



MitchellWiggins

CERTIFIED PUBLIC ACCOUNTANTS

---

Jackson-Feild Homes, Inc.  
and  
Jackson-Feild Homes  
Foundation

Combined Financial Statements

June 30, 2017 and 2016



# **Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

## **Table of Contents**

	<b>Page</b>
<b>Independent Auditor's Report</b>	1 - 2
<b>Combined Financial Statements</b>	
<i>Combined statements of financial position</i>	3
<i>Combined statement of activities - 2017</i>	4
<i>Combined statement of activities - 2016</i>	5
<i>Combined statement of functional expenses - 2017</i>	6
<i>Combined statement of functional expenses - 2016</i>	7
<i>Combined statements of cash flows</i>	8
<i>Notes to combined financial statements</i>	9 - 23
<b>Supplementary Information</b>	
<i>Combining statements of financial position</i>	24
<i>Combining statement of activities - 2017</i>	25
<i>Combining statement of activities - 2016</i>	26
<i>Combining statement of functional expenses - 2017</i>	27
<i>Combining statement of functional expenses - 2016</i>	28
<i>Combining statement of cash flows - 2017</i>	29
<i>Combining statement of cash flows - 2016</i>	30

## ***Independent Auditor's Report***

Board of Trustees  
Jackson-Feild Homes, Inc.  
Jarratt, Virginia

### ***Report on the Financial Statements***

We have audited the accompanying combined financial statements of Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation (the "Organization"), which comprise the combined statements of financial position as of June 30, 2017 and 2016, the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined 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 audits to obtain reasonable assurance about whether the combined financial statements are free from 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows 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 14 to the combined financial statements, the 2016 financial statements have been restated to correct the classification of net asset balances. The opinion is not modified with respect to this matter.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the 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.

*Mitchell Wiggins*

Petersburg, Virginia

March 30, 2018

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combined Statements of Financial Position**  
**June 30, 2017 and 2016**

<b>Assets</b>	<b>2017</b>	<b>(Restated) 2016</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 534,951	\$ 251,920
Accounts receivable, less allowance for doubtful accounts and contractual adjustments of \$33,432 in 2017 and \$37,961 in 2016	1,015,507	980,466
Pledges receivable	7,500	85,000
Prepaid expenses	33,755	24,370
<b>Total current assets</b>	<b>1,591,713</b>	<b>1,341,756</b>
<b>Property and Equipment</b>		
Buildings	4,011,018	3,935,267
Furniture and equipment	1,223,345	1,107,375
Land and improvements	42,105	42,105
	5,276,468	5,084,747
Less accumulated depreciation	(3,941,312)	(3,787,774)
	1,335,156	1,296,973
<b>Other Assets</b>		
Investments	3,794,564	3,999,668
	3,794,564	3,999,668
<b>Total assets</b>	<b>\$ 6,721,433</b>	<b>\$ 6,638,397</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued payroll and related taxes	\$ 282,120	\$ 271,363
Accounts payable and accrued expenses	305,557	317,372
Lease obligations, current portion	22,426	33,770
Line of credit	148,036	149,457
Note payable, current portion	4,647	4,312
<b>Total current liabilities</b>	<b>762,786</b>	<b>776,274</b>
<b>Long-Term Liabilities</b>		
Lease obligations, less current portion	10,528	32,954
Note payable, less current portion	10,907	15,552
	21,435	48,506
<b>Total liabilities</b>	<b>784,221</b>	<b>824,780</b>
<b>Net Assets</b>		
Unrestricted	3,223,971	3,288,515
Temporarily restricted	1,494,020	1,305,881
Permanently restricted	1,219,221	1,219,221
<b>Total net assets</b>	<b>5,937,212</b>	<b>5,813,617</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,721,433</b>	<b>\$ 6,638,397</b>

See Notes to Combined Financial Statements

*Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation*

*Combined Statement of Activities  
Year Ended June 30, 2017*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Changes in Unrestricted Net Assets</b>				
<i>Operating Revenue</i>				
Placement fees	\$ 5,095,803	\$ -	\$ -	\$ 5,095,803
School funds	1,103,345	-	-	1,103,345
Psychological fees	1,101,790	-	-	1,101,790
	7,300,938	-	-	7,300,938
USDA reimbursement	73,732	-	-	73,732
<b>Total operating revenue</b>	<b>7,374,670</b>	<b>-</b>	<b>-</b>	<b>7,374,670</b>
<i>Support</i>				
Contributions	294,925	490,075	-	785,000
Special events and other, net of expenses, \$5,806	30,203	-	-	30,203
<b>Total support</b>	<b>325,128</b>	<b>490,075</b>	<b>-</b>	<b>815,203</b>
<i>Investment Return and Other Income</i>				
Investment return	91,816	96,316	-	188,132
Gain on sale of property and equipment	1,125	-	-	1,125
<b>Total investment return and other income</b>	<b>92,941</b>	<b>96,316</b>	<b>-</b>	<b>189,257</b>
<i>Net Assets Released from Restrictions</i>	398,252	(398,252)	-	-
<b>Total operating revenue, support, investment return and other income</b>	<b>8,190,991</b>	<b>188,139</b>	<b>-</b>	<b>8,379,130</b>
<i>Expenses</i>				
Program services	7,043,687	-	-	7,043,687
Supporting services				
Management and general	1,008,384	-	-	1,008,384
Fundraising	203,464	-	-	203,464
<b>Total expenses</b>	<b>8,255,535</b>	<b>-</b>	<b>-</b>	<b>8,255,535</b>
<b>Changes in net assets</b>	<b>(64,544)</b>	<b>188,139</b>	<b>-</b>	<b>123,595</b>
Net assets, beginning	3,288,515	1,305,881	1,219,221	5,813,617
Net assets, ending	\$ 3,223,971	\$ 1,494,020	\$ 1,219,221	\$ 5,937,212

*See Notes to Combined Financial Statements*

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combined Statement of Activities**  
**Year Ended June 30, 2016**

	(Restated) Unrestricted	(Restated) Temporarily Restricted	(Restated) Permanently Restricted	(Restated) Total
<b>Changes in Unrestricted Net Assets</b>				
<i>Operating Revenue</i>				
Placement fees	\$ 4,969,503	\$ -	\$ -	\$ 4,969,503
School funds	1,034,940	-	-	1,034,940
Psychological fees	1,251,919	-	-	1,251,919
	<u>7,256,362</u>	<u>-</u>	<u>-</u>	<u>7,256,362</u>
USDA reimbursement	74,239	-	-	74,239
<b>Total operating revenue</b>	<u>7,330,601</u>	<u>-</u>	<u>-</u>	<u>7,330,601</u>
<i>Support</i>				
Contributions	305,790	274,686	-	580,476
Bequests	163,505	-	-	163,505
Special events and other, net of expenses, \$6,763	27,554	-	-	27,554
<b>Total support</b>	<u>496,849</u>	<u>274,686</u>	<u>-</u>	<u>771,535</u>
<i>Investment Return and Other Income</i>				
Investment return	71,396	72,446	-	143,842
Gain on sale of property and equipment	202,247	-	-	202,247
<b>Total investment return and other income</b>	<u>273,643</u>	<u>72,446</u>	<u>-</u>	<u>346,089</u>
<i>Net Assets Released from Restrictions</i>	264,342	(264,342)	-	-
<b>Total operating revenue, support, investment return and other income</b>	<u>8,365,435</u>	<u>82,790</u>	<u>-</u>	<u>8,448,225</u>
<i>Expenses</i>				
Program services	7,255,916	-	-	7,255,916
Supporting services				
Management and general	915,594	-	-	915,594
Fundraising	208,084	-	-	208,084
<b>Total expenses</b>	<u>8,379,594</u>	<u>-</u>	<u>-</u>	<u>8,379,594</u>
<b>Changes in net assets</b>	(14,159)	82,790	-	68,631
Net assets, beginning	3,302,674	1,223,091	1,219,221	5,744,986
Net assets, ending	<u>\$ 3,288,515</u>	<u>\$ 1,305,881</u>	<u>\$ 1,219,221</u>	<u>\$ 5,813,617</u>

