

## 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, 2020 and 2019, 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, 2020 and 2019, 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.

**Emphasis of Matter**

As discussed in Note 16 to the combined financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

*Gount, Hyde & Barbour, P.C.*

Richmond, Virginia  
October 15, 2020

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

**Combined Statements of Financial Position**

June 30, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019 (Restated)</b>
<b>Current Assets</b>		
Cash	\$ 4,362,224	\$ 1,835,469
Accounts receivable, net	914,180	1,446,079
Pledges receivable, net	234,523	202,556
Employee and other receivables	497	536
Prepaid expenses	141,826	219,391
Total current assets	<u>\$ 5,653,250</u>	<u>\$ 3,704,031</u>
<b>Property and Equipment,</b>		
less accumulated depreciation	<u>\$ 3,092,614</u>	<u>\$ 3,441,487</u>
<b>Other Assets</b>		
Pledges receivable, net, less current portion	\$ 235,950	\$ 45,057
Long-term investments	5,678,512	6,946,686
Security deposits	15,265	15,265
Cash surrender value of life insurance policies	285,108	254,391
Total other assets	<u>\$ 6,214,835</u>	<u>\$ 7,261,399</u>
Total assets	<u>\$ 14,960,699</u>	<u>\$ 14,406,917</u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 86,304	\$ 87,356
Accrued expenses	396,278	725,199
Deferred compensation, current portion	18,935	--
Short-term loan	1,753,129	--
Total current liabilities	<u>\$ 2,254,646</u>	<u>\$ 812,555</u>
<b>Long-Term Liabilities,</b>		
deferred compensation, long-term portion	<u>\$ 266,173</u>	<u>\$ 254,391</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	\$ 5,499,612	\$ 6,557,481
Designated by board	3,134,701	2,817,885
With donor restrictions	3,805,567	3,964,605
Total net assets	<u>\$ 12,439,880</u>	<u>\$ 13,339,971</u>
Total liabilities and net assets	<u>\$ 14,960,699</u>	<u>\$ 14,406,917</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

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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	\$ 11,151,282	\$ (159,038)	\$ 10,992,244
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	\$ 10,544,577	\$ --	\$ 10,544,577
Supporting services:			
Management and general	\$ 919,518	\$ --	\$ 919,518
Fundraising	<u>428,240</u>	<u>--</u>	<u>428,240</u>
Total supporting services	\$ 1,347,758	\$ --	\$ 1,347,758
Total expenses	\$ 11,892,335	\$ --	\$ 11,892,335
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	\$ 8,634,313	\$ 3,805,567	\$ 12,439,880

See Notes to Combined Financial Statements.



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

**Combined Statement of Activities**

Year Ended June 30, 2019

	<b>2019 (Restated)</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and revenue:			
Contributions	\$ 1,058,834	\$ 345,834	\$ 1,404,668
Tuition assistance and fees	5,611,470	--	5,611,470
Investment income	409,300	37,644	446,944
Medicaid and insurance income	4,584,226	--	4,584,226
	\$ 11,663,830	\$ 383,478	\$ 12,047,308
Net assets released from restrictions:			
Satisfaction of restrictions for property and equipment	152,016	(152,016)	--
Satisfaction of time restriction	15,801	(15,801)	--
Satisfaction of program restrictions	393,796	(393,796)	--
Total support and revenue	\$ 12,225,443	\$ (178,135)	\$ 12,047,308
Expenses:			
Program services:			
Community services	\$ 3,843,892	\$ --	\$ 3,843,892
Schools	3,902,730	--	3,902,730
Residential services	3,049,252	--	3,049,252
Total program services	\$ 10,795,874	\$ --	\$ 10,795,874
Supporting services:			
Management and general	\$ 821,770	\$ --	\$ 821,770
Fundraising	373,825	--	373,825
Total supporting services	\$ 1,195,595	\$ --	\$ 1,195,595
Total expenses	\$ 11,991,469	\$ --	\$ 11,991,469
Change in net assets	\$ 233,974	\$ (178,135)	\$ 55,839
Net assets, beginning of year, as originally reported	9,586,094	4,142,740	13,728,834
Prior period adjustment (Note 16)	(444,702)	--	(444,702)
Net assets, beginning of year, as restated	\$ 9,141,392	\$ 4,142,740	\$ 13,284,132
Net assets, end of year	\$ 9,375,366	\$ 3,964,605	\$ 13,339,971

See Notes to Combined Financial Statements.

