

**EMMA NORTON SERVICES AND  
AFFILIATE (EMMA'S PLACE)**

St. Paul, Minnesota

CONSOLIDATED FINANCIAL STATEMENTS  
Including Independent Auditors' Report

As of and for the Years Ended December 31, 2015 and 2014

# EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Emma Norton Services and Affiliate (Emma's Place)  
St. Paul, Minnesota

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

We have audited the accompanying consolidated financial statements of Emma Norton Services and Affiliate (Emma's Place) (the "Organization"), which comprise the consolidated statements of financial position as of Thursday, December 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of Thursday, December 31, 2015 and 2014, 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.

## **Report on Consolidating Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2015 consolidating information as identified in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Minneapolis, Minnesota  
April 25, 2016

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As of December 31, 2015 and 2014

<b>ASSETS</b>		
	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 535,057	\$ 513,345
Accounts receivable, net of allowance	-	3,530
Prepaid expenses	1,129	9,932
Grants receivable	175,604	69,515
Total Current Assets	<u>711,790</u>	<u>596,322</u>
<b>DEPOSITS HELD IN TRUST</b>		
Tenant security deposits - Emma's Place	<u>11,772</u>	<u>11,772</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	294,674	294,674
Building	3,094,960	3,094,960
Furniture	28,175	28,175
Equipment	287,163	287,164
Leasehold improvements	465,711	419,973
	4,170,683	4,124,946
Less: accumulated depreciation	<u>(1,478,944)</u>	<u>(1,360,816)</u>
Total Property and Equipment	<u>2,691,739</u>	<u>2,764,130</u>
<b>OTHER ASSETS</b>		
Investments - Endowments	612,900	564,901
Investments - Other	7,000	-
Total Other Assets	<u>619,900</u>	<u>564,901</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,035,201</u>	<u>\$ 3,937,125</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 36,095	\$ 41,603
Accrued expenses	37,016	47,431
Total Current Liabilities	<u>73,111</u>	<u>89,034</u>
<b>DEPOSITS HELD IN TRUST</b>		
Tenant security deposits - Emma's Place	13,114	11,772
Tenant security deposits - Emma Norton Services	1,640	1,525
<b>LONG-TERM LIABILITIES</b>		
Capital lease obligation	3,446	9,154
Deferred loans	1,827,318	1,770,703
Total Liabilities	<u>1,918,629</u>	<u>1,882,188</u>
<b>NET ASSETS</b>		
Unrestricted	207,422	196,916
Temporarily restricted	1,282,892	1,231,763
Permanently restricted	626,258	626,258
Total Net Assets	<u>2,116,572</u>	<u>2,054,937</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,035,201</u>	<u>\$ 3,937,125</u>

See accompanying notes to consolidated financial statements.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

### CONSOLIDATED STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>								
Contracts and grants	\$ 1,131,141	\$ 132,440	\$ -	\$ 1,263,581	\$ 890,521	\$ -	\$ -	\$ 890,521
Contributions	204,306	-	-	204,306	291,179	69,750	475	361,404
United Methodist Women	102,918	10,450	-	113,368	92,924	-	-	92,924
In-kind contributions	218,260	-	-	218,260	218,210	-	-	218,210
Special events, net of expenses of \$22,800 and \$19,451	42,630	-	-	42,630	17,358	-	-	17,358
Investment income (loss)	(12,882)	-	-	(12,882)	312	13,207	-	13,519
Rental revenue	100,147	-	-	100,147	119,880	-	-	119,880
Third party insurance reimbursement	32,730	-	-	32,730	30,969	-	-	30,969
Other	5,472	-	-	5,472	10,493	-	-	10,493
	<u>1,824,722</u>	<u>142,890</u>	<u>-</u>	<u>1,967,612</u>	<u>1,671,846</u>	<u>82,957</u>	<u>475</u>	<u>1,755,278</u>
Net assets released from restrictions	<u>91,761</u>	<u>(91,761)</u>	<u>-</u>	<u>-</u>	<u>154,826</u>	<u>(154,826)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,916,483</u>	<u>51,129</u>	<u>-</u>	<u>1,967,612</u>	<u>1,826,672</u>	<u>(71,869)</u>	<u>475</u>	<u>1,755,278</u>
<b>EXPENSES</b>								
Program	1,534,074	-	-	1,534,074	1,486,493	-	-	1,486,493
Management and general	175,910	-	-	175,910	191,859	-	-	191,859
Fundraising	195,993	-	-	195,993	181,241	-	-	181,241
Total Expenses	<u>1,905,977</u>	<u>-</u>	<u>-</u>	<u>1,905,977</u>	<u>1,859,593</u>	<u>-</u>	<u>-</u>	<u>1,859,593</u>
<b>CHANGE IN NET ASSETS</b>	10,506	51,129	-	61,635	(32,921)	(71,869)	475	(104,315)
NET ASSETS - Beginning of Year	<u>196,916</u>	<u>1,231,763</u>	<u>626,258</u>	<u>2,054,937</u>	<u>229,837</u>	<u>1,303,632</u>	<u>625,783</u>	<u>2,159,252</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 207,422</u>	<u>\$ 1,282,892</u>	<u>\$ 626,258</u>	<u>\$ 2,116,572</u>	<u>\$ 196,916</u>	<u>\$ 1,231,763</u>	<u>\$ 626,258</u>	<u>\$ 2,054,937</u>

