

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

Goochland, Virginia

COMBINED FINANCIAL STATEMENTS

June 30, 2018

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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 which comprise the combined statements of financial position as of June 30, 2018 and 2017, 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 financial position of Elk Hill Farm, Inc. and Elk Hill Farm Foundation as of June 30, 2018 and 2017, 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 9, 2018

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statements of Financial Position

June 30, 2018 and 2017

Assets	2018	2017
Current Assets		
Cash	\$ 2,475,928	\$ 1,907,543
Accounts receivable, net	1,024,706	793,475
Pledges receivable, net	177,578	213,495
Employee and other receivables	900	1,300
Prepaid expenses	48,560	57,380
Total current assets	\$ 3,727,672	\$ 2,973,193
Property and Equipment,		
less accumulated depreciation	\$ 3,567,299	\$ 3,856,562
Other Assets		
Pledges receivable, net, less current portion	\$ 203,564	\$ 289,826
Long-term investments	6,591,920	6,442,720
Security deposits	15,265	15,265
Cash surrender value of life insurance policies	244,025	219,906
Total other assets	\$ 7,054,774	\$ 6,967,717
Total assets	\$ 14,349,745	\$ 13,797,472
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 103,523	\$ 126,434
Accrued expenses	273,363	257,579
Total current liabilities	\$ 376,886	\$ 384,013
Long-Term Liabilities,		
deferred compensation	\$ 244,025	\$ 219,906
Net Assets		
Unrestricted:		
Undesignated	\$ 6,819,803	\$ 6,612,160
Designated by board	2,766,291	2,262,962
Temporarily restricted	1,797,855	1,975,296
Permanently restricted	2,344,885	2,343,135
Total net assets	\$ 13,728,834	\$ 13,193,553
Total liabilities and net assets	\$ 14,349,745	\$ 13,797,472

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statement of Activities

Year Ended June 30, 2018

	2018			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions	\$ 989,003	\$ 440,999	\$ 1,750	\$ 1,431,752
Tuition assistance and fees	5,218,463	--	--	5,218,463
Interest and dividends	123,638	12,188	--	135,826
Medicaid and insurance income	4,338,446	--	--	4,338,446
Unrealized and realized gains	<u>350,364</u>	<u>34,656</u>	<u>--</u>	<u>385,020</u>
	\$ 11,019,914	\$ 487,843	\$ 1,750	\$ 11,509,507
Net assets released from restrictions:				
Satisfaction of restrictions for property and equipment	117,151	(117,151)	--	--
Satisfaction of time restriction	63,675	(63,675)	--	--
Satisfaction of program restrictions	<u>484,458</u>	<u>(484,458)</u>	<u>--</u>	<u>--</u>
Total support and revenue	<u>\$ 11,685,198</u>	<u>\$ (177,441)</u>	<u>\$ 1,750</u>	<u>\$ 11,509,507</u>
Expenses:				
Program services:				
Community services	\$ 3,466,938	\$ --	\$ --	\$ 3,466,938
Schools	3,542,888	--	--	3,542,888
Residential services	<u>2,849,030</u>	<u>--</u>	<u>--</u>	<u>2,849,030</u>
Total program services	<u>\$ 9,858,856</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,858,856</u>
Supporting services:				
Management and general	\$ 752,858	\$ --	\$ --	\$ 752,858
Fundraising	<u>362,512</u>	<u>--</u>	<u>--</u>	<u>362,512</u>
Total supporting services	<u>\$ 1,115,370</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,115,370</u>
Total expenses	<u>\$ 10,974,226</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,974,226</u>
Change in net assets	\$ 710,972	\$ (177,441)	\$ 1,750	\$ 535,281
Net assets, beginning of year	<u>8,875,122</u>	<u>1,975,296</u>	<u>2,343,135</u>	<u>13,193,553</u>
Net assets, end of year	<u>\$ 9,586,094</u>	<u>\$ 1,797,855</u>	<u>\$ 2,344,885</u>	<u>\$ 13,728,834</u>