See Notes to Combined Financial Statements



**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combined Statement of Functional Expenses**

**Year Ended June 30, 2017 with Comparative Totals for the Year Ended June 30, 2016**

	Supporting Services				Total 2017	Total 2016
	Program Services	Management and General	Fundraising	Supporting Services		
Salaries	\$ 4,404,107	\$ 449,331	\$ 136,538	\$ 585,869	\$ 4,989,976	\$ 5,176,155
Employee benefits	497,835	43,258	3,277	46,535	544,370	593,901
Payroll taxes	327,619	30,075	10,713	40,788	368,407	383,183
<b>Total salaries and related expenses</b>	<b>5,229,561</b>	<b>522,664</b>	<b>150,528</b>	<b>673,192</b>	<b>5,902,753</b>	<b>6,153,239</b>
Bad debts	-	167,069	-	167,069	167,069	88,050
CNA expenses	-	-	-	-	-	429
College and vocational	11,827	-	-	-	11,827	9,778
Contract services	274,859	-	-	-	274,859	290,294
Depreciation	240,440	20,908	666	21,574	262,014	273,761
Dues and subscriptions	9,453	27,190	1,583	28,773	38,226	23,536
Food	220,209	-	-	-	220,209	218,494
Fundraising, other	-	-	14,254	14,254	14,254	14,793
Insurance	133,498	28,994	-	28,994	162,492	215,791
Interest	2,102	9,228	-	9,228	11,330	14,125
Investment fees	-	25,547	-	25,547	25,547	22,863
Miscellaneous	134	6,658	658	7,316	7,450	8,034
Office	198,692	40,184	5,083	45,267	243,959	232,185
Other events	18,459	1,697	6,085	7,782	26,241	24,379
Professional fees	30,342	99,129	-	99,129	129,471	147,199
Recruiting	59,384	10,420	7,400	17,820	77,204	75,465
Rent	5,426	4,970	6,216	11,186	16,612	15,948
Repairs and maintenance	87,349	5,388	-	5,388	92,737	60,045
Scholarships provided	178,798	-	-	-	178,798	107,163
Student	134,708	-	-	-	134,708	131,967
Travel	28,163	21,336	7,739	29,075	57,238	54,057
Utilities	162,782	17,002	3,252	20,254	183,036	179,503
Vehicle	17,501	-	-	-	17,501	18,496
	<b>\$ 7,043,687</b>	<b>\$ 1,008,384</b>	<b>\$ 203,464</b>	<b>\$ 1,211,848</b>	<b>\$ 8,255,535</b>	<b>\$ 8,379,594</b>

See Notes to Combined Financial Statements

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combined Statement of Functional Expenses  
Year Ended June 30, 2016**

	Supporting Services				(Restated) Total 2016
	(Restated) Program Services	(Restated) Management and General	(Restated) Fundraising	(Restated) Supporting Services	
Salaries	\$ 4,591,341	\$ 441,167	\$ 143,647	\$ 584,814	\$ 5,176,155
Employee benefits	543,174	43,342	7,385	50,727	593,901
Payroll taxes	342,316	30,317	10,550	40,867	383,183
<b>Total salaries and related expenses</b>	<b>5,476,831</b>	<b>514,826</b>	<b>161,582</b>	<b>676,408</b>	<b>6,153,239</b>
Bad debts	-	88,050	-	88,050	88,050
CNA expenses	429	-	-	-	429
College and vocational	9,778	-	-	-	9,778
Contract services	287,098	3,196	-	3,196	290,294
Depreciation	251,860	21,901	-	21,901	273,761
Dues and subscriptions	8,667	13,916	953	14,869	23,536
Food	218,494	-	-	-	218,494
Fundraising, other	-	-	14,793	14,793	14,793
Insurance	176,189	39,602	-	39,602	215,791
Interest	197	13,928	-	13,928	14,125
Investment fees	-	22,863	-	22,863	22,863
Miscellaneous	3,000	4,323	711	5,034	8,034
Office	186,629	40,704	4,852	45,556	232,185
Other events	18,107	835	5,437	6,272	24,379
Professional fees	50,188	97,011	-	97,011	147,199
Recruiting	67,000	5,035	3,430	8,465	75,465
Rent	4,505	5,911	5,532	11,443	15,948
Repairs and maintenance	59,089	680	276	956	60,045
Scholarships provided	107,163	-	-	-	107,163
Student	131,967	-	-	-	131,967
Travel	35,183	12,358	6,516	18,874	54,057
Utilities	145,046	30,455	4,002	34,457	179,503
Vehicle	18,496	-	-	-	18,496
	<b>\$ 7,255,916</b>	<b>\$ 915,594</b>	<b>\$ 208,084</b>	<b>\$ 1,123,678</b>	<b>\$ 8,379,594</b>

See Notes to Combined Financial Statements

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combined Statements of Cash Flows**  
**Years Ended June 30, 2017 and 2016**

	2017	(Restated) 2016
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 123,595	\$ 68,631
<b>Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities</b>		
Bad debt expense	167,069	88,050
Depreciation	262,014	273,761
Unrealized gain on investments	(16,451)	(45,119)
Gain on sale of investments	(67,402)	(1,462)
Gain on sale of property and equipment	(1,125)	(202,247)
<b>Changes in operating assets</b>		
Accounts receivable	(202,110)	191,602
Pledges receivable	77,500	175,847
Prepaid expenses	(9,385)	(5,230)
<b>Changes in operating liabilities</b>		
Accrued payroll and related taxes	10,757	(9,860)
Accounts payable and accrued expenses	(11,815)	44,284
<b>Net cash provided by operating activities</b>	<u>332,647</u>	<u>578,257</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(253,484)	(1,059,694)
Proceeds from sale of investments	542,441	264,957
Purchase of property and equipment	(300,197)	(96,364)
Proceeds from sale of property and equipment	1,125	395,029
<b>Net cash (used in) investing activities</b>	<u>(10,115)</u>	<u>(496,072)</u>
<b>Cash Flows from Financing Activities</b>		
Net repayment on line of credit	(1,421)	(543)
Principal payments on note payable	(4,310)	(3,585)
Principal payments on lease obligations	(33,770)	(31,832)
<b>Net cash (used in) financing activities</b>	<u>(39,501)</u>	<u>(35,960)</u>
<b>Net change in cash and cash equivalents</b>	283,031	46,225
Cash and cash equivalents, beginning	<u>251,920</u>	<u>205,695</u>
Cash and cash equivalents, ending	<u>\$ 534,951</u>	<u>\$ 251,920</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	<u>\$ 11,330</u>	<u>\$ 14,125</u>

See Notes to Combined Financial Statements

# ***Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation***

## ***Notes to Combined Financial Statements***

***June 30, 2017 and 2016***

---

### ***Note 1. Nature of Business and Significant Accounting Policies***

#### ***Nature of activities***

Jackson-Feild Homes, Inc. ("Home") is a not-for-profit entity which operates to provide at-risk adolescents with basic human services, counseling and education in a caring residential environment. The Home, established in 1855, operates group homes in Jarratt, Virginia.

