014</u>	<u>\$ 3,015,198</u>	<u>\$ 5,471,212</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 2,817,885	\$ 2,518,716	\$ 5,336,601
Investment income	--	15,672	15,672
Transfer	48,038	--	48,038
Contributions	1,242,496	393,010	1,635,506
Appropriation of endowment assets for expenditure	(973,718)	(34,690)	(1,008,408)
Endowment Net Assets, End of Year	<u>\$ 3,134,701</u>	<u>\$ 2,892,708</u>	<u>\$ 6,027,409</u>

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Endowment funds designated by the Board of Directors and classified in the Without Donor Restrictions category as of June 30, 2021 and 2020 were as follows:

	2021	2020
Facility fund	\$ 311,703	\$ 263,665
Annual giving	515,771	1,242,496
Other Elk Hill Farm Foundation endowment	1,628,540	1,628,540
	\$ 2,456,014	\$ 3,134,701

As of June 30, 2020, a contributor to the Organization has made a written revocable transfer to give a certain lot or parcel of land, together with all the improvements thereon, located in the City of Richmond, Virginia. Due to certain variables inherent in the estimation of the value of the property as well as the contributor's right to revoke the deed, the intentions to give are not reflected in the accompanying combined financial statements.

Note 11. Leasing Arrangements

In December 2015, the Organization entered into a two-year lease for the Amani House. Payments required were in the amount of \$2,200 per month from January 2016 through December 2016, and \$2,310 per month from January 2017 through December 2017. The lease was renewed under the same terms as above until a new agreement was signed. In September 2018, the lease was renewed and terminates on August 31, 2020. Payments required are in the amount of \$2,547 per month from September 2018 through August 2019 and \$2,674 per month from September 2019 through August 2020.

In July 2014, the Organization entered into a five-year lease for the Charlottesville School and Community Services. Payments are required in the amount of \$7,000 per month through June 2015, with a 3% rental increase each year. In December 2018, this lease was extended for 5 years through June 2024.

The Organization opened a school located in Staunton, VA starting in the fall of 2016. The Organization entered into a five-year lease with the Virginia School for the Deaf and the Blind (VSDB) effective July 2016. Over the last two years, Elk Hill has expanded the space it leases through amendments to the original agreement. As of June 30, 2019, the cost of the lease increased to \$10,197 per month. Additional lease rate increases are established in the amendment, yielding an average monthly rate of \$11,290 for the upcoming fiscal year. Through the five-year lease term, the lease can be terminated upon providing six-month written notice. Effective February 2019, the Organization exercised the expansion option pursuant to Section 25 of the original lease agreement. The lease expired in June 2021 and was extended subsequent to year end for 5 years through June 30, 2026.

In February 2017, the Organization entered into a seven-month lease for office space of Carlisle Avenue Baptist Church. The lease provides for automatic renewal each term for one year unless either party provides a ninety-day notice of termination of the lease.

Total rent expense under these leases amounted to \$352,747 and \$341,708 for the years ended June 30, 2021 and 2020, respectively.

**ELK HILL FARM, INC. AND
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Notes to Combined Financial Statements

Future minimum lease payments at June 30, 2021, excluding the renewal periods, are as follows for the year ending June 30:

Year Ending June 30:

2022	\$ 253,646
2023	258,493
2024	263,434
2025	155,581
2026	157,329
	<u>\$ 1,088,483</u>

Note 12. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying combined statements of activities. Accordingly, certain costs have been allocated by the amount to the programs and supporting services on the basis of the activity benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Allocation Method</u>
Salaries	Time and effort
Employee health and retirement plan costs	Direct allocation
Workers comp	Direct allocation
Payroll taxes	Direct allocation
Allowances	Direct allocation
Clothing and personal	Direct allocation
Professional services	Direct allocation
Educational supplies	Direct allocation
Utilities	Direct allocation
Food	Direct allocation
House supplies	Direct allocation
Insurance	Direct allocation
Maintenance	Direct allocation
Work pay	Direct allocation
Medical and dental	Direct allocation
Miscellaneous	Direct allocation
Postage	Direct allocation
Printing	Direct allocation
Recreation	Direct allocation
Rent	Direct allocation
Social services	Direct allocation
Special events	Direct allocation
Staff development	Direct allocation
Office expenses	Direct allocation
Travel and transportation	Direct allocation
Depreciation and amortization	Direct allocation