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

**Combined Statements of Cash Flows**  
Years Ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019 (Restated)</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (900,091)	\$ 55,839
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation and amortization	382,067	400,547
(Gain) on sale of assets	--	(2,000)
Unrealized and realized loss (gain) on investments	4,817	(289,612)
Change in cash surrender value of life insurance	(30,717)	(10,366)
(Increase) decrease in operating assets:		
Accounts receivable and other receivables	531,938	(421,009)
Pledges receivable	(222,860)	133,529
Prepaid expenses	77,565	(170,831)
Increase (decrease) in operating liabilities:		
Accounts payable	(1,052)	(16,167)
Accrued expenses	(328,921)	7,134
Deferred compensation	30,717	10,366
Net cash (used in) operating activities	<u>\$ (456,537)</u>	<u>\$ (302,570)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	\$ (33,194)	\$ (274,735)
Proceeds from the sale of property and equipment	--	2,000
Purchase of investments	(33,517)	(482,974)
Proceeds from the sale of investments	<u>1,296,874</u>	<u>417,820</u>
Net cash provided by (used in) investing activities	<u>\$ 1,230,163</u>	<u>\$ (337,889)</u>
<b>Cash Flows from Investing Activities, proceeds from short-term loan</b>	<u>\$ 1,753,129</u>	<u>\$ --</u>
Net increase (decrease) in cash	\$ 2,526,755	\$ (640,459)
<b>Cash</b>		
Beginning of year	<u>1,835,469</u>	<u>2,475,928</u>
End of year	<u>\$ 4,362,224</u>	<u>\$ 1,835,469</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, 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	<u>202,995</u>	<u>192,191</u>	<u>141,373</u>	<u>536,559</u>	<u>48,650</u>	<u>21,443</u>	<u>606,652</u>
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	<u>32,583</u>	<u>15,675</u>	<u>30,990</u>	<u>79,248</u>	<u>25,429</u>	<u>3,214</u>	<u>107,891</u>
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	<u>140,779</u>	<u>96,632</u>	<u>126,615</u>	<u>364,026</u>	<u>676</u>	<u>17,365</u>	<u>382,067</u>
Total program and supporting services expenses	<u>\$ 3,535,824</u>	<u>\$ 3,902,762</u>	<u>\$ 3,105,991</u>	<u>\$ 10,544,577</u>	<u>\$ 919,518</u>	<u>\$ 428,240</u>	<u>\$ 11,892,335</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, 2019 (Restated)