The Jackson-Feild Homes Foundation ("Foundation") was formed to provide fundraising and investment oversight for Jackson-Feild Homes, Inc. The Foundation is a separate legal entity and is governed by a separate Board of Trustees, the majority of which are appointed by the Board of Jackson-Feild Homes, Inc.

A summary of the Organization's significant accounting policies follows:

#### ***General***

The Home maintains its accounts on the accrual basis. These combined financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into classes of net assets, either unrestricted, temporarily restricted or permanently restricted.

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted amounts are those currently available at the discretion of the Organization's Board of Trustees for use in operations and investment in property and equipment.

Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes or for acquisition of property and equipment. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted amounts are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation.

All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

#### ***Principles of combination***

The combined financial statements include the accounts of Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation (collectively the "Organization"), which is described below.

# ***Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation***

## ***Notes to Combined Financial Statements***

***June 30, 2017 and 2016***

---

### ***Note 1. Nature of Business and Significant Accounting Policies (Continued)***

All significant interorganization balances and transactions have been eliminated in the combination.

#### ***Cash and cash equivalents***

For purposes of the combined statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### ***Investments***

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the changes in net assets.

The Organization evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. The Organization employs a systematic methodology that considers available evidence in evaluating potential impairment of its investments. In the event that the cost of an investment exceeds its fair value, the Organization evaluates, among other factors, the magnitude and duration of the decline in fair value; for equity and debt securities, the financial health of and business outlook for the issuer; the performance of the underlying assets for interests in securitized assets; and the Organization's intent and ability to hold the investment. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded in investment income and a new cost basis in the investment is established.

#### ***Accounts receivable***

Accounts receivable are stated at the amount management expects to collect from balances at year end. The Organization has agreements with third-party payors that provide for payments to the Organization based on established rates. Net program service fees are reported at the estimated net realizable amounts from consumers, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Consumers not covered by Medicaid are billed directly after primary and secondary insurance payments are recognized. The Organization provides an allowance for uncollectible accounts based upon prior experience and management's assessment of the collectability of existing specific accounts.

#### ***Pledges receivable***

Pledges receivable, or unconditional promises to give, represent amounts committed by donors to be paid within a specific period of time.

# **Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

## **Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

### **Note 1. Nature of Business and Significant Accounting Policies (Continued)**

Pledges receivable due in the next year are reflected as current promises to give and are recorded at its net realizable value. Pledges receivable in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realized value if considered material.

#### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. It is the Organization's policy to capitalize property and equipment over \$2,500. Lesser amounts are expensed. Depreciation is provided by the straight-line method over asset lives ranging from three to forty years, as follows:

Buildings and improvements	10 - 40 years
Furniture and equipment	3 - 10 years
Land improvements	10 years

#### **Donated equipment and services**

Donated equipment and materials are reflected as contributions at their estimated fair market values at the date received. No amounts have been reflected in the combined financial statements for donated services since they do not meet the criteria for recognition under generally accepted accounting principles.

#### **Contributions**

Contributions and other support are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions.

Contributions and other support restricted by the donor are reported currently as an increase in unrestricted net assets if the restriction expires in the same reporting period in which they are received. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

#### **Operating revenue**

Operating revenue is recorded as income at the time services are provided.

#### **Functional expenses**

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses that relate to a specific program or supporting services are allocated directly. Other expenses that are common to several functions are allocated statistically.

## ***Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation***

### ***Notes to Combined Financial Statements***

***June 30, 2017 and 2016***

---

#### ***Note 1. Nature of Business and Significant Accounting Policies (Continued)***

##### ***Credit risk***

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of temporary cash investments, other investments, and accounts receivable. The Organization periodically held temporary cash investment balances in excess of federally insured credit limits during the year. To mitigate this risk, the Organization places its temporary cash investments with high credit quality financial institutions. In addition, the Organization is potentially subject to concentrations of credit risk in regard to its investments in various debt and equity instruments of public corporations and the United States government, neither of which are insured. The Organization's credit risk related to its accounts receivable is limited since these amounts are paid by governmental agencies with which there is a good collection history. The Organization's credit risk in regard to its pledges receivable is limited due to the collection history with those who have made the pledges, as well as the small balance of such promises.

##### ***Estimates***

The preparation of the 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 at the date of the combined financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

##### ***Income taxes***

Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation are both qualified nonprofit organizations as defined in 501(c)(3) of the Internal Revenue Code and the tax statutes of the Commonwealth of Virginia, and therefore, are exempt from federal and state income taxes. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Organization follows generally accepted accounting principles regarding "Accounting for Uncertain Tax Positions". This standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the Organization's combined financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. The tax years 2014 to 2016 remain subject to examination by the taxing authorities.

The Organization includes penalties and interest assessed by income taxing authorities in operating expenses. No penalties or interest were incurred for the years ended June 30, 2017 and 2016.

# **Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

## **Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

### **Note 1. Nature of Business and Significant Accounting Policies (Continued)**

#### **Advertising**

The Organization follows the policy of charging the costs of advertising to expenses as incurred. Advertising expense for the years ended June 30, 2017 and 2016 was \$30,230 and \$21,924, respectively.

#### **Reclassifications**

Certain accounts relating to the prior year have been restated to conform to the current year's presentation.

### **Note 2. Program Service Fees, Net**

The Organization recognizes revenue from resident services on the accrual basis of accounting as the services are delivered to residents. Revenue is earned for the resident services primarily from Medicaid and other third party payors. Reimbursement rates are set annually by each insurer for specific services, and the Organization bills according to its understanding of the appropriate rate for the services delivered to each resident. Resident invoices are subject to approval by each insurer, and the Organization estimates revenue for certain services not yet completed. Because the scope of services and the required documentation are subject to insurer approval and also subject in some cases to interpretation and estimation, the Organization provides an allowance for revenue adjustments to cover estimated adjustments made to billed and estimated service revenue by the insurers. The allowance is recorded as a reduction of revenue in the statement of operations and as a reduction in patient accounts receivable in the balance sheet.

Resident service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	<u>2017</u>	<u>2016</u>
Medicaid	5,437,538	5,720,340
Other third party payors	1,909,846	1,794,135
Scholarships	178,798	107,163
<b>Gross program service fees</b>	<u>7,526,182</u>	<u>7,621,638</u>
Contractual allowance	<u>(225,244)</u>	<u>(365,276)</u>
<b>Resident revenue, net of contractual allowance</b>	<u>\$ 7,300,938</u>	<u>\$ 7,256,362</u>



**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

**Note 3. Pledges Receivable**

Unconditional pledges receivable at June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Receivables due in less than one year	<u>\$ 7,500</u>	<u>\$ 85,000</u>
<b>Net unconditional pledges receivable</b>	<b><u>\$ 7,500</u></b>	<b><u>\$ 85,000</u></b>

**Note 4. Investments**

The cost, market value and unrealized gains (losses) on investments are as follows:

	<u>June 30, 2017</u>			
	<u>Cost</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Gross Unrealized Gains</u>
Corporate stocks	\$ 1,724,262	2,319,906	\$ (122,791)	\$ 718,435
Money market funds	274,228	274,228	-	-
Mutual funds	37,442	52,916	(119)	15,593
Partnerships	72,476	90,045	-	17,569
Corporate bonds	1,028,877	1,037,472	(1,765)	10,360
US government agency bonds	20,000	19,997	-	(3)
	<u>\$ 3,157,285</u>	<u>\$ 3,794,564</u>	<u>\$ (124,675)</u>	<u>\$ 761,954</u>

  

	<u>June 30, 2016</u>			
	<u>Cost</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Gross Unrealized Gains</u>
Corporate stocks	\$ 1,671,195	2,261,820	\$ (148,871)	\$ 739,496
Money market funds	683,470	683,470	-	-
Mutual funds	44,477	49,535	(933)	5,991
Partnerships	61,050	57,569	(4,111)	630
Corporate bonds	918,648	947,274	-	28,626
	<u>\$ 3,378,840</u>	<u>\$ 3,999,668</u>	<u>\$ (153,915)</u>	<u>\$ 774,743</u>

The following schedules summarize the investment returns (losses) and its classifications in the combined statements of activities as of June 30, 2017 and 2016:

## **Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

### **Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

#### **Note 4. Investments (Continued)**

	June 30, 2017			
	Temporarily		Permanently	Total
	Unrestricted	Restricted	Restricted	
Interest and dividends	\$ 58,215	\$ 46,064	\$ -	\$ 104,279
Net realized gains	52,533	14,869	-	67,402
Net unrealized gains(losses)	(18,932)	35,383	-	16,451
	<u>\$ 91,816</u>	<u>\$ 96,316</u>	<u>\$ -</u>	<u>\$ 188,132</u>

  

	June 30, 2016			
	Temporarily		Permanently	Total
	Unrestricted	Restricted	Restricted	
Interest and dividends	\$ 37,839	\$ 59,422	\$ -	\$ 97,261
Net realized gains(losses)	(3,277)	4,739	-	1,462
Net unrealized gains	36,834	8,285	-	45,119
	<u>\$ 71,396</u>	<u>\$ 72,446</u>	<u>\$ -</u>	<u>\$ 143,842</u>

#### **Note 5. Fair Value Measurements**

U. S. GAAP has established a framework to measure fair value, and defined the required disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

# Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation

## Notes to Combined Financial Statements

June 30, 2017 and 2016

### Note 5. Fair Value Measurements (Continued)

The following tables present the Organization's financial assets measured at fair value on a recurring basis as of June 30, 2017 and 2016, classified by accounting standards regarding fair value hierarchy:

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
Assets				
Corporate stocks				
Domestic	\$ 2,146,644	\$ -	\$ -	\$ 2,146,644
International	173,262	-	-	173,262
Mutual funds				
Equities - Domestic	22,823	-	-	22,823
Equities - International	30,093	-	-	30,093
Fixed income - U. S. Treasury	19,997	-	-	19,997
Money market funds	-	274,228	-	274,228
Partnerships	-	90,045	-	90,045
Corporate bonds				
Industrial	-	639,360	-	639,360
Utility	-	182,193	-	182,193
Finance	-	215,919	-	215,919
<b>Total assets</b>	<b>\$ 2,392,819</b>	<b>\$ 1,401,745</b>	<b>\$ -</b>	<b>\$ 3,794,564</b>

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
Assets				
Corporate stocks				
Domestic	\$ 2,046,873	\$ -	\$ -	\$ 2,046,873
International	214,947	-	-	214,947
Mutual funds				
Equities - Domestic	14,541	-	-	14,541
Equities - International	26,146	-	-	26,146
Fixed income - Domestic	8,848	-	-	8,848
Money market funds	-	683,470	-	683,470
Partnerships	-	57,569	-	57,569
Corporate bonds				
Industrial	-	570,617	-	570,617
Utility	-	162,775	-	162,775
Finance	-	213,882	-	213,882
<b>Total assets</b>	<b>\$ 2,311,355</b>	<b>\$ 1,688,313</b>	<b>\$ -</b>	<b>\$ 3,999,668</b>

# **Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

## **Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

### **Note 6. Endowment**

#### **Interpretation of Relevant State Law**

The Board of Trustees of Jackson-Feild Homes Foundation (the "Foundation") has interpreted the Commonwealth of Virginia's Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

The following schedules summarize the endowment net asset composition by type of fund as of June 30, 2017 and 2016:

	<b>June 30, 2017</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 518,569	\$ 1,219,221	\$ 1,737,790
<b>Total endowment funds</b>	<b>\$ -</b>	<b>\$ 518,569</b>	<b>\$ 1,219,221</b>	<b>\$ 1,737,790</b>

	<b>June 30, 2016</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 466,963	\$ 1,219,221	\$ 1,686,184
<b>Total endowment funds</b>	<b>\$ -</b>	<b>\$ 466,963</b>	<b>\$ 1,219,221</b>	<b>\$ 1,686,184</b>

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

**Note 6. Endowment (Continued)**

The following schedules summarize the net asset composition by type of fund as of June 30, 2017 and 2016:

	June 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 518,569	\$ 1,219,221	\$ 1,737,790
Unrestricted funds	3,223,971	-	-	3,223,971
Temporarily restricted funds	-	975,451	-	975,451
<b>Total net assets</b>	<b>\$ 3,223,971</b>	<b>\$ 1,494,020</b>	<b>\$ 1,219,221</b>	<b>\$ 5,937,212</b>

	June 30, 2016			
	(Restated) Unrestricted	(Restated) Temporarily Restricted	(Restated) Permanently Restricted	(Restated) Total
Donor-restricted endowment funds	\$ -	\$ 466,963	\$ 1,219,221	\$ 1,686,184
Unrestricted funds	3,288,515	-	-	3,288,515
Temporarily restricted funds	-	838,918	-	838,918
<b>Total net assets</b>	<b>\$ 3,288,515</b>	<b>\$ 1,305,881</b>	<b>\$ 1,219,221</b>	<b>\$ 5,813,617</b>

The following schedules summarize the changes in endowment net assets for the years ended June 30, 2017 and 2016:

	June 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Endowment net assets, beginning of year</b>	<b>\$ -</b>	<b>\$ 466,963</b>	<b>\$ 1,219,221</b>	<b>\$ 1,686,184</b>
Investment return	-	84,513	-	84,513
Scholarships paid	-	(32,907)	-	(32,907)
	-	51,606	-	51,606
<b>Endowment net assets, end of year</b>	<b>\$ -</b>	<b>\$ 518,569</b>	<b>\$ 1,219,221</b>	<b>\$ 1,737,790</b>

	June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Endowment net assets, beginning of year</b>	<b>\$ -</b>	<b>\$ 406,962</b>	<b>\$ 1,219,221</b>	<b>\$ 1,626,183</b>
Investment return	-	69,164	-	69,164
Scholarships paid	-	(9,163)	-	(9,163)
	-	60,001	-	60,001
<b>Endowment net assets, end of year</b>	<b>\$ -</b>	<b>\$ 466,963</b>	<b>\$ 1,219,221</b>	<b>\$ 1,686,184</b>

## **Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

### **Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

#### **Note 6. Endowment (Continued)**

A description of the amounts classified as permanently restricted net assets and temporarily restricted nets assets (endowment only) as of June 30, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
<b>Permanently Restricted Net Assets</b>		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	<u>\$ 1,219,221</u>	<u>\$ 1,219,221</u>
<b>Total endowment funds classified as permanently restricted net assets</b>	<u>\$ 1,219,221</u>	<u>\$ 1,219,221</u>
<b>Temporarily Restricted Net Assets</b>		
The portion of perpetual endowment funds subject to a time restriction under UPMIFA with purpose restrictions	<u>\$ 518,569</u>	<u>\$ 466,963</u>
<b>Total endowment funds classified as temporarily restricted net assets</b>	<u>\$ 518,569</u>	<u>\$ 466,963</u>

#### **Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to earn a real total return that is at least equal to the annual spending rate plus inflation as measured by the Consumer Price Index, while assuming a moderate level of risk. Actual returns in any given year may vary from this amount.

#### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation, which includes equity funds, fixed income instruments and cash, in order to minimize risks while achieving total return objectives.

#### **Spending Policy**

The Foundation has a policy of appropriating for distribution each year up to five (5) percent of the market value of endowment fund units assuming annual inflation of three (3) percent and a target return of eight (8) percent. In establishing this policy, the Foundation considered the long term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term, as well as to provide additional real growth through new gifts and investment return.

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

**Note 7. Restrictions**

Net assets released from restrictions were comprised of the following:

		(Restated)
	2017	2016
Capital expenditures, including improvements	\$ 94,283	\$ 27,354
Endowment scholarships	120,000	120,000
Scholarships	30,500	50,000
EISTC program	120,108	39,350
Specified purposes	33,361	27,638
	<u>\$ 398,252</u>	<u>\$ 264,342</u>

Temporarily restricted net assets are available for the following purposes:

		(Restated)
	2017	2016
Endowment scholarships	\$ 518,569	\$ 466,963
Scholarships	516,017	591,308
EISTC program	228,657	24,455
Capital expenditures, including improvements	200,910	193,615
Specified purposes	29,867	29,540
	<u>\$ 1,494,020</u>	<u>\$ 1,305,881</u>

**Education Improvement Scholarships Tax Credits Program**

The Organization participates in the Commonwealth of Virginia's Education Improvement Scholarships Tax Credits Program (EISTC). The purpose of the program is to provide scholarships via donations to eligible students for qualified educational expenses incurred in attending eligible nonpublic schools. The Organization was awarded \$324,311 by the program during the year ended June 30, 2017. In turn, the Organization awarded \$120,108 to eligible students in the form of scholarships.

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which is expendable for the following purposes:

	2017	2016
Scholarships	\$ 1,044,221	\$ 1,044,221
Buildings	150,000	150,000
Chapel maintenance	25,000	25,000
	<u>\$ 1,219,221</u>	<u>\$ 1,219,221</u>

## **Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

### **Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

#### **Note 8. Pension Plan**

The Organization maintains a 401(k) plan. Employees are eligible to participate in the plan after 90 days of employment. The Organization may match 50% of employee contributions up to 3% of salaries at their discretion. During the years ended June 30, 2017 and 2016, the Organization contributed \$40,459 and \$44,978, respectively.

#### **Note 9. Related Party Balances and Transactions**

A member of the Board of Trustees for the Foundation is also on the Board of the bank that holds all of the Organization's investments. Under the Organization's Conflict of Interest Policy, that Foundation Board member is recused from participating in the selection and evaluation of the Organization's investment manager and asset custodian.

#### **Note 10. Lease Obligations, Capital Leases**

The Organization has acquired five copiers under the provisions of noncancelable long-term leases with original terms of five years expiring in 2018. The Organization has also acquired a phone system under the provisions of a noncancelable long-term lease with the original term of five years expiring in 2020. For financial reporting purposes, minimum lease rentals relating to furniture and fixtures have been capitalized. The following is a schedule of property acquired through capital leases, with remaining lease obligations at June 30:

	<u>2017</u>	<u>2016</u>
Furniture and fixtures	\$ 160,542	\$ 160,542
Less accumulated depreciation	<u>(130,363)</u>	<u>(98,254)</u>
	<u>\$ 30,179</u>	<u>\$ 62,288</u>

The following is a schedule by years of future minimum lease payments under capital leases, together with the present value of the net minimum lease as of June 30, 2017:

2018	23,885
2019	10,506
2020	<u>3,501</u>
Total minimum lease payments	37,892
Less amount representing interest ranging from 5% to 8.795%	<u>(4,938)</u>
Present value of net minimum lease payments	32,954
Less, current portion	<u>(22,426)</u>
	<u>\$ 10,528</u>



**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Notes to Combined Financial Statements**

**June 30, 2017 and 2016**

---

**Note 11. Note Payable**

Note payable consists of the following:

	<u>2017</u>	<u>2016</u>
Ford Motor Credit, 7.49%, payable in monthly installments of \$471, including interest, due July 20, 2020, secured by a vehicle	<u>\$ 15,552</u>	<u>\$ 19,864</u>
Totals shown on balance sheet as:		
Amounts due currently	\$ 4,647	\$ 4,312
Amounts due after one year	<u>10,907</u>	<u>15,552</u>
	<u>\$ 15,554</u>	<u>\$ 19,864</u>

As of June 31, 2017, the aggregate maturities of long-term debt by year are as follows:

2018	4,647
2019	5,007
2020	5,395
2021	505
	<u>\$ 15,554</u>

**Note 12. Line of Credit**

The Organization maintains a \$150,000 line of credit with BB&T at the bank's prime rate plus 0.5%, which matures in September 2017. The rate at June 30, 2017 was 4.75%. This line is secured by certain investments whose value at June 30, 2017 and 2016 was \$827,490 and \$827,971, respectively. As of June 30, 2017 and 2016, the balance due on this line of credit was \$148,036 and \$149,457, respectively.

**Note 13. Economic Dependency**

The Organization generated 72% of its total program operating revenue from the Department of Medicaid Services for the year ended June 30, 2017. There was a net receivable from the Department of Medicaid Services of \$522,831 and \$376,481 as of June 30, 2017 and 2016, respectively. The Organization also receives a significant amount of support from state and local governments. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities.

***Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation***

***Notes to Combined Financial Statements***

***June 30, 2017 and 2016***

---

***Note 14. Restatement of net assets***

The restatement of the 2016 statement of financial position resulted in changes in the net asset balance classifications. As of June 30, 2016, the unrestricted net asset balances increased by \$97,147 and the temporarily restricted net asset balances decreased by \$97,147.

Scholarship funds were received by the Home from the Foundation during the year ended June 30, 2016 in the amount of \$120,000. This temporarily restricted contribution amount was properly added to the balance of temporarily restricted net assets. However, the Home provided Scholarships in the amount of \$105,393 and in error only \$8,246 was released from restriction, leaving temporarily restricted net assets overstated by \$97,147 and unrestricted net assets understated by the same as of June 30, 2016. Therefore, the amount of \$97,147 was reclassified from temporarily restricted net assets to unrestricted net assets. This restatement did not result in a change of the total net assets for 2016.

***Note 15. Subsequent Events***

Management has evaluated subsequent events through March 30, 2018, the date which the combined financial statements were available for issue.