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Note 13. Fair Value Measurements

The following table presents the balance of financial assets measured at fair value on a reoccurring basis as of June 30, 2021 and 2020:

	Balance as of June 30, 2021	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Levels (Level 2)	Significant Other Unobservable Levels (Level 3)
Equities	\$ 6,434,738	\$ 6,434,738	\$ --	\$ --
Bond mutual funds	<u>1,623,716</u>	<u>1,623,716</u>	<u>--</u>	<u>--</u>
	<u>\$ 8,058,454</u>	<u>\$ 8,058,454</u>	<u>\$ --</u>	<u>\$ --</u>
	Balance as of June 30, 2020	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Levels (Level 2)	Significant Other Unobservable Levels (Level 3)
Equities	4,656,793	4,656,793	--	--
Bond mutual funds	<u>1,021,719</u>	<u>1,021,719</u>	<u>--</u>	<u>--</u>
	<u>\$ 5,678,512</u>	<u>\$ 5,678,512</u>	<u>\$ --</u>	<u>\$ --</u>

Note 14. Outstanding Commitments

On March 16, 2017, the Organization entered into a seven-year service agreement for case management software in the amount of \$284,887. Payments required during this agreement relate to the licensing fee and monthly service. Required payment for the fiscal year 2022 is \$30,836.

**ELK HILL FARM, INC. AND
ELK HILL FARM FOUNDATION**

Notes to Combined Financial Statements

Note 15. Short-Term Loan

On April 28, 2020, the Organization applied for and was approved a \$1,753,129 loan accruing interest at 1% under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. On November 24, 2020 the loan was forgiven in full and recognized as a revenue on the statement of activities.

Note 16. Subsequent Events

The Organization has evaluated all subsequent events through October 4, 2021, the date the combined financial statements were available to be issued.

Subsequent to year-end, the Organization extended the lease with the Virginia School for the Deaf and the Blind as mentioned in note 11. The lease was extended five years terminating on June 30, 2026.

The Organization has determined that there are no additional subsequent events that require recognition or disclosure.

**INDEPENDENT AUDITOR'S REPORT ON
THE SUPPLEMENTARY INFORMATION**

To the Board of Trustees
Elk Hill Farm, Inc. and Elk Hill Farm Foundation
Goochland, Virginia

We have audited the combined financial statements of Elk Hill Farm, Inc. and Elk Hill Farm Foundation as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon, dated October 4, 2021, which contained an unmodified opinion on those combined financial statements. Our audits were conducted for the purpose of forming an opinion on those combined financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Yount, Hyde & Barbour, P.C.

Richmond, Virginia
October 4, 2021

ELK HILL FARM, INC.

Statements of Financial Position

June 30, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 3,090,034	\$ 3,272,215
Accounts receivable, net	2,094,782	914,180
Pledges receivable, net	3,135	15,094
Employee and other receivables	2,527	497
Prepaid expenses	<u>227,013</u>	<u>141,826</u>
Total current assets	<u>\$ 5,417,491</u>	<u>\$ 4,343,812</u>
Property and Equipment,		
less accumulated depreciation	<u>\$ 2,841,773</u>	<u>\$ 3,092,614</u>
Other Assets		
Pledges receivable, net, less current portion	\$ 4,967	\$ 7,507
Security deposits	15,265	15,265
Cash surrender value of life insurance policies	<u>306,378</u>	<u>285,108</u>
Total other assets	<u>\$ 326,610</u>	<u>\$ 307,880</u>
Total assets	<u><u>\$ 8,585,874</u></u>	<u><u>\$ 7,744,306</u></u>
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 95,273	\$ 86,304
Accrued expenses	530,672	396,278
Deferred compensation, current portion	37,870	18,935
Short-term loan	<u>- -</u>	<u>1,753,129</u>
Total current liabilities	<u>\$ 663,815</u>	<u>\$ 2,254,646</u>
Long-Term Liabilities		
Deferred compensation, long-term portion	\$ 237,546	\$ 266,173
Due to Foundation	<u>97,237</u>	<u>116,104</u>
Total long-term liabilities	<u>\$ 334,783</u>	<u>\$ 382,277</u>
Net Assets		
Without donor restrictions:		
Undesignated	\$ 5,971,685	\$ 2,688,363
Designated by board	827,474	1,506,161
With donor restrictions	<u>788,117</u>	<u>912,859</u>
Total net assets	<u>\$ 7,587,276</u>	<u>\$ 5,107,383</u>
Total liabilities and net assets	<u><u>\$ 8,585,874</u></u>	<u><u>\$ 7,744,306</u></u>