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statement of Activities

Year Ended June 30, 2017

	2017			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions	\$ 649,719	\$ 556,624	\$ 28,711	\$ 1,235,054
Tuition assistance and fees	5,107,572	--	--	5,107,572
Interest and dividends	132,069	13,352	--	145,421
Medicaid and insurance income	3,527,845	--	--	3,527,845
Unrealized and realized gains	486,102	49,142	--	535,244
	<u>\$ 9,903,307</u>	<u>\$ 619,118</u>	<u>\$ 28,711</u>	<u>\$ 10,551,136</u>
Net assets released from restrictions:				
Satisfaction of restrictions for property and equipment	103,473	(103,473)	--	--
Satisfaction of time restriction	387,552	(387,552)	--	--
Satisfaction of program restrictions	542,281	(542,281)	--	--
Total support and revenue	<u>\$ 10,936,613</u>	<u>\$ (414,188)</u>	<u>\$ 28,711</u>	<u>\$ 10,551,136</u>
Expenses:				
Program services:				
Community services	\$ 2,966,792	\$ --	\$ --	\$ 2,966,792
Schools	3,334,128	--	--	3,334,128
Residential services	3,422,207	--	--	3,422,207
Total program services	<u>\$ 9,723,127</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,723,127</u>
Supporting services:				
Management and general	\$ 709,963	\$ --	\$ --	\$ 709,963
Fundraising	326,423	--	--	326,423
Total supporting services	<u>\$ 1,036,386</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,036,386</u>
Total expenses	<u>\$ 10,759,513</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,759,513</u>
Change in net assets	\$ 177,100	\$ (414,188)	\$ 28,711	\$ (208,377)
Net assets, beginning of year	<u>8,698,022</u>	<u>2,389,484</u>	<u>2,314,424</u>	<u>13,401,930</u>
Net assets, end of year	<u>\$ 8,875,122</u>	<u>\$ 1,975,296</u>	<u>\$ 2,343,135</u>	<u>\$ 13,193,553</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, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	\$ 535,281	\$ (208,377)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	403,189	416,710
Loss on sale of assets	3,430	33,123
Unrealized and realized (gain) on investments	(385,020)	(535,244)
Change in cash surrender value of life insurance	(24,119)	(22,905)
(Increase) decrease in operating assets:		
Accounts receivable and other receivables	(230,832)	412,153
Pledges receivable	122,179	100,070
Prepaid expenses	8,820	8,672
Security deposits	--	3,267
Increase (decrease) in operating liabilities:		
Accounts payable	(22,911)	37,744
Accrued expenses	15,784	(23,640)
Deferred compensation	24,119	22,905
Net cash provided by operating activities	\$ 449,920	\$ 244,478
Cash Flows from Investing Activities		
Purchase of property and equipment	\$ (117,957)	\$ (211,739)
Proceeds from the sale of property and equipment	601	1,155
Purchase of investments	(222,539)	(1,302,811)
Reinvested dividend and capital gain distributions	(142,618)	237,977
Proceeds from the sale of investments	600,978	1,173,428
Net cash provided by (used in) investing activities	\$ 118,465	\$ (101,990)
Net increase in cash	\$ 568,385	\$ 142,488
Cash		
Beginning of year	1,907,543	1,765,055
End of year	\$ 2,475,928	\$ 1,907,543

See Notes to Combined Financial Statements.