See accompanying notes to consolidated financial statements.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015

With Comparative Totals for 2014

	Program Expenses				Supporting Services		Total Expenses	
	Transitional Housing	Fee for Service	Emma's Place	Total Program	Management and General	Fundraising	2015	2014
Salaries and wages	\$ 328,436	\$ 47,098	\$ 167,766	\$ 543,300	\$ 109,896	\$ 79,935	\$ 733,131	\$ 733,458
Payroll taxes expense	24,032	3,600	13,190	40,822	7,856	5,511	54,189	55,149
Employee benefits	<u>76,464</u>	<u>8,335</u>	<u>62,661</u>	<u>147,460</u>	<u>12,666</u>	<u>9,022</u>	<u>169,148</u>	<u>173,393</u>
Total Salaries and Related Expenses	428,932	59,033	243,617	731,582	130,418	94,468	956,468	962,000
Conference and education	288	21	1,237	1,546	33	30	1,609	610
Employee mileage	1,056	2,056	4,907	8,019	67	1,287	9,373	1,551
Contracted services	126,838	2,421	5,396	134,655	3,506	66,738	204,899	142,641
Professional fees	9,600	1,538	5,831	16,969	11,252	-	28,221	28,866
Personnel expense	77	13	43	133	512	15	660	699
Office supplies	3,612	182	989	4,783	2,578	564	7,925	10,733
Equipment maintenance, supplies and rental	96,076	6,938	48,875	151,889	2,762	1,461	156,112	125,521
Utilities	50,668	516	23,674	74,858	1,033	516	76,407	75,676
In-kind occupancy	144,000	1,500	18,000	163,500	3,000	1,500	168,000	168,000
Memberships	708	44	427	1,179	-	440	1,619	-
Kitchen supplies/food	10,908	-	71	10,979	8	-	10,987	14,017
Program expenses	9,476	-	20,950	30,426	-	-	30,426	32,471
Strategic planning	-	-	-	-	13,650	-	13,650	-
Insurance	2,507	436	1,417	4,360	600	490	5,450	4,829
Telephone	9,316	432	9,352	19,100	639	476	20,215	11,438
Public relations	-	-	-	-	3,688	-	3,688	10,089
Fundraising	-	-	-	-	-	27,528	27,528	54,291
Real estate taxes	-	-	100	100	-	-	100	17,386
Bad debts	5,883	-	-	5,883	-	-	5,883	13,201
Miscellaneous	<u>958</u>	<u>-</u>	<u>-</u>	<u>958</u>	<u>1,056</u>	<u>-</u>	<u>2,014</u>	<u>2,404</u>
Total Expenses Before Depreciation and Amortization	900,903	75,130	384,886	1,360,919	174,802	195,513	1,731,234	1,676,423
Depreciation	46,052	480	70,008	116,540	1,108	480	118,128	121,248
Amortization of loan	<u>-</u>	<u>-</u>	<u>56,615</u>	<u>56,615</u>	<u>-</u>	<u>-</u>	<u>56,615</u>	<u>61,922</u>
Total Expenses	<u>\$ 946,955</u>	<u>\$ 75,610</u>	<u>\$ 511,509</u>	<u>\$ 1,534,074</u>	<u>\$ 175,910</u>	<u>\$ 195,993</u>	<u>\$ 1,905,977</u>	<u>\$ 1,859,593</u>

See accompanying notes to consolidated financial statements.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 30, 2014