ELK HILL FARM FOUNDATION

Statements of Financial Position

June 30, 2021 and 2020

Assets	2021	2020
Current Assets		
Cash	\$ 451,306	\$ 1,090,009
Pledges receivable, net	195,602	219,429
Other receivables	450	- -
Total current assets	<u>\$ 647,358</u>	<u>\$ 1,309,438</u>
Other Assets		
Pledges receivable, net, less current portion	\$ 38,605	\$ 228,443
Long-term investments	8,058,454	5,678,512
Due from Elk Hill Farm	97,237	116,104
Total other assets	<u>\$ 8,194,296</u>	<u>\$ 6,023,059</u>
Total assets	<u>\$ 8,841,654</u>	<u>\$ 7,332,497</u>
Liabilities and Net Assets		
Net Assets		
Without donor restrictions:		
Undesignated	\$ 4,197,916	\$ 2,811,249
Designated by board	1,628,540	1,628,540
With donor restrictions	<u>3,015,198</u>	<u>2,892,708</u>
Total net assets	<u>\$ 8,841,654</u>	<u>\$ 7,332,497</u>
Total liabilities and net assets	<u>\$ 8,841,654</u>	<u>\$ 7,332,497</u>

ELK HILL FARM, INC.

Statement of Activities
Year Ended June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 813,723	\$ 248,499	\$ 1,062,222
Government grants	3,863,375	--	3,863,375
Investment and other income	1,852	--	1,852
(Loss) on sale of assets	(749)	--	(749)
Tuition assistance and fees	6,716,266	--	6,716,266
Medicaid and insurance income	1,786,334	--	1,786,334
	<u>\$ 13,180,801</u>	<u>\$ 248,499</u>	<u>\$ 13,429,300</u>
Net assets released from restrictions:			
Satisfaction of restrictions for property and equipment	136,473	(136,473)	--
Satisfaction of time restriction	24,172	(24,172)	--
Satisfaction of program restrictions	212,596	(212,596)	--
Total support and revenue	<u>\$ 13,554,042</u>	<u>\$ (124,742)</u>	<u>\$ 13,429,300</u>
Expenses:			
Program services:			
Community services	\$ 2,546,869	\$ --	\$ 2,546,869
Schools	3,953,968	--	3,953,968
Residential services	3,166,206	--	3,166,206
Total program services	<u>\$ 9,667,043</u>	<u>\$ --</u>	<u>\$ 9,667,043</u>
Supporting services:			
Management and general	\$ 929,351	\$ --	\$ 929,351
Fundraising	353,013	--	353,013
Total supporting services	<u>\$ 1,282,364</u>	<u>\$ --</u>	<u>\$ 1,282,364</u>
Total expenses	<u>\$ 10,949,407</u>	<u>\$ --</u>	<u>\$ 10,949,407</u>
Change in net assets	\$ 2,604,635	\$ (124,742)	\$ 2,479,893
Net assets, beginning of year	<u>4,194,524</u>	<u>912,859</u>	<u>5,107,383</u>
Net assets, end of year	<u>\$ 6,799,159</u>	<u>\$ 788,117</u>	<u>\$ 7,587,276</u>

ELK HILL FARM, INC.