	Program Services				Supporting Services		
	Community Services	Schools	Residential Services	Total	Management and General	Fundraising	Total
Salaries	\$ 2,834,579	\$ 2,555,349	\$ 1,844,521	\$ 7,234,449	\$ 426,179	\$ 236,950	\$ 7,897,578
Employee health and retirement plan costs	291,431	263,718	260,675	815,824	66,058	24,559	906,441
Workers comp	44,409	40,023	28,563	112,995	8,524	3,930	125,449
Payroll taxes	<u>212,302</u>	<u>188,214</u>	<u>134,626</u>	<u>535,142</u>	<u>46,880</u>	<u>16,919</u>	<u>598,941</u>
Total salaries, benefits and taxes	\$ 3,382,721	\$ 3,047,304	\$ 2,268,385	\$ 8,698,410	\$ 547,641	\$ 282,358	\$ 9,528,409
Allowances	--	--	3,600	3,600	--	--	3,600
Clothing and personal	--	4,387	3,157	7,544	--	--	7,544
Professional services	90,721	65,437	133,675	289,833	26,700	25,382	341,915
Educational supplies	4,185	78,565	770	83,520	--	--	83,520
Utilities	40,387	77,146	82,122	199,655	--	4,701	204,356
Food	24,130	128,543	82,810	235,483	8,740	3,191	247,414
House supplies	--	162	13,101	13,263	--	--	13,263
Insurance	--	--	--	--	127,452	--	127,452
Maintenance	49,594	89,661	119,633	258,888	--	7,689	266,577
Work pay	--	2,506	6,404	8,910	--	--	8,910
Medical and dental	21	2,403	9,205	11,629	--	--	11,629
Miscellaneous	1,276	651	1,266	3,193	--	199	3,392
Postage	1,044	2,261	1,761	5,066	--	543	5,609
Printing	80	288	498	866	498	16,519	17,883
Recreation	25,751	9,885	34,810	70,446	--	837	71,283
Rent	27,916	206,339	68,040	302,295	--	--	302,295
Social services	55	15	3,347	3,417	1,172	--	4,589
Special events	12,525	10,727	13,306	36,558	--	4,985	41,543
Staff development	20,515	18,104	16,051	54,670	18,489	1,736	74,895
Office expenses	14,385	26,804	9,185	50,374	70,190	1,982	122,546
Travel and transportation	<u>15,519</u>	<u>22,974</u>	<u>38,049</u>	<u>76,542</u>	<u>20,888</u>	<u>4,868</u>	<u>102,298</u>
Total expenses before depreciation	\$ 3,710,825	\$ 3,794,162	\$ 2,909,175	\$ 10,414,162	\$ 821,770	\$ 354,990	\$ 11,590,922
Depreciation and amortization	<u>133,067</u>	<u>108,568</u>	<u>140,077</u>	<u>381,712</u>	<u>--</u>	<u>18,835</u>	<u>400,547</u>
Total program and supporting services expenses	<u>\$ 3,843,892</u>	<u>\$ 3,902,730</u>	<u>\$ 3,049,252</u>	<u>\$ 10,795,874</u>	<u>\$ 821,770</u>	<u>\$ 373,825</u>	<u>\$ 11,991,469</u>

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  
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**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, 2020 and 2019, 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.

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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).

**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 \$131,449 and \$92,962 of receivables that it has deemed uncollectible at June 30, 2020 and 2019, respectively.

**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.

**Contributions**

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

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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**

Tuition assistance and fees and Medicaid and insurance income are recognized when the services have been provided and the related expenses have been incurred.

**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><b>Years</b></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 2020 and 2019.

**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



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**Notes to Combined Financial Statements**

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.

**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 May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), which provides guidance for recognizing revenue from contracts with customers. The core principle of ASU 2014-09 is that revenue will be recognized when promised goods or services are transferred to customers in an amount that reflects consideration for which entitlement is expected in exchange for those goods or services. Generally, the ASU states that revenue should be recognized by following a five step process which includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligation in the contract, and recognizing revenue as the entity satisfies a performance obligation. ASU 2014-09 is effective for the Organization for its year ended June 30, 2021. The Organization is currently evaluating the impact that the adoption of Topic 606 will have on its combined financial statements.

**New Accounting Pronouncement**

In June 2018, FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 for contributions received 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.

**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.

<b>Financial assets, at year-end:</b>	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash and cash equivalents	\$ 4,362,224	\$ 1,835,469
Accounts receivable, net	914,180	1,446,079
Pledges receivable, net	234,523	202,556
Investments	<u>5,678,512</u>	<u>6,946,686</u>
Total financial assets	<u>\$ 11,189,439</u>	<u>\$ 10,430,790</u>
Less those unavailable for general expenditure within one year, due to:		
Board designated funds	\$ 3,134,701	\$ 2,817,885
Net assets with donor restrictions	<u>3,805,567</u>	<u>3,964,605</u>
Financial assets not available to be used within one year	<u>\$ 6,940,268</u>	<u>\$ 6,782,490</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,249,171</u>	<u>\$ 3,648,300</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:

2021	\$ 243,148
2022	202,000
2023	42,000
2024	<u>10,900</u>
	\$ 498,048
Less discount	<u>(27,575)</u>
	<u>\$ 470,473</u>