ELK HILL FARM, INC. AND ELK HILL FARM FOUNDATION

Combined Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services				Supporting Services		
	Community Services	Schools	Residential Services	Total	Management and General	Fundraising	Total
Salaries	\$ 2,549,742	\$ 2,337,042	\$ 1,718,598	\$ 6,605,382	\$ 391,981	\$ 226,114	\$ 7,223,477
Employee health and retirement plan costs	263,995	243,373	254,334	761,702	60,757	24,914	847,373
Workers comp	40,228	38,985	27,886	107,099	7,840	3,681	118,620
Payroll taxes	188,696	171,885	126,049	486,630	43,118	16,001	545,749
Total salaries, benefits and taxes	\$ 3,042,661	\$ 2,791,285	\$ 2,126,867	\$ 7,960,813	\$ 503,696	\$ 270,710	\$ 8,735,219
Allowances	--	--	3,047	3,047	--	--	3,047
Clothing and personal	--	2,628	1,854	4,482	--	--	4,482
Professional services	75,626	53,468	115,758	244,852	26,550	21,623	293,025
Educational supplies	1,161	51,745	2,007	54,913	--	--	54,913
Utilities	39,649	75,837	94,222	209,708	--	4,255	213,963
Food	29,221	102,857	79,536	211,614	7,148	1,919	220,681
House supplies	--	--	13,665	13,665	--	--	13,665
Insurance	--	--	--	--	134,294	--	134,294
Maintenance	38,774	76,652	103,447	218,873	--	6,316	225,189
Work pay	--	1,375	7,065	8,440	--	--	8,440
Medical and dental	856	123	5,975	6,954	--	--	6,954
Miscellaneous	1,284	939	1,300	3,523	--	211	3,734
Postage	1,297	2,046	1,475	4,818	--	1,294	6,112
Printing	820	130	2,176	3,126	1,259	20,013	24,398
Recreation	20,267	12,633	28,278	61,178	--	179	61,357
Rent	37,190	150,788	64,346	252,324	--	--	252,324
Social services	100	--	2,949	3,049	--	--	3,049
Special events	7,880	9,133	10,267	27,280	--	2,255	29,535
Staff development	20,572	19,991	14,110	54,673	10,869	4,001	69,543
Office expenses	11,661	36,254	7,640	55,555	52,341	9,849	117,745
Travel and transportation	15,797	23,246	32,532	71,575	16,701	1,092	89,368
Total expenses before depreciation	\$ 3,344,816	\$ 3,411,130	\$ 2,718,516	\$ 9,474,462	\$ 752,858	\$ 343,717	\$ 10,571,037
Depreciation and amortization	122,122	131,758	130,514	384,394	--	18,795	403,189
Total Program and Supporting Services Expenses	<u>\$ 3,466,938</u>	<u>\$ 3,542,888</u>	<u>\$ 2,849,030</u>	<u>\$ 9,858,856</u>	<u>\$ 752,858</u>	<u>\$ 362,512</u>	<u>\$ 10,974,226</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, 2017

	Program Services				Supporting Services		
	Community Services	Schools	Residential Services	Total	Management and General	Fundraising	Total
Salaries	\$ 2,207,977	\$ 2,049,673	\$ 2,091,583	\$ 6,349,233	\$ 370,917	\$ 213,810	\$ 6,933,960
Employee health and retirement plan costs	187,950	236,671	298,100	722,721	57,492	16,659	796,872
Workers comp	47,280	55,953	53,348	156,581	7,418	5,755	169,754
Payroll taxes	167,782	153,261	158,821	479,864	40,801	14,964	535,629
Total salaries, benefits and taxes	\$ 2,610,989	\$ 2,495,558	\$ 2,601,852	\$ 7,708,399	\$ 476,628	\$ 251,188	\$ 8,436,215
Allowances	--	--	4,344	4,344	--	--	4,344
Clothing and personal	--	1,115	6,992	8,107	--	--	8,107
Professional services	60,867	51,151	103,329	215,347	24,900	15,308	255,555
Educational supplies	14	60,892	2,322	63,228	--	--	63,228
Utilities	22,915	77,484	81,818	182,217	--	1,633	183,850
Food	26,866	115,492	123,255	265,613	5,240	1,180	272,033
House supplies	--	24	14,188	14,212	--	--	14,212
Insurance	--	100	(229)	(129)	127,868	--	127,739
Maintenance	34,468	101,128	128,314	263,910	--	4,704	268,614
Work pay	--	2,095	16,397	18,492	--	--	18,492
Medical and dental	1,640	874	13,695	16,209	--	--	16,209
Miscellaneous	1,650	1,504	2,224	5,378	--	320	5,698
Postage	1,295	2,045	2,215	5,555	--	1,555	7,110
Printing	935	27	4,158	5,120	2,218	23,447	30,785
Recreation	25,881	14,670	36,895	77,446	--	656	78,102
Rent	24,900	151,317	61,993	238,210	--	--	238,210
Social services	--	--	4,465	4,465	--	--	4,465
Special events	4,548	8,318	8,316	21,182	--	1,031	22,213
Staff development	13,501	22,114	19,649	55,264	9,781	5,464	70,509
Office expenses	12,203	17,624	6,530	36,357	49,733	1,824	87,914
Loss (gain) on sale of assets	--	34,278	--	34,278	(1,155)	--	33,123
Contract transportation	--	2,420	--	2,420	--	--	2,420
Travel and transportation	17,779	23,907	33,843	75,529	14,750	3,377	93,656
Total expenses before depreciation	\$ 2,860,451	\$ 3,184,137	\$ 3,276,565	\$ 9,321,153	\$ 709,963	\$ 311,687	\$ 10,342,803
Depreciation and amortization	106,341	149,991	145,642	401,974	--	14,736	416,710
Total Program and Supporting Services Expenses	\$ 2,966,792	\$ 3,334,128	\$ 3,422,207	\$ 9,723,127	\$ 709,963	\$ 326,423	\$ 10,759,513