	Program Expenses					Supporting Services		
	Transitional Housing	Dual Diagnosis	Fee for Service	Emma's Place	Total Program	Management and General	Fundraising	Total
Salaries and wages	\$ 376,549	\$ 6,650	\$ 59,002	\$ 141,207	\$ 583,408	\$ 83,270	\$ 66,780	\$ 733,458
Payroll taxes expense	28,280	791	4,594	10,155	43,820	6,449	4,880	55,149
Employee benefits	<u>93,442</u>	<u>1,613</u>	<u>10,415</u>	<u>45,300</u>	<u>150,770</u>	<u>9,452</u>	<u>13,171</u>	<u>173,393</u>
Total Salaries and Related Expenses	498,271	9,054	74,011	196,662	777,998	99,171	84,831	962,000
Conference and education	40	-	400	170	610	-	-	610
Employee mileage	121	-	882	490	1,493	17	41	1,551
Contracted services	97,554	6,085	2,373	5,856	111,868	27,008	3,765	142,641
Professional fees	9,295	-	3,150	5,178	17,623	11,243	-	28,866
Personnel expense	379	-	55	163	597	41	61	699
Office supplies	3,493	27	451	2,240	6,211	3,922	600	10,733
Equipment maintenance, supplies and rental	54,904	786	8,148	44,583	108,421	7,575	9,525	125,521
Utilities	32,087	741	6,317	23,301	62,446	5,997	7,233	75,676
In-kind occupancy	112,620	3,000	-	18,000	133,620	20,395	13,985	168,000
Kitchen supplies/food	11,918	675	-	971	13,564	453	-	14,017
Program expense	11,951	1,266	-	19,254	32,471	-	-	32,471
Insurance	1,044	80	145	488	1,757	2,891	181	4,829
Telephone	3,428	22	698	6,041	10,189	559	690	11,438
Public relations	7,567	-	-	2,522	10,089	-	-	10,089
Fundraising	-	-	-	-	-	-	54,291	54,291
Real estate taxes	-	-	-	17,386	17,386	-	-	17,386
Bad debts	12,329	-	-	872	13,201	-	-	13,201
Miscellaneous	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80</u>	<u>2,324</u>	<u>-</u>	<u>2,404</u>
Total Expenses before Depreciation and Amortization	857,081	21,736	96,630	344,177	1,319,624	181,596	175,203	1,676,423
Depreciation	27,994	731	5,775	70,447	104,947	10,263	6,038	121,248
Amortization of loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,922</u>	<u>61,922</u>	<u>-</u>	<u>-</u>	<u>61,922</u>
Total Expenses	<u>\$ 885,075</u>	<u>\$ 22,467</u>	<u>\$ 102,405</u>	<u>\$ 476,546</u>	<u>\$ 1,486,493</u>	<u>\$ 191,859</u>	<u>\$ 181,241</u>	<u>\$ 1,859,593</u>

See accompanying notes to consolidated financial statements.



## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

### CONSOLIDATED STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2015 and 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 61,635	\$ (104,315)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	118,128	121,248
Unrealized/realized investment losses	24,261	2,883
Amortization of debt present value discount	56,615	61,922
Changes in assets and liabilities		
Accounts receivable	3,530	(514)
Prepaid expenses	8,803	(185)
Grants receivable	(106,089)	8,060
Accounts payable	(5,508)	(68)
Accrued expenses	(10,415)	1,279
Security deposits	1,457	350
Contributions restricted for long-term investment	-	(475)
Net Cash Flows from Operating Activities	152,417	90,185
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, equipment	(45,737)	(19,297)
Purchases of investments	(475,559)	(209,020)
Proceeds from sale of investments	396,299	192,456
Net Cash Flows from Investing Activities	(124,997)	(35,861)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions received restricted for long-term investment	-	475
Capital lease obligation	-	9,154
Payments on capital lease obligation	(5,708)	-
Net Cash Flows from Financing Activities	(5,708)	9,629
<b>Net Change in Cash and Cash Equivalents</b>	21,712	63,953
CASH AND CASH EQUIVALENTS - Beginning of Year	513,345	449,392
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 535,057</b>	<b>\$ 513,345</b>

See accompanying notes to consolidated financial statements.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 1 - Summary of Significant Accounting Policies**

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#### *Nature of Activities*

Emma Norton Services, (ENS), located in St. Paul, Minnesota, is a nonprofit that provides housing and intensive support services to single women from the surrounding community. It is also a National Mission Institution of the United Methodist Women National Office located in New York. As a mission, ENS works together in a covenant relationship to be responsive to the primary constituency served, which is the needs of women and children in our community. Emma Norton Services' mission is to provide transformational housing for women and families on their journey of recovery. ENS is committed to providing services that promote evidence based practices such as "Housing First" and "Harm Reduction".

The programs through which Emma Norton Services provides services are as follows:

Transitional Housing - provides safe, secure housing for women who are homeless that are seeking stability and self-sufficiency. Support services are provided to assist residents as they shape and reach their goals. This program mainly utilizes Group Residential Housing funds through a contract with Ramsey County. The funding is designed to support women in transition from treatment programs to independent living. Services include case management, 24 hour on site staffing, meals, medical consultation, relapse prevention strategies, independent living skills, and programming that assists in achieving stability and self-sufficiency.