**Note 5. Property and Equipment**

Property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 265,229	\$ 265,229
Buildings and leasehold improvements	7,129,598	7,129,598
Furniture, fixtures and equipment	1,200,405	1,167,211
Intangibles	61,065	61,065
Transportation equipment	<u>626,289</u>	<u>626,289</u>
	\$ 9,282,586	\$ 9,249,392
Less accumulated depreciation	<u>6,189,972</u>	<u>5,807,905</u>
	<u>\$ 3,092,614</u>	<u>\$ 3,441,487</u>

Depreciation and amortization expense totaled \$382,067 and \$400,547 for the years ended June 30, 2020 and 2019, 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, 2020 and 2019.

	<b>2020</b>		<b>2019</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
Cash	\$ --	\$ --	\$ 237,391	\$ 237,391
Equities	3,760,749	4,656,793	4,414,891	5,691,007
Bond mutual funds	958,463	1,021,719	970,634	1,018,288
	<u>\$ 4,719,212</u>	<u>\$ 5,678,512</u>	<u>\$ 5,622,916</u>	<u>\$ 6,946,686</u>

The following schedule summarizes investment income which is reported in the combined statements of activities for the years ended June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Interest and dividends	\$ 167,495	\$ 157,332
Realized (losses) gains	359,653	(8,213)
Unrealized gains	<u>(364,470)</u>	<u>297,825</u>
	<u>\$ 162,678</u>	<u>\$ 446,944</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 \$167,112 and \$151,971 for the years ended June 30, 2020 and 2019, 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specific purpose:		
Scholarships	\$ 49,728	\$ 93,216
Property and equipment	282,713	528,360
Unrestricted pledges	33,116	55,834
Program / Innovation fund	61,897	73,553
Culinary arts	--	7,852
Charlottesville Day School	--	6,027
Workforce Development	109,090	200,179
Substance abuse	25,000	5,000
School based mental health	--	53,261
Ball Cottage renovation	328,470	328,470
Early intervention	17,547	39,226
Literacy	--	31,595
Staunton School	2,969	5,323
Other	2,329	17,993
	<u>\$ 912,859</u>	<u>\$ 1,445,889</u>
Accumulated earnings from endowment funds	\$ 151,695	\$ 170,713
Endowment funds:		
Scholarship	591,521	591,521
General	2,149,492	1,756,482
	<u>\$ 2,741,013</u>	<u>\$ 2,348,003</u>
Total net assets with donor restrictions	<u>\$ 3,805,567</u>	<u>\$ 3,964,605</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, 2020 and 2019 were as follows:

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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>

  

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment Net Assets, Beginning of Year	\$ 2,766,291	\$ 2,504,991	\$ 5,271,282
Investment income	--	37,644	37,644
Transfer	48,038	--	48,038
Contributions	969,835	3,118	972,953
Appropriation of endowment assets for expenditure	(966,279)	(27,037)	(993,316)
Endowment Net Assets, End of Year	<u>\$ 2,817,885</u>	<u>\$ 2,518,716</u>	<u>\$ 5,336,601</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, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Facility fund	\$ 263,665	\$ 219,510
Annual giving	1,242,496	969,835
Other Elk Hill Farm Foundation endowment	1,628,540	1,628,540
	<u>\$ 3,134,701</u>	<u>\$ 2,817,885</u>

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 will expire in June 2021.

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 \$341,708 and \$302,295 for the years ended June 30, 2020 and 2019, respectively.

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

**Notes to Combined Financial Statements**

Future minimum lease payments at June 30, 2020, excluding the renewal periods, are as follows for the year ending June 30:

**Year Ending June 30:**

2021	\$ 254,237
2022	103,309
2023	106,409
2024	109,601
	<u>\$ 573,556</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 expense 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, 2020 and 2019:

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

  

	<b>Balance as of June 30, 2019</b>	<b>Quoted Price in Active Market for Identical Assets (Level 1)</b>	<b>Significant Other Observable Levels (Level 2)</b>	<b>Significant Other Unobservable Levels (Level 3)</b>
Cash	\$ 237,391	\$ 237,391	\$ --	\$ --
Equities	5,691,007	5,691,007	--	--
Bond mutual funds	1,018,288	1,018,288	--	--
	<u>\$ 6,946,686</u>	<u>\$ 6,946,686</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 2021 is \$30,084.