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.

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:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that can be filled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors of such assets permit the Organization to use the income earned on the assets.

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.

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

Notes to Combined Financial Statements

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, 2018 and 2017, 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.

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.

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

Notes to Combined Financial Statements

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 an allowance for \$42,869 and \$37,198 of receivables that it has deemed uncollectible at June 30, 2018 and 2017 respectively. Management has also provided a Medicaid reserve for overpayments of \$43,189 and \$40,942 at June 30, 2018 and 2017, 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 temporarily or permanently restricted net assets, 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 unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily restricted or permanently restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions.

Revenue Recognition

Student assistance and fees are recognized when the services have been provided and the related expenses have been incurred.

**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 2018 and 2017.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 restricted support. 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 temporarily restricted net assets to unrestricted net assets at that time.

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

New 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, 2021. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption Topic 842 will have on its combined financial statements.

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 received and contributions made. Specifically, the update assists entities in determining whether a transaction should be accounted for as a contribution or an exchange transaction. If a transaction is accounted for as an exchange transaction, other accounting guidance, for example, in Topic 606, Revenue from Contracts with Customers, should be followed. If, however, a transaction is accounted for as a contribution, guidance in Subtopic 958-605 should be followed. Additionally, the update assists entities in determining whether a contribution is conditional. ASU 2018-08 is effective for contributions received by the Organization for its year ended June 30, 2020. ASU 2018-08 is effective for contributions made, if applicable, by the Organization for its year ended June 30, 2021. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of Topic 958 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, 2020. The Organization is currently evaluating the impact that the adoption of Topic 606 will have on its combined financial statements.

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

Notes to Combined Financial Statements

In August 2016, the FASB issued ASU No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, which is intended to improve how a not-for profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires all not-for-profit entities to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for the Organization its year ending June 30, 2019. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2016-14 will have on its combined financial statements.

Note 2. 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).

Note 3. Pledges Receivable

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

Year ending June 30:

2019	\$ 183,794
2020	192,381
2021	7,000
2022	<u>45,225</u>
	\$ 428,400
Less discount	(25,508)
Less allowance	<u>(21,750)</u>
	<u>\$ 381,142</u>

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

Notes to Combined Financial Statements

Note 4. Property and Equipment

Property and equipment consisted of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 265,229	\$ 265,229
Buildings and leasehold improvements	7,030,730	7,005,946
Furniture, fixtures and equipment	1,085,093	1,024,365
Intangibles	61,065	61,065
Transportation equipment	<u>587,363</u>	<u>583,233</u>
	\$ 9,029,480	\$ 8,939,838
Less accumulated depreciation	<u>5,462,181</u>	<u>5,083,276</u>
	<u>\$ 3,567,299</u>	<u>\$ 3,856,562</u>

Depreciation and amortization expense for the year totaled \$403,189 and \$416,710 for the years ended June 30, 2018 and 2017, respectively.