#### Fee for Service

Adult Rehabilitative Mental Health Services (ARMHS) – this program provides one on one services to adults with a mental health diagnosis that meet the eligibility criteria established through a qualified diagnostic assessment process. The services can be utilized by current residents in either housing site or clients independently referred from the community. ARMHS services are designed to assist with skill building and symptom management to increase participants' overall self-sufficiency and daily functioning skills. Services are paid for through third party reimbursements.

SOAR/SSI Advocacy - provides focused and one to one advocacy services to individuals with a disability who may be eligible for cash and other benefits through the Social Security Administration's (SSA) Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) programs. SOAR is a national program targeted to increase access to the disability income benefit programs for eligible adults who are experiencing or at risk of homelessness and have a mental illness, medical impairment, and/or a co-occurring substance use disorder. This program is funded through a contract with the MN Department of Human Services that provides third party reimbursement for every person that completes an initial application to the Social Security Administration.

Emma's Place is a nonprofit supportive housing facility located in Maplewood, Minnesota and services the east metro area. The purpose of Emma's Place is to provide thirteen multi-bedroom low income housing units for single parents with three or more children that are coming from a homeless situation. Support services are provided to enable these families to improve parenting and job skills while benefiting from the stability of permanent housing. The goal is achieving self-sufficiency and stable, healthy family life.

Emma's Place has a contract with the Metropolitan Council Housing and Redevelopment Authority for subsidized rents pursuant to Section 8 of Title II of the United States Housing Act of 1937, as amended. The contract expires May 31, 2017. Housing assistance payments received totaled \$171,562 and \$166,172 for the years ended December 31, 2015 and 2014, respectively and are included in contracts and grants revenue on the statement of activities.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 1 - Summary of Significant Accounting Policies** (continued)

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#### *Reporting Consolidation*

The consolidated financial statements are comprised of the accounts and records of Emma Norton Services and Emma's Place (the Organization). Emma's Place is governed by a local Board of Directors with members representing Emma Norton Services with majority voting rights and has contracted with Emma Norton Services for management and support services. All intercompany balances have been eliminated in the consolidated financial statements.

#### *Financial Statement Presentation*

These consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole. For purposes of financial reporting, the Organization classifies resources into three net asset categories pursuant to any donor-imposed restrictions and applicable law. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow:

**Unrestricted Net Assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations or state law that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

**Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Income earned on permanently restricted net assets is temporarily restricted until appropriated for expenditure.

Revenues from sources other than contributions are generally reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. The Organization recognizes revenues from rental when services are provided. Revenue is reported at the amounts due from clients and third-party payors for services rendered. The Organization receives subsidy grants from the U.S. Department of Housing and Urban Development.

Contributions, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Beginning in 2015, contributions with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 1 - Summary of Significant Accounting Policies** (continued)

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#### *Cash and Cash Equivalents*

The Organization considers highly liquid investments, except those held for long-term investment, with a maturity of three months or less when purchased to be cash equivalents. Cash on deposit in excess of federally insured limits are subject to the usual banking risks of funds in excess of those limits.

#### *Accounts Receivable*

Accounts receivable are stated at net realizable value. There was no allowance for doubtful accounts at December 31, 2015 and 2014. Bad debts are provided on the reserve method based on specific accounts and management's evaluation at the end of each year. The Organization does not charge interest on accounts receivable balances that are past due. Receivables are generally unsecured.

#### *Grants Receivable*

Grant receivables are principally from state agencies and are unsecured. An allowance for uncollectible receivables is determined based on experience. There was no allowance for uncollectible grants receivable at December 31, 2015 and 2014.

#### *Property and Equipment*

Property and equipment are stated at cost if purchased or fair market value at date of the gift if donated. Acquisitions of property and equipment in excess of \$3,000 with a useful life greater than one year and expenditures for improvements and betterments in excess of \$3,000 that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation is charged as an expense using the straight-line method over the estimated useful lives of the assets, generally three to five years for furniture and equipment and five to forty-five years for building and leasehold improvements.

#### *Deferred Loans*

Deferred loans are debts which are payable at the end of their term but at a low or no interest rate. The indebtedness is discounted to reflect the market interest rate and present value of the debt. The effective interest rate at the date of the loan is used to discount the debt.

#### *Tax-Exempt Status*

Both Emma Norton Services and Emma's Place have received notification that they qualify as tax-exempt organizations under Section 501 (c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, are not subject to federal or state income taxes. However, any unrelated business income may be subject to taxation.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 1 - Summary of Significant Accounting Policies** (continued)

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Accounting principles generally accepted in the United States of America require the Organization to evaluate positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by applicable tax authorities. Management has analyzed tax positions taken by the Organization, and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

#### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### *Estimates and Assumptions*

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Fair Value of Financial Instruments*

The carrying amounts reflected on the consolidated statements of financial position for cash and cash equivalents, accounts receivable, deposits held in trust and accounts payable are carried at cost which approximates fair value due to the short term maturity of these financial instruments.