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

Combining Statements of Financial Position  
June 30, 2017 and 2016

	2017			2016			
	Jackson-Feild Homes, Inc.	Jackson-Feild Homes Foundation	Eliminations	Combined Total	(Restated) Jackson-Feild Homes Foundation	(Restated) Eliminations	(Restated) Combined Total
<b>Assets</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 534,951	\$ -	\$ -	\$ 534,951	\$ 251,920	\$ -	\$ 251,920
Accounts receivable, less allowance for doubtful accounts and contractual adjustments of \$33,432 in 2017 and \$37,961 in 2016	1,015,507	-	-	1,015,507	980,466	-	980,466
Pledges receivable	7,500	-	-	7,500	85,000	-	85,000
Prepaid expenses	33,755	-	-	33,755	24,370	-	24,370
<b>Total current assets</b>	<b>1,591,713</b>	<b>-</b>	<b>-</b>	<b>1,591,713</b>	<b>1,341,756</b>	<b>-</b>	<b>1,341,756</b>
<b>Property and Equipment, net</b>							
Buildings	4,011,018	-	-	4,011,018	3,935,267	-	3,935,267
Furniture and equipment	1,223,345	-	-	1,223,345	1,107,375	-	1,107,375
Land and improvements	42,105	-	-	42,105	42,105	-	42,105
Less accumulated depreciation	(3,941,312)	-	-	(3,941,312)	(3,787,774)	-	(3,787,774)
<b>Total</b>	<b>1,335,156</b>	<b>-</b>	<b>-</b>	<b>1,335,156</b>	<b>1,296,973</b>	<b>-</b>	<b>1,296,973</b>
<b>Other Assets</b>							
Investments	-	3,794,564	-	3,794,564	-	3,999,668	3,999,668
Due from affiliate	-	64,084	(64,084)	-	20,916	(20,916)	-
<b>Total</b>	<b>-</b>	<b>3,858,648</b>	<b>(64,084)</b>	<b>3,794,564</b>	<b>20,916</b>	<b>(20,916)</b>	<b>3,999,668</b>
<b>Total assets</b>	<b>\$ 2,926,869</b>	<b>\$ 3,858,648</b>	<b>\$ (64,084)</b>	<b>\$ 6,721,433</b>	<b>\$ 2,659,645</b>	<b>\$ (20,916)</b>	<b>\$ 6,638,397</b>
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities</b>							
Accrued payroll and related taxes	\$ 282,120	\$ -	\$ -	\$ 282,120	\$ 271,363	\$ -	\$ 271,363
Accounts payable and accrued expenses	305,557	-	-	305,557	317,372	-	317,372
Lease obligations, current portion	22,426	-	-	22,426	33,770	-	33,770
Line of credit	148,036	-	-	148,036	149,457	-	149,457
Note payable, current portion	4,647	-	-	4,647	4,312	-	4,312
<b>Total current liabilities</b>	<b>762,786</b>	<b>-</b>	<b>-</b>	<b>762,786</b>	<b>776,274</b>	<b>-</b>	<b>776,274</b>
<b>Long-Term Liabilities</b>							
Due to affiliate	64,084	-	(64,084)	-	-	(20,916)	-
Lease obligations, less current portion	10,528	-	-	10,528	32,954	-	32,954
Note payable, less current portion	10,907	-	-	10,907	15,552	-	15,552
<b>Total liabilities</b>	<b>85,519</b>	<b>-</b>	<b>(64,084)</b>	<b>21,435</b>	<b>48,506</b>	<b>(20,916)</b>	<b>48,506</b>
	<b>848,305</b>	<b>-</b>	<b>(64,084)</b>	<b>784,221</b>	<b>824,780</b>	<b>(20,916)</b>	<b>824,780</b>
<b>Net Assets</b>							
Unrestricted	1,619,132	1,604,839	-	3,223,971	1,587,256	1,701,259	3,288,515
Temporarily restricted	459,432	1,034,588	-	1,494,020	247,609	1,058,272	1,305,881
Permanently restricted	-	1,219,221	-	1,219,221	-	1,219,221	1,219,221
<b>Total net assets</b>	<b>2,078,564</b>	<b>3,858,648</b>	<b>-</b>	<b>5,937,212</b>	<b>1,834,865</b>	<b>3,978,752</b>	<b>5,813,617</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,926,869</b>	<b>\$ 3,858,648</b>	<b>\$ (64,084)</b>	<b>\$ 6,721,433</b>	<b>\$ 2,659,645</b>	<b>\$ (20,916)</b>	<b>\$ 6,638,397</b>

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

Combining Statement of Activities  
Year Ended June 30, 2017

	Jackson-Field Homes, Inc.			Jackson-Field Homes Foundation			Combined Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Changes in Unrestricted Net Assets</b>							
<i>Operating Revenue</i>							
Placement fees	\$ 5,095,803	\$ -	\$ -	\$ 5,095,803	\$ -	\$ -	\$ 5,095,803
School funds	1,103,345	-	-	1,103,345	-	-	1,103,345
Psychological fees	1,101,790	-	-	1,101,790	-	-	1,101,790
USDA reimbursement	7,300,938	-	-	7,300,938	-	-	7,300,938
	73,732	-	-	73,732	-	-	73,732
<b>Total operating revenue</b>	<b>7,374,670</b>	<b>-</b>	<b>7,374,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,374,670</b>
<i>Support:</i>							
Contributions	353,847	713,675	-	1,067,522	-	-	785,000
Special events and other, net of expenses, \$5,806	30,203	-	-	30,203	-	-	30,203
<b>Total support</b>	<b>384,050</b>	<b>713,675</b>	<b>-</b>	<b>1,097,725</b>	<b>-</b>	<b>-</b>	<b>815,203</b>
<i>Investment Return and Other Income</i>							
Investment return	167	-	-	167	-	-	188,132
Gain on sale of property and equipment	1,125	-	-	1,125	-	-	1,125
<b>Total investment return and other income</b>	<b>1,292</b>	<b>-</b>	<b>-</b>	<b>1,292</b>	<b>-</b>	<b>-</b>	<b>189,257</b>
<i>Net Assets Released from Restrictions</i>							
<b>Total operating revenue, support, investment return (loss) and other income</b>	<b>8,261,864</b>	<b>211,823</b>	<b>-</b>	<b>8,473,687</b>	<b>211,649</b>	<b>(23,684)</b>	<b>8,379,130</b>
<i>Expenses</i>							
Program services	7,043,687	-	-	7,043,687	282,522	-	7,043,687
Supporting services	982,837	-	-	982,837	25,547	-	1,008,384
Management and general	203,464	-	-	203,464	-	-	203,464
Fundraising	8,229,988	-	-	8,229,988	308,069	-	8,255,535
<b>Total expenses</b>	<b>16,460,000</b>	<b>-</b>	<b>-</b>	<b>16,460,000</b>	<b>624,148</b>	<b>(23,684)</b>	<b>16,460,000</b>
<b>Changes in net assets</b>	<b>31,876</b>	<b>211,823</b>	<b>-</b>	<b>243,699</b>	<b>(96,420)</b>	<b>(23,684)</b>	<b>123,595</b>
Net assets, beginning	1,587,256	247,609	-	1,834,865	1,701,259	1,058,272	3,978,752
<b>Net assets, ending</b>	<b>\$ 1,619,132</b>	<b>\$ 459,432</b>	<b>\$ -</b>	<b>\$ 2,078,564</b>	<b>\$ 1,604,839</b>	<b>\$ 1,034,588</b>	<b>\$ 3,858,648</b>