Note 5. Long-Term Investments

Investments are carried at fair value and are summarized as follows as of June 30, 2018 and 2017.

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash	\$ 245,845	\$ 245,845	\$ 115,477	\$ 115,477
Equities	4,498,023	5,530,186	4,725,620	5,555,762
Bond mutual funds	<u>822,108</u>	<u>815,889</u>	<u>792,897</u>	<u>771,481</u>
	<u>\$ 5,565,976</u>	<u>\$ 6,591,920</u>	<u>\$ 5,633,994</u>	<u>\$ 6,442,720</u>

Note 6. 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 \$132,279 and \$118,407 for the years ended June 30, 2018 and 2017, respectively.

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

Notes to Combined Financial Statements

Note 7. Deferred Compensation

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

Note 8. Net Assets

Temporarily restricted net assets consisted of the following:

	<u>2018</u>	<u>2017</u>
Scholarships	\$ 106,481	\$ 112,162
Property and equipment	636,659	752,810
Unrestricted pledges	51,635	115,310
Program / Innovation fund	84,419	132,858
Education	70,000	50,000
Culinary arts	10,764	10,764
Charlottesville Day School	10,213	11,340
Accumulated endowment income	160,106	140,714
Workforce Development	195,241	134,453
School based mental health	30,261	--
Ball Cottage renovation	343,541	343,541
Early intervention	39,226	26,726
School Technology	4,816	22,943
Literacy	21,895	100,250
Staunton School	16,598	--
Other	16,000	21,425
	<u>\$ 1,797,855</u>	<u>\$ 1,975,296</u>

Permanently restricted net assets consisted of the following:

	<u>2018</u>	<u>2017</u>
Scholarship endowment	\$ 591,521	\$ 591,521
General endowment	1,753,364	1,751,614
	<u>\$ 2,344,885</u>	<u>\$ 2,343,135</u>

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

Notes to Combined Financial Statements

Note 9. Endowment Net Assets

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 permanently restricted net endowment assets to include the original value of gifts donated to the permanent endowment and subsequent gifts to the permanently restricted endowment assets.

Accumulated earnings and realized gains are reported as unrestricted 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 temporarily restricted net assets 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, 2018 and 2017 were as follows:

	2018			
	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 2,262,962	\$ 140,714	\$ 2,343,135	\$ 4,746,811
Investment income	--	46,844	--	46,844
Transfer	63,038	--	--	63,038
Contributions	947,060	--	1,750	948,810
Appropriation of endowment assets for expenditure	(506,769)	(27,452)	--	(534,221)
Endowment Net Assets, End of Year	<u>\$ 2,766,291</u>	<u>\$ 160,106</u>	<u>\$ 2,344,885</u>	<u>\$ 5,271,282</u>
	2017			
	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 2,225,403	\$ 102,908	\$ 2,314,424	\$ 4,642,735
Investment income	--	62,494	--	62,494
Transfer	63,038	--	--	63,038
Contributions	488,148	--	28,711	516,859
Appropriation of endowment assets for expenditure	(513,627)	(24,688)	--	(538,315)
Endowment Net Assets, End of Year	<u>\$ 2,262,962</u>	<u>\$ 140,714</u>	<u>\$ 2,343,135</u>	<u>\$ 4,746,811</u>

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

Notes to Combined Financial Statements

Note 10. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated by the amount the programs and supporting services benefited.

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 per year. The lease matures June 30, 2019.

In March 2015, the Organization entered into a three-year lease with Richmond Road Moore, LLC for its Charlottesville Group Home location. Elk Hill exercised its right to renew the lease for one year in March 2018 at a rate of \$3,054 per month.

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, 2018 the cost of the lease increased to \$8,216 per month. Additional lease rate increases are established in the amendment, yielding a monthly rate of \$9,202 for the new fiscal year. Through the five-year lease term, the lease can be terminated upon providing six-month written notice.