#### *Reclassification*

For comparability, certain 2014 amounts have been reclassified to conform with classifications in 2015. The reclassifications have no effect on reported amounts of net assets or change in net assets.

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### **NOTE 2 - Deposits Held in Trust**

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Tenant security deposits for Emma's Place are required by The Minnesota Housing and Finance Agency (MHFA) Regulatory Agreement to be maintained in an interest bearing savings account separate from the operating account of the Organization. The account is required to be maintained at a balance that is equal to or exceeds the aggregate amount of all outstanding obligations with respect to security deposits. Withdrawals are restricted to reimbursements of tenants' security deposits. At December 31, 2015 the account was underfunded by \$1,342 and became fully funded subsequent to year end. At December 31, 2014 the account was funded in full.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### NOTE 3 - Grants Receivable

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Grants receivable as of December 31, 2015 and 2014 consist of grants due in less than one year.

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### NOTE 4 - Fair Value Measurements - Investments

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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 (exit price). Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.
- Level 3 - Inputs are unobservable that are not corroborated by market data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset. The schedules within this note are not intended to indicate the volatility of the investment.

The table below presents the financial instruments measured at fair value on a recurring basis by classification within the fair value hierarchy as of December 31, 2015.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short term investments	\$ 12,631	\$ 12,631	\$ -	\$ -
Fixed income funds	113,717	113,717	-	-
Equity	319,083	319,083	-	-
Other	61,386	61,386	-	-
Investments held by others	<u>113,083</u>	<u>-</u>	<u>113,083</u>	<u>-</u>
Total Investments	<u>\$ 619,900</u>	<u>\$ 506,817</u>	<u>\$ 113,083</u>	<u>\$ -</u>

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

### NOTE 4 - Fair Value Measurements - Investments (continued)

The table below presents the financial instruments measured at fair value on a recurring basis by classification within the fair value hierarchy as of December 31, 2014.

	Total	Level 1	Level 2	Level 3
Short term investments	\$ 30,209	\$ 30,209	\$ -	\$ -
Fixed income funds	93,834	93,834	-	-
Equity	282,468	282,468	-	-
Others	113,588	113,588	-	-
Investments held by others	44,802	-	44,802	-
 Total Investments	\$ 564,901	\$ 520,099	\$ 44,802	\$ -

#### Valuation Techniques and Inputs

- Level 1 - Level 1 assets consist primarily of securities, money market funds, and domestic and international mutual funds. Fair value is based on closing sales prices on public exchanges as of the reporting date.
- Level 2 - Level 2 assets include investments held for Emma's Legacy at the Minnesota United Methodist Foundation.
- Level 3 - Level 3 assets include investments in limited partnerships for which quoted prices are not readily available and the funds cannot be redeemed within a short time. Funds invested in underlying hedge funds and private equity investments are based on valuations performed by the fund managers using market and non-market inputs as of the reporting date.

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. There have been no changes in the assumptions or methodologies used to determine the estimates of fair value and no transfers between levels in 2015.

Investment income on fair value financial instruments are as follows:

	2015	2014
Interest and dividend income	\$ 17,665	\$ 22,420
Unrealized losses	(21,857)	(5,129)
Realized gains (losses)	(2,404)	2,246
Investment manager fees	(6,762)	(6,330)
 Total investment income on fair value instruments	(13,358)	13,207
Total interest income on cash accounts	476	312
 Total investment income	\$ (12,882)	\$ 13,519

Investments, in general, are subject to various risks, including credit, interest, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the financial statements.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### NOTE 5 - Restricted Net Assets

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Temporarily restricted net assets at December 31 consist of:

	<u>2015</u>	<u>2014</u>
Debt present value discount	\$ 1,145,882	\$ 1,202,497
Other program activities	<u>137,010</u>	<u>29,266</u>
	<u>\$ 1,282,892</u>	<u>\$ 1,231,763</u>

Permanently restricted net assets at December 31 consist of:

Endowment funds	<u>\$ 626,258</u>	<u>\$ 626,258</u>
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### NOTE 6 - Net Assets Released from Donor Restrictions

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Net assets released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	<u>2015</u>	<u>2014</u>
Time and purpose program restrictions	\$ 35,146	\$ 67,006
Amortization of debt present value discount	56,615	61,922
Endowment appropriation	<u>-</u> *	<u>25,898</u>
	<u>\$ 91,761</u>	<u>\$ 154,826</u>

\* The endowment appropriation represents assets appropriated from the endowment in accordance with the Organization's spending policy, which is further described in Note 10. However, no appropriation was taken in 2015.