Statement of Activities
Year Ended June 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 1,429,503	\$ 75,000	\$ 1,504,503
Investment and other income	12,229	--	12,229
Tuition assistance and fees	5,934,189	--	5,934,189
Medicaid and insurance income	<u>3,330,755</u>	<u>--</u>	<u>3,330,755</u>
	\$ 10,706,676	\$ 75,000	\$ 10,781,676
Net assets released from restrictions:			
Satisfaction of restrictions for property and equipment	245,647	(245,647)	--
Satisfaction of time restriction	22,718	(22,718)	--
Satisfaction of program restrictions	<u>339,665</u>	<u>(339,665)</u>	<u>--</u>
Total support and revenue	<u>\$ 11,314,706</u>	<u>\$ (533,030)</u>	<u>\$ 10,781,676</u>
Expenses:			
Program services:			
Community services	\$ 3,535,824	\$ --	\$ 3,535,824
Schools	3,902,762	--	3,902,762
Residential services	<u>3,105,991</u>	<u>--</u>	<u>3,105,991</u>
Total program services	<u>\$ 10,544,577</u>	<u>\$ --</u>	<u>\$ 10,544,577</u>
Supporting services:			
Management and general	\$ 919,518	\$ --	\$ 919,518
Fundraising	<u>389,266</u>	<u>--</u>	<u>389,266</u>
Total supporting services	<u>\$ 1,308,784</u>	<u>\$ --</u>	<u>\$ 1,308,784</u>
Total expenses	<u>\$ 11,853,361</u>	<u>\$ --</u>	<u>\$ 11,853,361</u>
Change in net assets	\$ (538,655)	\$ (533,030)	\$ (1,071,685)
Net assets, beginning of year	<u>4,733,179</u>	<u>1,445,889</u>	<u>6,179,068</u>
Net assets, end of year	<u>\$ 4,194,524</u>	<u>\$ 912,859</u>	<u>\$ 5,107,383</u>

ELK HILL FARM FOUNDATION

Statement of Activities
Year Ended June 30, 2021

	2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ --	\$ 2,057	\$ 2,057
Investment income	1,833,875	145,277	1,979,152
Other	<u> --</u>	<u> --</u>	<u> --</u>
	\$ 1,833,875	\$ 147,334	\$ 1,981,209
Net assets released from restrictions:			
Satisfaction of program restrictions	<u> 24,844</u>	<u> (24,844)</u>	<u> --</u>
Total support and revenue	<u>\$ 1,858,719</u>	<u>\$ 122,490</u>	<u>\$ 1,981,209</u>
Expenses and losses:			
Program services:			
Grant to Elk Hill Farm	<u>\$ 338,452</u>	<u>\$ --</u>	<u>\$ 338,452</u>
Supporting services:			
Fundraising	<u>\$ 133,600</u>	<u>\$ --</u>	<u>\$ 133,600</u>
Total expenses	<u>\$ 472,052</u>	<u>\$ --</u>	<u>\$ 472,052</u>
Change in net assets	\$ 1,386,667	\$ 122,490	\$ 1,509,157
Net assets, beginning of year	<u>4,439,789</u>	<u>2,892,708</u>	<u>7,332,497</u>
Net assets, end of year	<u>\$ 5,826,456</u>	<u>\$ 3,015,198</u>	<u>\$ 8,841,654</u>

ELK HILL FARM FOUNDATION

Statement of Activities Year Ended June 30, 2020

	2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ --	\$ 393,010	\$ 393,010
Investment income	134,777	15,672	150,449
Other	131	--	131
	<u>\$ 134,908</u>	<u>\$ 408,682</u>	<u>\$ 543,590</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>34,690</u>	<u>(34,690)</u>	<u>--</u>
Total support and revenue	<u>\$ 169,598</u>	<u>\$ 373,992</u>	<u>\$ 543,590</u>
Expenses and losses:			
Program services:			
Grant to Elk Hill Farm	<u>\$ 333,022</u>	<u>\$ --</u>	<u>\$ 333,022</u>
Supporting services:			
Fundraising	<u>\$ 38,974</u>	<u>\$ --</u>	<u>\$ 38,974</u>
Total expenses	<u>\$ 371,996</u>	<u>\$ --</u>	<u>\$ 371,996</u>
Change in net assets	<u>\$ (202,398)</u>	<u>\$ 373,992</u>	<u>\$ 171,594</u>
Net assets, beginning of year	<u>4,642,187</u>	<u>2,518,716</u>	<u>7,160,903</u>
Net assets, end of year	<u>\$ 4,439,789</u>	<u>\$ 2,892,708</u>	<u>\$ 7,332,497</u>