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 \$252,324 and \$238,210 for the years ended June 30, 2018 and 2017, respectively.

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

Notes to Combined Financial Statements

Future minimum lease payments at June 30, 2018, excluding the renewal periods, are as follows:

Year Ending June 30:	
2019	<u>\$ 179,806</u>

Note 12. Fair Value Measurements

The following table presents the balance of financial assets measured at fair value on a reoccurring basis as of June 30, 2018 and 2017:

	Balance as of June 30, 2018	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Levels (Level 2)	Significant Other Unobservable Levels (Level 3)
Cash	\$ 245,845	\$ 245,845	\$ --	\$ --
Equities	5,530,186	5,530,186	--	--
Bond mutual funds	<u>815,889</u>	<u>815,889</u>	<u>--</u>	<u>--</u>
	<u>\$ 6,591,920</u>	<u>\$ 6,591,920</u>	<u>\$ --</u>	<u>\$ --</u>
	Balance as of June 30, 2017	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Levels (Level 2)	Significant Other Unobservable Levels (Level 3)
Cash	\$ 115,477	\$ 115,477	\$ --	\$ --
Equities	5,555,761	5,555,762	--	--
Bond mutual funds	<u>771,481</u>	<u>771,481</u>	<u>--</u>	<u>--</u>
	<u>\$ 6,442,719</u>	<u>\$ 6,442,720</u>	<u>\$ --</u>	<u>\$ --</u>

Note 13. 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 the monthly service. Required payment for the fiscal year 2019 is \$41,508.

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 the monthly service. Required payment for the fiscal year 2019 is \$7,656.

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

Notes to Combined Financial Statements

Note 14. Related Party Transaction

No related party transactions requiring disclosure occurred for the year ended June 30, 2018 and 2017.

Note 15. Short-term Note

Due to the cyclical nature of Elk Hill's activities, Elk Hill Farm, Inc. received \$300,000 from the undesignated operating fund of the Foundation in September 2017. Elk Hill paid back \$100,000 in January 2018 and the remainder was paid subsequent to the year end in September 2018. As of June 30, 2018, the balance of the note was \$200,000.

Note 16. Subsequent Events

The Organization has evaluated all subsequent events through October 9, 2018, the date the combined financial statements were available to be issued. On July 13, 2018, the Organization entered into a six-year agreement for textbooks in the amount of \$63,145 with payment commencing July 31, 2018. The Organization has determined there were no other 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, 2018 and 2017, and have issued our report thereon, dated October 9, 2018, which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on those combined financial statements as a whole. We have not performed any procedures with respect to the audited combined financial statements subsequent to October 9, 2018.

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 9, 2018

ELK HILL FARM, INC.

Statements of Financial Position

June 30, 2018 and 2017

Assets	2018	2017
Current Assets		
Cash	\$ 2,475,928	\$ 1,907,543
Accounts receivable, net	1,024,706	793,475
Pledges receivable, net	166,329	179,781
Employee and other receivables	900	1,300
Prepaid expenses	48,560	57,380
Total current assets	\$ 3,716,423	\$ 2,939,479
Property and Equipment,		
less accumulated depreciation	\$ 3,567,299	\$ 3,856,562
Other Assets		
Pledges receivable, net, less current portion	\$ 19,056	\$ 101,510
Security deposits	15,265	15,265
Cash surrender value of life insurance policies	244,025	219,906
Total other assets	\$ 278,346	\$ 336,681
Total assets	\$ 7,562,068	\$ 7,132,722
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 103,523	\$ 126,434
Accrued expenses	273,363	257,579
Total current liabilities	\$ 376,886	\$ 384,013
Long-Term Liabilities		
Deferred compensation	\$ 244,025	\$ 219,906
Due to Foundation	245,988	159,357
Total long-term liabilities	\$ 490,013	\$ 379,263
Net Assets		
Unrestricted:		
Undesignated	\$ 3,919,669	\$ 3,900,411
Designated by board	1,137,751	634,422
Temporarily restricted	1,637,749	1,834,613
Total net assets	\$ 6,695,169	\$ 6,369,446
Total liabilities and net assets	\$ 7,562,068	\$ 7,132,722