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### NOTE 7 - In-Kind Contributions

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In-kind contributions and the related expenses consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Occupancy (space)	\$ 168,000	\$ 168,000
Supplies	<u>50,260</u>	<u>50,210</u>
	<u>\$ 218,260</u>	<u>\$ 218,210</u>

In-kind contributions are recorded at fair market value at the time of donation. The Organization utilizes and relies upon the services of volunteers, however the volunteer services provided generally do not meet the requirements of current accounting standards to be recorded in the financial statements. Therefore, no income or expense for volunteer services have been recorded on the financial statements for the years ended December 31, 2015 and 2014. Approximately 2,000 and 3,000 hours are volunteered for the years ended December 31, 2015 and 2014, respectively.



## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

### **NOTE 8 - Related Party Transactions**

The Organizations are governed by local Boards of Directors and are charitable projects related to the National United Methodist Women of the United Methodist Church. They operate under the policies and administration of the National United Methodist Women of the United Methodist Church which is responsible to the United Methodist Church. Contributions and grants received from related parties are as follows:

	2015	2014
National United Methodist Women of the United Methodist Church:		
United Methodist Women	\$ 113,368	\$ 92,924

The property occupied by Emma Norton Services is owned by the National United Methodist Women of the United Methodist Church and is leased to Emma Norton Services. The lease is cancelable by either party by giving a ninety day notice. The lease has been renewed through December 31, 2027. The lease calls for no lease payments to be made by the Organization. The National United Methodist Women of the United Methodist Church has estimated the fair value of the annual rental at approximately \$168,000 for the years ended December 31, 2015 and 2014, which is included in both in-kind contributions and expenses in the statements of activities.

### **NOTE 9 - Deferred Loans**

Deferred loans consist of the following at December 31:

	2015	2014
Mortgage loan payable to Minnesota Housing Finance Agency (MHFA), face value of \$2,258,200, the loan is subject to various covenants and if no events of default occur is due November 6, 2031.	\$ 1,370,807	\$ 1,328,417
Loan payable to Ramsey County Housing and Redevelopment Authority, face value of \$500,000, the loan is subject to various covenants and if no events of default occur is due November 15, 2031.	303,279	293,901
Loan payable to Family Housing Fund, face value of \$150,000, the loan is subject to various covenants and if no events of default occur is due November 6, 2031.	91,055	88,240
Loan payable to Federal Home Loan Bank of Des Moines, face value of \$65,000, the loan is forgiven as of May 30, 2017 if not in default.	62,177	60,145
Total	\$ 1,827,318	\$ 1,770,703

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

### NOTE 10 - Endowments

The Organization's endowment consists of two individual funds established for a variety of purposes. Its endowment includes only donor-restricted funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law** - The Organization's governing board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Organization to appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Directors. See Note 1 for further information on net asset classifications.

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 Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

Endowment net assets consist of the following as of December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (13,358)	\$ -	\$ 626,258	\$ 612,900
Total endowment net assets	<u>\$ (13,358)</u>	<u>\$ -</u>	<u>\$ 626,258</u>	<u>\$ 612,900</u>

Endowment net assets consist of the following as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 626,258	\$ 626,258
Total endowment net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,258</u>	<u>\$ 626,258</u>

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

### NOTE 10 - Endowment (continued)

Changes in endowment net assets for the year ended December 31, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ 626,258	\$ 626,258
Investment return				
Investment income	17,665	-	-	17,665
Net depreciation - realized and unrealized	(24,261)	-	-	(24,261)
Investment manager fees	<u>(6,762)</u>	<u>-</u>	<u>-</u>	<u>(6,762)</u>
Total investment return	(13,358)	-	-	(13,358)
Contributions	-	-	-	-
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ (13,358)</u>	<u>\$ -</u>	<u>\$ 626,258</u>	<u>\$ 612,900</u>

Changes in endowment net assets for the year ended December 31, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 12,691	\$ 625,783	\$ 638,474
Investment return				
Investment income	-	22,420	-	22,420
Net appreciation - realized and unrealized	-	(2,883)	-	(2,883)
Investment manager fees	<u>-</u>	<u>(6,330)</u>	<u>-</u>	<u>(6,330)</u>
Total investment return	-	13,207	-	13,207
Contributions	-	-	475	475
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(25,898)</u>	<u>-</u>	<u>(25,898)</u>
Endowment net assets, end of year	-	-	626,258	626,258
Less outstanding borrowing for operations	<u>-</u>	<u>-</u>	<u>(61,357)</u>	<u>(61,357)</u>
Endowment assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 564,901</u>	<u>\$ 564,901</u>

**Borrowings** - As of December 31, 2014, the Organization had borrowed approximately \$61,000 from the endowment fund for operations. All borrowings were repaid in 2015.