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

Combining Statement of Activities  
Year Ended June 30, 2016

	Jackson-Feild Homes, Inc.			Jackson-Feild Homes Foundation			(Restated) Combined Total
	(Restated) Unrestricted	(Restated) Temporarily Restricted	(Restated) Permanently Restricted	(Restated) Unrestricted	(Restated) Temporarily Restricted	(Restated) Permanently Restricted	
<b>Changes in Unrestricted Net Assets</b>							
<i>Operating Revenue</i>							
Placements fees	\$ 4,969,503	\$ -	\$ 4,969,503	\$ -	\$ -	\$ -	\$ 4,969,503
School funds	1,034,940	-	1,034,940	-	-	-	1,034,940
Psychological fees	1,251,919	-	1,251,919	-	-	-	1,251,919
USDA reimbursement	7,256,362	-	7,256,362	-	-	-	7,256,362
<b>Total operating revenue</b>	<b>7,330,601</b>	<b>-</b>	<b>7,330,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,330,601</b>
<i>Support</i>							
Contributions	350,582	394,686	745,268	394,978	-	-	580,476
Bequests	163,505	-	163,505	-	-	-	163,505
Special events and other, net of expenses, \$6,763	27,554	-	27,554	-	-	-	27,554
<b>Total support</b>	<b>541,641</b>	<b>394,686</b>	<b>936,327</b>	<b>394,978</b>	<b>-</b>	<b>-</b>	<b>771,535</b>
<i>Investment Return and Other Income</i>							
Investment return	158	-	158	71,238	72,446	-	143,842
Gain on sale of property and equipment	202,247	-	202,247	-	-	-	202,247
<b>Total investment return and other income</b>	<b>202,405</b>	<b>-</b>	<b>202,405</b>	<b>71,238</b>	<b>72,446</b>	<b>-</b>	<b>346,089</b>
<i>Net Assets Released from Restrictions</i>							
<b>Total operating revenue, support, investment return (loss) and other income</b>	<b>264,342</b>	<b>(264,342)</b>	<b>-</b>	<b>120,000</b>	<b>(120,000)</b>	<b>-</b>	<b>-</b>
<i>Expenses</i>							
Program services	8,338,989	130,344	8,469,333	586,216	(47,554)	-	8,448,225
Supporting services	7,650,595	-	7,650,595	165,091	-	-	7,255,916
Management and general	892,731	-	892,731	22,863	-	-	915,594
Fundraising	208,084	-	208,084	-	-	-	208,084
<b>Total expenses</b>	<b>8,751,410</b>	<b>-</b>	<b>8,751,410</b>	<b>187,954</b>	<b>-</b>	<b>-</b>	<b>8,379,594</b>
<b>Changes in net assets</b>	<b>(412,421)</b>	<b>130,344</b>	<b>(282,077)</b>	<b>398,262</b>	<b>(47,554)</b>	<b>-</b>	<b>68,631</b>
Net assets, beginning	1,999,677	117,265	2,116,942	1,302,997	1,105,826	1,219,221	5,744,986
Net assets, ending	\$ 1,587,256	\$ 247,609	\$ 1,834,865	\$ 1,701,259	\$ 1,058,272	\$ 1,219,221	\$ 5,813,617

*Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation*

*Combining Statement of Functional Expenses  
Year Ended June 30, 2017*

	Supporting Services						Eliminations	Combined Total	
	Program Services			Management and General					
	Jackson-Feild Homes, Inc.	Jackson-Feild Homes Foundation	Total	Jackson-Feild Homes, Inc.	Jackson-Feild Homes Foundation	Total			
Salaries	\$ 4,404,107	\$ -	\$ 4,404,107	\$ 449,331	\$ -	\$ 449,331	\$ 136,538	\$ -	\$ 4,989,976
Employee benefits	497,835	-	497,835	43,258	-	43,258	3,277	-	544,370
Payroll taxes	327,619	-	327,619	30,075	-	30,075	10,713	-	368,407
<b>Total salaries and related expenses</b>	<b>5,229,561</b>	<b>-</b>	<b>5,229,561</b>	<b>522,664</b>	<b>-</b>	<b>522,664</b>	<b>150,528</b>	<b>-</b>	<b>5,902,753</b>
Bad debts	-	-	-	167,069	-	167,069	-	-	167,069
College and vocational	11,827	-	11,827	-	-	-	-	-	11,827
Contract services	274,859	-	274,859	-	-	-	-	-	274,859
Contributions	-	282,522	282,522	-	-	-	-	(282,522)	-
Depreciation	240,440	-	240,440	20,908	-	20,908	666	-	262,014
Dues and subscriptions	9,453	-	9,453	27,190	-	27,190	1,583	-	38,226
Food	220,209	-	220,209	-	-	-	-	-	220,209
Fundraising, other	-	-	-	-	-	-	14,254	-	14,254
Insurance	133,498	-	133,498	28,994	-	28,994	-	-	162,492
Interest	2,102	-	2,102	9,228	-	9,228	-	-	11,330
Investment fees	-	-	-	-	25,547	25,547	-	-	25,547
Miscellaneous	134	-	134	6,658	-	6,658	658	-	7,450
Office	198,692	-	198,692	40,184	-	40,184	5,083	-	243,959
Other events	18,459	-	18,459	1,697	-	1,697	6,085	-	26,241
Professional fees	30,342	-	30,342	99,129	-	99,129	-	-	129,471
Recruiting	59,384	-	59,384	10,420	-	10,420	7,400	-	77,204
Rent	5,426	-	5,426	4,970	-	4,970	6,216	-	16,612
Repairs and maintenance	87,349	-	87,349	5,388	-	5,388	-	-	92,737
Scholarships provided	178,798	-	178,798	-	-	-	-	-	178,798
Student	134,708	-	134,708	-	-	-	-	-	134,708
Travel	28,163	-	28,163	21,336	-	21,336	7,739	-	57,238
Utilities	162,782	-	162,782	17,002	-	17,002	3,252	-	183,036
Vehicle	17,501	-	17,501	-	-	-	-	-	17,501
	<b>\$ 7,043,687</b>	<b>\$ 282,522</b>	<b>\$ 7,326,209</b>	<b>\$ 982,837</b>	<b>\$ 25,547</b>	<b>\$ 1,008,384</b>	<b>\$ 203,464</b>	<b>\$ (282,522)</b>	<b>\$ 8,255,535</b>
									<b>\$ 203,464</b>
									<b>\$ 203,464</b>
									<b>\$ 203,464</b>

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combining Statement of Functional Expenses  
Year Ended June 30, 2016**