In May 2018, the Organization entered into a three-year agreement to purchase school information system software in the amount of \$27,437. Payments required during this agreement relate to the licensing fee and monthly service. Required payment for the fiscal year 2021 is \$6,063.

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

**Notes to Combined Financial Statements**

**Note 15. Related Party Transaction**

No related party transactions requiring disclosure occurred for the years ended June 30, 2020 and 2019.

**Note 16. Prior Period Adjustment**

The Organization discovered certain accrued summer pay balances for teachers as of June 30, 2019 and 2018 that were not properly included in accrued expenses for \$462,383 and \$444,702, respectively. The accompanying combined statements of financial position as of June 30, 2019 and 2018 were restated for this amount. The related combined statements of activities, cash flows, and functional expenses for the year ended June 30, 2019 have been restated by \$17,681 to reflect the change in the balance of this liability between the two years.

**Note 17. Short-Term Loan**

On April 28, 2020, the Organization applied for and was approved a \$1,753,129 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

**Note 18. Subsequent Events**

The Organization has evaluated all subsequent events through October 15, 2020, the date the combined financial statements were available to be issued. The Organization has determined that there are no 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, 2020 and 2019, and have issued our report thereon, dated October 15, 2020, 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 accompanying 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 15, 2020

**ELK HILL FARM, INC.**

**Statements of Financial Position**

June 30, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019 (Restated)</b>
<b>Current Assets</b>		
Cash	\$ 3,272,215	\$ 1,835,469
Accounts receivable, net	914,180	1,446,079
Pledges receivable, net	15,094	40,964
Employee and other receivables	497	536
Prepaid expenses	141,826	219,391
Total current assets	<u>\$ 4,343,812</u>	<u>\$ 3,542,439</u>
<b>Property and Equipment,</b> less accumulated depreciation	<u>\$ 3,092,614</u>	<u>\$ 3,441,487</u>
<b>Other Assets</b>		
Pledges receivable, net, less current portion	\$ 7,507	\$ 1,787
Security deposits	15,265	15,265
Cash surrender value of life insurance policies	285,108	254,391
Total other assets	<u>\$ 307,880</u>	<u>\$ 271,443</u>
Total assets	<u>\$ 7,744,306</u>	<u>\$ 7,255,369</u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 86,304	\$ 87,356
Accrued expenses	396,278	725,199
Deferred compensation, current portion	18,935	--
Short-term loan	1,753,129	--
Total current liabilities	<u>\$ 2,254,646</u>	<u>\$ 812,555</u>
<b>Long-Term Liabilities</b>		
Deferred compensation, long-term portion	\$ 266,173	\$ 254,391
Due to Foundation	116,104	9,355
Total long-term liabilities	<u>\$ 382,277</u>	<u>\$ 263,746</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	\$ 2,688,363	\$ 3,543,834
Designated by board	1,506,161	1,189,345
With donor restrictions	912,859	1,445,889
Total net assets	<u>\$ 5,107,383</u>	<u>\$ 6,179,068</u>
Total liabilities and net assets	<u>\$ 7,744,306</u>	<u>\$ 7,255,369</u>