**Funds with Deficiencies** - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were approximately \$13,000 as of December 31, 2015. These deficiencies resulted from unfavorable market fluctuations that occurred. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### NOTE 10 - Endowment (continued)

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**Return Objectives and Risk Parameters** - The Organization 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 Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce returns to meet needs of the spending rate, inflation, and portfolio fees while assuming a moderate level of investment risk.

**Strategies Employed for Achieving Objectives** - To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that is weighted in equity based investments and balanced with fixed income to achieve its long-term return objectives within prudent risk constraints. The Organization monitors its portfolio mix to ensure that it is in accordance with Board policy.

**Spending Policy and How the Investment Objectives Relate to Spending Policy** - The Organization has a policy of appropriating for distribution each year up to 5% of its endowment fund's average of the fair value of endowment investments for the preceding twelve quarters. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the current spending policy is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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### NOTE 11 - Operating Leases

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The Organization leases office copiers and computers. The leases are accounted for as operating leases.

Future minimum lease payments as of Thursday, December 31, 2015 are as follows:

2016	\$	16,141
2017		9,374
2018		7,725
2019		<u>7,080</u>
	\$	<u>40,320</u>

The minimum lease payments include a copier equipment sublease for which the Organization has received \$8,000.

Rent expense on the operating leases was \$12,673 and \$7,411 for December 31, 2015 and 2014, respectively.

## EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### NOTE 12 - Capital Lease

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The Organization has a capital lease for the telephone system. The lease agreement expires on July 2017. The capitalized cost of the leased equipment at Thursday, December 31, 2015 was \$19,297. Amortization expense on capital leases is included with depreciation expense. Accumulated amortization was \$11,817 as of Thursday, December 31, 2015. The capital lease obligation is secured by the leased equipment. The current portion lease obligation is included in accrued expenses.

The following is a schedule of future minimum lease payments under capital lease together with the present value of the net minimum lease payments as of Thursday, December 31, 2015:

2016	\$ 5,987
2017	<u>3,492</u>
Total Future Minimum Lease Payments	9,479
Less: Amount representing interest	<u>(325)</u>
Present Value of Future Minimum Lease Payments	9,154
Less: Current portion (included in accrued expenses)	<u>(5,708)</u>
Long-Term Capital Lease Obligation	<u>\$ 3,446</u>

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### NOTE 13 - Retirement Plan

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The Organization has a retirement plan covering all eligible employees. The Organization can make discretionary contributions to the plan. No contributions were made to the plan for the years ended Thursday, December 31, 2015 and 2014.

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### NOTE 14 - Commitments and Contingencies

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#### *Financial Awards from Grantors*

Financial awards from federal, state and local governments in the form of grants may be subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

The Organization has signed a rental restriction agreement with MHFA as a condition of receiving an allocation of low-income housing funding from MHFA. Under this agreement, the Organization must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code (IRC). The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the Organization fails to comply with this agreement or with the IRC, it may be ineligible for future funding.

## **EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 15 - Concentrations**

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A significant concentration of operating revenue is received or receivable from governmental agencies. During the years ended December 31, 2015 and 2014, approximately 43% and 35%, respectively, of the Organization's revenue was received from governmental agencies. A reduction in the level of support, if this were to occur, could have a significant effect on Emma Norton Services' programs and activities.

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### **NOTE 16 - Subsequent Events**

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The Organization has evaluated subsequent events through April 25, 2016 which is the date the financial statements were approved and available to be issued.