ELK HILL FARM FOUNDATION

Statements of Financial Position

June 30, 2018 and 2017

Assets	2018	2017
Current Assets, pledges receivable, net	\$ 11,249	\$ 33,714
Other Assets		
Pledges receivable, net, less current portion	\$ 184,508	\$ 188,316
Long-term investments	6,591,920	6,442,720
Due from Elk Hill Farm	245,988	159,357
Total other assets	\$ 7,022,416	\$ 6,790,393
Total assets	\$ 7,033,665	\$ 6,824,107
Liabilities and Net Assets		
Net Assets		
Unrestricted:		
Undesignated	\$ 2,900,134	\$ 2,711,718
Designated by board	1,628,540	1,628,540
Temporarily restricted	160,106	140,714
Permanently restricted	2,344,885	2,343,135
Total net assets	\$ 7,033,665	\$ 6,824,107
Total liabilities and net assets	\$ 7,033,665	\$ 6,824,107

ELK HILL FARM, INC.

Statement of Activities
Year Ended June 30, 2018

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Contributions	\$ 1,293,818	\$ 440,999	\$ --	\$ 1,734,817
Tuition assistance and fees	5,218,463	--	--	5,218,463
Medicaid and insurance income	4,338,446	--	--	4,338,446
	<u>\$ 10,850,727</u>	<u>\$ 440,999</u>	<u>\$ --</u>	<u>\$ 11,291,726</u>
Net assets released from restrictions:				
Satisfaction of restrictions for property and equipment	\$ 117,151	\$ (117,151)	\$ --	\$ --
Satisfaction of time restriction	63,675	(63,675)	--	--
Satisfaction of program restrictions	457,006	(457,006)	--	--
Total support and revenue	<u>\$ 11,488,559</u>	<u>\$ (196,833)</u>	<u>\$ --</u>	<u>\$ 11,291,726</u>
Expenses:				
Program services:				
Community services	\$ 3,466,938	\$ --	\$ --	\$ 3,466,938
Schools	3,542,888	--	--	3,542,888
Residential services	2,850,209	--	--	2,850,209
Total program services	<u>\$ 9,860,035</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,860,035</u>
Supporting services:				
Management and general	\$ 743,457	\$ --	\$ --	\$ 743,457
Fundraising	362,512	--	--	362,512
Total supporting services	<u>\$ 1,105,969</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,105,969</u>
Total expenses	<u>\$ 10,966,004</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,966,004</u>
Change in net assets	\$ 522,555	\$ (196,833)	\$ --	\$ 325,722
Net assets, beginning of year	<u>4,534,864</u>	<u>1,834,582</u>	<u>--</u>	<u>6,369,446</u>
Net assets, end of year	<u>\$ 5,057,419</u>	<u>\$ 1,637,749</u>	<u>\$ --</u>	<u>\$ 6,695,168</u>

ELK HILL FARM, INC.