# ELK HILL FARM FOUNDATION

## Statements of Financial Position

June 30, 2020 and 2019

Assets	2020	2019
<b>Current Assets</b>		
Cash	\$ 1,090,009	\$ --
Pledges receivable, net	219,429	161,592
Total current assets	<u>\$ 1,309,438</u>	<u>\$ 161,592</u>
<b>Other Assets</b>		
Pledges receivable, net, less current portion	\$ 228,443	\$ 43,270
Long-term investments	5,678,512	6,946,686
Due from Elk Hill Farm	116,104	9,355
Total other assets	<u>\$ 6,023,059</u>	<u>\$ 6,999,311</u>
Total assets	<u>\$ 7,332,497</u>	<u>\$ 7,160,903</u>
<b>Liabilities and Net Assets</b>		
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	\$ 2,811,249	\$ 3,013,647
Designated by board	1,628,540	1,628,540
With donor restrictions	2,892,708	2,518,716
Total net assets	<u>\$ 7,332,497</u>	<u>\$ 7,160,903</u>
Total liabilities and net assets	<u>\$ 7,332,497</u>	<u>\$ 7,160,903</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	3,330,755	--	3,330,755
	<u>\$ 10,706,676</u>	<u>\$ 75,000</u>	<u>\$ 10,781,676</u>
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	339,665	(339,665)	--
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	3,105,991	--	3,105,991
Total program services	<u>\$ 10,544,577</u>	<u>\$ --</u>	<u>\$ 10,544,577</u>
Supporting services:			
Management and general	\$ 880,544	\$ --	\$ 880,544
Fundraising	428,240	--	428,240
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, INC.**

**Statement of Activities**  
Year Ended June 30, 2019

	<b>2019 (Restated)</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and revenue:			
Contributions	\$ 1,367,242	\$ 342,716	\$ 1,709,958
Investment and other income	4,867	--	4,867
Tuition assistance and fees	5,611,470	--	5,611,470
Medicaid and insurance income	4,584,226	--	4,584,226
	<u>\$ 11,567,805</u>	<u>\$ 342,716</u>	<u>\$ 11,910,521</u>
Net assets released from restrictions:			
Satisfaction of restrictions for property and equipment	152,016	(152,016)	--
Satisfaction of time restriction	15,801	(15,801)	--
Satisfaction of program restrictions	366,759	(366,759)	--
Total support and revenue	<u>\$ 12,102,381</u>	<u>\$ (191,860)</u>	<u>\$ 11,910,521</u>
Expenses:			
Program services:			
Community services	\$ 3,843,892	\$ --	\$ 3,843,892
Schools	3,902,730	--	3,902,730
Residential services	3,049,252	--	3,049,252
Total program services	<u>\$ 10,795,874</u>	<u>\$ --</u>	<u>\$ 10,795,874</u>
Supporting services:			
Management and general	\$ 812,220	\$ --	\$ 812,220
Fundraising	373,825	--	373,825
Total supporting services	<u>\$ 1,186,045</u>	<u>\$ --</u>	<u>\$ 1,186,045</u>
Total expenses	<u>\$ 11,981,919</u>	<u>\$ --</u>	<u>\$ 11,981,919</u>
Change in net assets	\$ 120,462	\$ (191,860)	\$ (71,398)
Net assets, beginning of year, as originally reported	5,057,419	1,637,749	6,695,168
Prior period adjustment	(444,702)	--	(444,702)
Net assets, beginning of year, as restated	<u>\$ 4,612,717</u>	<u>\$ 1,637,749</u>	<u>\$ 6,250,466</u>
Net assets, end of year	<u>\$ 4,733,179</u>	<u>\$ 1,445,889</u>	<u>\$ 6,179,068</u>

# ELK HILL FARM FOUNDATION

## Statement of Activities Year Ended June 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
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	34,690	(34,690)	--
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:			
Management and general	<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>



# ELK HILL FARM FOUNDATION

## Statement of Activities Year Ended June 30, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 9,104	\$ 3,118	\$ 12,222
Investment income	404,433	37,644	442,077
	\$ 413,537	\$ 40,762	\$ 454,299
Net assets released from restrictions:			
Satisfaction of program restrictions	27,037	(27,037)	--
Total support and revenue	\$ 440,574	\$ 13,725	\$ 454,299
Expenses and losses:			
Program services:			
Grant to Elk Hill Farm	\$ 317,512	\$ --	\$ 317,512
Supporting services:			
Management and general	\$ 9,550	\$ --	\$ 9,550
Total expenses	\$ 327,062	\$ --	\$ 327,062
Change in net assets	\$ 113,512	\$ 13,725	\$ 127,237
Net assets, beginning of year	4,528,675	2,504,991	7,033,666
Net assets, end of year	\$ 4,642,187	\$ 2,518,716	\$ 7,160,903