## **SUPPLEMENTAL INFORMATION**

**EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

<b>ASSETS</b>				
	Emma Norton Services	Emma's Place	Eliminating Entries	Total
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 425,694	\$ 109,363	\$ -	\$ 535,057
Prepaid expenses	861	268	-	1,129
Intercompany receivable	-	105,909	(105,909)	-
Grants receivable	175,604	-	-	175,604
Total Current Assets	<u>602,159</u>	<u>215,540</u>	<u>(105,909)</u>	<u>711,790</u>
<b>DEPOSITS HELD IN TRUST</b>				
Tenant security deposits - Emma's Place	-	11,772	-	11,772
<b>PROPERTY AND EQUIPMENT</b>				
Land	-	294,674	-	294,674
Buildings	-	3,094,960	-	3,094,960
Furniture	28,175	-	-	28,175
Equipment	173,789	113,374	-	287,163
Leasehold improvements	449,871	15,840	-	465,711
	651,835	3,518,848	-	4,170,683
Less: Accumulated depreciation	(454,143)	(1,024,801)	-	(1,478,944)
Total Property and Equipment	<u>197,692</u>	<u>2,494,047</u>	<u>-</u>	<u>2,691,739</u>
<b>OTHER ASSETS</b>				
Investments - Endowments	612,900	-	-	612,900
Investments - Other	7,000	-	-	7,000
Total Other Assets	<u>619,900</u>	<u>-</u>	<u>-</u>	<u>619,900</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,419,751</u>	<u>\$ 2,721,359</u>	<u>\$ (105,909)</u>	<u>\$ 4,035,201</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 30,050	\$ 6,045	\$ -	\$ 36,095
Intercompany payable	105,909	-	(105,909)	-
Accrued expenses	37,016	-	-	37,016
Total Current Liabilities	<u>172,975</u>	<u>6,045</u>	<u>(105,909)</u>	<u>73,111</u>
<b>DEPOSITS HELD IN TRUST</b>				
Tenant security deposits - Emma's Place	-	13,114	-	13,114
Tenant security deposits - Emma Norton Services	1,640	-	-	1,640
<b>LONG TERM LIABILITIES</b>				
Capital lease obligation	3,446	-	-	3,446
Deferred loans	-	1,827,318	-	1,827,318
Total Liabilities	<u>178,061</u>	<u>1,846,477</u>	<u>(105,909)</u>	<u>1,918,629</u>
<b>NET ASSETS</b>				
Unrestricted	481,165	(273,743)	-	207,422
Temporarily restricted	134,267	1,148,625	-	1,282,892
Permanently restricted	626,258	-	-	626,258
Total Net Assets	<u>1,241,690</u>	<u>874,882</u>	<u>-</u>	<u>2,116,572</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,419,751</u>	<u>\$ 2,721,359</u>	<u>\$ (105,909)</u>	<u>\$ 4,035,201</u>



**EMMA NORTON SERVICES AND AFFILIATE (EMMA'S PLACE)**

CONSOLIDATING STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

	Unrestricted			Temporarily Restricted			Permanantly Restricted		
	Emma Norton	Eliminating	Total	Emma Norton	Emma's	Total	Emma Norton	Total	
	Services			Emma's Place	Services		Place		Services
<b>SUPPORT AND REVENUE</b>									
Contracts and grants	\$ 677,581	\$ 453,560	\$ -	\$ 1,131,141	\$ 132,440	\$ -	\$ 132,440	\$ -	\$ 1,263,581
Contributions	104,255	100,051	-	204,306	-	-	-	-	204,306
United Methodist Women	51,781	51,137	-	102,918	-	10,450	10,450	-	113,368
In-kind contributions	200,260	18,000	-	218,260	-	-	-	-	218,260
Special events, net of expenses	21,770	20,860	-	42,630	-	-	-	-	42,630
Investment loss	(12,882)	-	-	(12,882)	-	-	-	-	(12,882)
Rental revenue	77,016	23,131	-	100,147	-	-	-	-	100,147
Third party insurance reimbursement	32,730	-	-	32,730	-	-	-	-	32,730
Other	3,993	1,479	-	5,472	-	-	-	-	5,472
	<u>1,156,504</u>	<u>668,218</u>	<u>-</u>	<u>1,824,722</u>	<u>132,440</u>	<u>10,450</u>	<u>142,890</u>	<u>-</u>	<u>1,967,612</u>
Net assets released from restrictions	14,477	77,284	-	91,761	(14,477)	(77,284)	(91,761)	-	-
Total Support and Revenue	<u>1,170,981</u>	<u>745,502</u>	<u>-</u>	<u>1,916,483</u>	<u>117,963</u>	<u>(66,834)</u>	<u>51,129</u>	<u>-</u>	<u>1,967,612</u>
<b>EXPENSES</b>									
Program	1,022,565	511,509	-	1,534,074	-	-	-	-	1,534,074
Management and general	120,075	55,835	-	175,910	-	-	-	-	175,910
Fundraising	121,804	74,189	-	195,993	-	-	-	-	195,993
Total Expenses	<u>1,264,444</u>	<u>641,533</u>	<u>-</u>	<u>1,905,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905,977</u>
<b>Change in Net Assets</b>	(93,463)	103,969	-	10,506	117,963	(66,834)	51,129	-	61,635
Net Assets - Beginning of Year	<u>574,628</u>	<u>(377,712)</u>	<u>-</u>	<u>196,916</u>	<u>16,304</u>	<u>1,215,459</u>	<u>1,231,763</u>	<u>626,258</u>	<u>2,054,937</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 481,165</u>	<u>\$ (273,743)</u>	<u>\$ -</u>	<u>\$ 207,422</u>	<u>\$ 134,267</u>	<u>\$ 1,148,625</u>	<u>\$ 1,282,892</u>	<u>\$ 626,258</u>	<u>\$ 2,116,572</u>