Statement of Activities
Year Ended June 30, 2017

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and revenue:				
Contributions	\$ 979,049	\$ 556,655	\$ --	\$ 1,535,704
Tuition assistance and fees	5,107,572	--	--	5,107,572
Medicaid and insurance income	<u>3,527,845</u>	<u>--</u>	<u>--</u>	<u>3,527,845</u>
	<u>\$ 9,614,466</u>	<u>\$ 556,655</u>	<u>\$ --</u>	<u>\$ 10,171,121</u>
Net assets released from restrictions:				
Satisfaction of restrictions for property and equipment	103,473	(103,473)	--	--
Satisfaction of time restriction	387,552	(387,552)	--	--
Satisfaction of program restrictions	<u>517,593</u>	<u>(517,593)</u>	<u>--</u>	<u>--</u>
Total support and revenue	<u>\$ 10,623,084</u>	<u>\$ (451,963)</u>	<u>\$ --</u>	<u>\$ 10,171,121</u>
Expenses:				
Program services:				
Community services	\$ 2,966,792	\$ --	\$ --	\$ 2,966,792
Schools	3,334,128	--	--	3,334,128
Residential services	<u>3,423,856</u>	<u>--</u>	<u>--</u>	<u>3,423,856</u>
Total program services	<u>\$ 9,724,776</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,724,776</u>
Supporting services:				
Management and general	\$ 700,814	\$ --	\$ --	\$ 700,814
Fundraising	<u>326,423</u>	<u>--</u>	<u>--</u>	<u>326,423</u>
Total supporting services	<u>\$ 1,027,237</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,027,237</u>
Total expenses	<u>\$ 10,752,013</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,752,013</u>
Change in net assets	\$ (128,929)	\$ (451,963)	\$ --	\$ (580,892)
Net assets, beginning of year	<u>4,663,762</u>	<u>2,286,576</u>	<u>--</u>	<u>6,950,338</u>
Net assets, end of year	<u>\$ 4,534,833</u>	<u>\$ 1,834,613</u>	<u>\$ --</u>	<u>\$ 6,369,446</u>

ELK HILL FARM FOUNDATION

Statement of Activities
Year Ended June 30, 2018

	2018			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions	\$ 1,107	\$ --	\$ 1,750	\$ 2,857
Interest and dividends	123,638	12,188	--	135,826
Unrealized and realized gains	350,364	34,656	--	385,020
Other	<u>1,179</u>	<u>--</u>	<u>--</u>	<u>1,179</u>
	<u>\$ 476,288</u>	<u>\$ 46,844</u>	<u>\$ 1,750</u>	<u>\$ 524,882</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>27,452</u>	<u>(27,452)</u>	<u>--</u>	<u>--</u>
Total support and revenue	<u>\$ 503,740</u>	<u>\$ 19,392</u>	<u>\$ 1,750</u>	<u>\$ 524,882</u>
Expenses and losses:				
Program services:				
Grant to Elk Hill Farm	<u>\$ 305,922</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 305,922</u>
Supporting services:				
Management and general	<u>\$ 9,401</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,401</u>
Total expenses	<u>\$ 315,323</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 315,323</u>
Change in net assets	\$ 188,417	\$ 19,392	\$ 1,750	\$ 209,559
Net assets, beginning of year	<u>4,340,258</u>	<u>140,714</u>	<u>2,343,135</u>	<u>6,824,107</u>
Net assets, end of year	<u>\$ 4,528,675</u>	<u>\$ 160,106</u>	<u>\$ 2,344,885</u>	<u>\$ 7,033,666</u>

ELK HILL FARM FOUNDATION

Statement of Activities
Year Ended June 30, 2017

	<u>2017</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions	\$ (60,468)	\$ --	\$ 28,711	\$ (31,757)
Interest and dividends	132,069	13,352	--	145,421
Unrealized and realized gains	486,102	49,142	--	535,244
Other revenue	<u>1,649</u>	<u>--</u>	<u>--</u>	<u>1,649</u>
	\$ 559,352	\$ 62,494	\$ 28,711	\$ 650,557
 Net assets released from restrictions:				
Satisfaction of program restrictions	<u>24,688</u>	<u>(24,688)</u>	<u>--</u>	<u>--</u>
Total support and revenue	<u>\$ 584,040</u>	<u>\$ 37,806</u>	<u>\$ 28,711</u>	<u>\$ 650,557</u>
 Expenses and losses:				
Program services:				
Grant to Elk Hill Farm	<u>\$ 268,893</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 268,893</u>
Supporting services:				
Management and general	<u>\$ 9,149</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,149</u>
Total expenses	<u>\$ 278,042</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 278,042</u>
Change in net assets	\$ 305,998	\$ 37,806	\$ 28,711	\$ 372,515
Net assets, beginning of year	<u>4,034,260</u>	<u>102,908</u>	<u>2,314,424</u>	<u>6,451,592</u>
Net assets, end of year	<u>\$ 4,340,258</u>	<u>\$ 140,714</u>	<u>\$ 2,343,135</u>	<u>\$ 6,824,107</u>