	Program Services			Management and General			Supporting Services			Fundraising (Restated)	Total	Eliminations	Combined Total
	(Restated) Jackson-Feild Homes, Inc.	(Restated) Jackson-Feild Homes Foundation	(Restated) Total	(Restated) Jackson-Feild Homes, Inc.	(Restated) Jackson-Feild Homes Foundation	(Restated) Total	(Restated) Jackson-Feild Homes, Inc.	(Restated) Jackson-Feild Homes Foundation	(Restated) Total				
Salaries	\$ 4,591,341	\$ -	\$ 4,591,341	\$ 441,167	\$ -	\$ 441,167	\$ 143,647	\$ -	\$ 143,647	-	-	\$ 5,176,155	
Employee benefits	543,174	-	543,174	43,342	-	43,342	7,385	-	7,385	-	-	593,901	
Payroll taxes	342,316	-	342,316	30,317	-	30,317	10,550	-	10,550	-	-	383,183	
<b>Total salaries and related expenses</b>	<b>5,476,831</b>	<b>-</b>	<b>5,476,831</b>	<b>514,826</b>	<b>-</b>	<b>514,826</b>	<b>161,582</b>	<b>-</b>	<b>161,582</b>	<b>-</b>	<b>-</b>	<b>6,153,239</b>	
Bad debts	-	-	-	-	-	-	-	-	-	-	-	88,050	
CNA expenses	429	-	429	88,050	-	88,050	-	-	-	-	-	429	
College and vocational	9,778	-	9,778	-	-	-	-	-	-	-	-	9,778	
Contributions	394,679	165,091	559,770	-	-	-	-	-	-	-	(559,770)	-	
Contract services	287,098	-	287,098	3,196	-	3,196	-	-	-	-	-	290,294	
Depreciation	251,860	-	251,860	21,901	-	21,901	-	-	-	-	-	273,761	
Dues and subscriptions	8,667	-	8,667	13,916	-	13,916	953	-	953	-	-	23,536	
Food	218,494	-	218,494	-	-	-	-	-	-	-	-	218,494	
Fundraising, other	-	-	-	-	-	-	14,793	-	14,793	-	-	14,793	
Insurance	176,189	-	176,189	39,602	-	39,602	-	-	-	-	-	215,791	
Interest	197	-	197	13,928	-	13,928	-	-	-	-	-	14,125	
Investment fees	-	-	-	-	22,863	22,863	-	-	-	-	-	22,863	
Miscellaneous	3,000	-	3,000	4,323	-	4,323	711	-	711	-	-	8,034	
Office	186,629	-	186,629	40,704	-	40,704	4,852	-	4,852	-	-	232,185	
Other events	18,107	-	18,107	835	-	835	5,437	-	5,437	-	-	24,379	
Professional fees	50,188	-	50,188	97,011	-	97,011	-	-	-	-	-	147,199	
Recruiting	67,000	-	67,000	5,035	-	5,035	3,430	-	3,430	-	-	75,465	
Rent	4,505	-	4,505	5,911	-	5,911	5,532	-	5,532	-	-	15,948	
Repairs and maintenance	59,089	-	59,089	680	-	680	276	-	276	-	-	60,045	
Scholarships provided	107,163	-	107,163	-	-	-	-	-	-	-	-	107,163	
Student	131,967	-	131,967	-	-	-	-	-	-	-	-	131,967	
Travel	35,183	-	35,183	12,358	-	12,358	6,516	-	6,516	-	-	54,057	
Utilities	145,046	-	145,046	30,455	-	30,455	4,002	-	4,002	-	-	179,503	
Vehicle	18,496	-	18,496	-	-	-	-	-	-	-	-	18,496	
	<b>\$ 7,650,595</b>	<b>\$ 165,091</b>	<b>\$ 7,815,686</b>	<b>\$ 892,731</b>	<b>\$ 22,863</b>	<b>\$ 915,594</b>	<b>\$ 208,084</b>	<b>\$ -</b>	<b>\$ 208,084</b>	<b>\$ (559,770)</b>	<b>\$ -</b>	<b>\$ 8,379,594</b>	

**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combining Statement of Cash Flows  
Year Ended June 30, 2017**

	Jackson-Feild Homes, Inc.	Jackson-Feild Homes Foundation	Combined Total
<b>Cash Flows from Operating Activities</b>			
Changes in net assets	\$ 243,699	\$ (120,104)	\$ 123,595
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</b>			
Bad debt expense	167,069	-	167,069
Depreciation	262,014	-	262,014
Unrealized gain on investments	-	(16,451)	(16,451)
Gain on sale of investments	-	(67,402)	(67,402)
Gain on sale of property and equipment	(1,125)	-	(1,125)
<b>Changes in operating assets</b>			
Accounts receivable	(202,110)	-	(202,110)
Pledges receivable	77,500	-	77,500
Prepaid expenses	(9,385)	-	(9,385)
Due (to) from related party	85,000	(85,000)	-
<b>Changes in operating liabilities</b>			
Accrued payroll and related taxes	10,757	-	10,757
Accounts payable and accrued expenses	(11,815)	-	(11,815)
<b>Net cash provided by (used in) operating activities</b>	<b>621,604</b>	<b>(288,957)</b>	<b>332,647</b>
<b>Cash Flows from Investing Activities</b>			
Purchases of investments	-	(253,484)	(253,484)
Proceeds from sale of investments	-	542,441	542,441
Purchase of property and equipment	(300,197)	-	(300,197)
Proceeds from sale of property and equipment	1,125	-	1,125
<b>Net cash provided by (used in) investing activities</b>	<b>(299,072)</b>	<b>288,957</b>	<b>(10,115)</b>
<b>Cash Flows form Financing Activities</b>			
Net repayment on line of credit	(1,421)	-	(1,421)
Principal payments on note payable	(4,310)	-	(4,310)
Principal payments on lease obligations	(33,770)	-	(33,770)
<b>Net cash (used in) financing activities</b>	<b>(39,501)</b>	<b>-</b>	<b>(39,501)</b>
<b>Net change in cash and cash equivalents</b>	<b>283,031</b>	<b>-</b>	<b>283,031</b>
Cash and cash equivalents, beginning	251,920	-	251,920
Cash and cash equivalents, ending	534,951	-	534,951
<b>Supplemental Disclosure of Cash Flow Information</b>			
Interest paid	11,330	-	11,330



**Jackson-Feild Homes, Inc. and Jackson-Feild Homes Foundation**

**Combining Statement of Cash Flows  
Year Ended June 30, 2016**

	(Restated) Jackson-Feild Homes, Inc.	(Restated) Jackson-Feild Homes Foundation	(Restated) Combined Total
<b>Cash Flows from Operating Activities</b>			
Changes in net assets	\$ (282,077)	\$ 350,708	\$ 68,631
<b>Adjustments to reconcile changes in net assets to net cash provided by (used in) activities</b>			
Bad debt expense	88,050	-	88,050
Depreciation	273,761	-	273,761
Unrealized gain on investments	-	(45,119)	(45,119)
Gain on sale of investments	-	(1,462)	(1,462)
Gain on sale of property and equipment	(202,247)	-	(202,247)
<b>Changes in operating assets</b>			
Accounts receivable	191,602	-	191,602
Grants and pledges receivable	175,847	-	175,847
Prepaid expenses	(5,230)	-	(5,230)
Due (to) from related party	(473,933)	473,933	-
<b>Changes in operating liabilities</b>			
Accrued payroll and related taxes	(9,860)	-	(9,860)
Accounts payable and accrued expenses	44,284	-	44,284
<b>Net cash provided by (used in) operating activities</b>	<b>(199,803)</b>	<b>778,060</b>	<b>578,257</b>
<b>Cash Flows from Investing Activities</b>			
Purchases of investments	-	(1,059,694)	(1,059,694)
Proceeds from sale of investments	-	264,957	264,957
Purchase of property and equipment	(96,364)	-	(96,364)
Proceeds from sale of property and equipment	395,029	-	395,029
<b>Net cash provided by (used in) investing activities</b>	<b>298,665</b>	<b>(794,737)</b>	<b>(496,072)</b>
<b>Cash Flows from Financing Activities</b>			
Net advances from line of credit	(543)	-	(543)
Principal payments on notes payable	(3,585)	-	(3,585)
Principal payments on lease obligations	(31,832)	-	(31,832)
<b>Net cash (used in) financing activities</b>	<b>(35,960)</b>	<b>-</b>	<b>(35,960)</b>
<b>Net change in cash and cash equivalents</b>	<b>62,902</b>	<b>(16,677)</b>	<b>46,225</b>
Cash and cash equivalents, beginning	189,018	16,677	205,695
Cash and cash equivalents, ending	\$ 251,920	\$ -	\$ 251,920
<b>Supplemental Disclosure of Cash Flow Information</b>			
Interest paid	\$ 14,125	\$ -	\$ 14,125

