

PARKVIEW SERVICES
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2016 AND 2015

TABLE OF CONTENTS

Page

Basic Financial Statements

Independent Auditors' Report.....	1 - 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6 – 7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9 – 29

Reports and Schedules in Accordance with the Uniform Guidance and *Government Auditing Standards*

Schedule of Expenditures of Federal Awards.....	31 – 33
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	34 – 35
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	36 – 37
Schedule of Findings and Questioned Costs.....	38 – 39
Schedule of Prior Audit Findings.....	40
Schedule of Expenditures of State Awards.....	41 – 42

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Parkview Services

Report on the Financial Statements

We have audited the accompanying financial statements of Parkview Services (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related 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 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parkview Services as of December 31, 2016 and 2015, 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.

Correction of Error

As discussed in Note 16 to the financial statements, certain errors resulting in understatement of amounts previously reported for accrued interest and related interest expense as of December 31, 2015, were discovered by management of the Organization during the current year. Accordingly, amounts reported for accrued interest and interest expense have been restated in the 2015 financial statements now presented, and an adjustment has been made to unrestricted net assets as of December 31, 2015, to correct the error. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis and is not a required part of the financial statements. Similarly, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2017 on our consideration of Parkview Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Parkview Services' internal control over financial reporting and compliance.

Finney, Hill & Company, P.S.

September 7, 2017
Seattle, Washington

PARKVIEW SERVICES
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

Assets	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 110,916	160,440
Investments	1,407,684	1,393,242
Accounts receivable	88,962	100,449
Grants receivable	104,346	137,678
Due from Washington Homeownership Resource Center	32,744	31,906
Prepaid expenses	95,737	76,975
Other current assets	228	1,059
Cash restricted for revolving loan fund	<u>146,492</u>	<u>33,287</u>
Total current assets	<u>1,987,109</u>	<u>1,935,036</u>
Property and equipment, net	13,157,040	12,173,470
Loans receivable, net	3,791,677	3,589,869
Cash restricted for reserves	<u>384,981</u>	<u>389,571</u>
Total assets	<u><u>\$ 19,320,807</u></u>	<u><u>18,087,946</u></u>
 Liabilities and Net Assets 		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 27,404	25,700
Accrued payroll liabilities	107,969	78,560
Deferred revenue	6,357	1,760
Current portion of forgivable loans	<u>-</u>	<u>98,000</u>
Total current liabilities	141,730	204,020
Accrued interest	271,109	248,175
Notes payable	1,603,363	860,574
Forgivable loans	<u>13,283,016</u>	<u>12,867,980</u>
Total liabilities	<u>15,299,218</u>	<u>14,180,749</u>
Net assets:		
Unrestricted, as restated	(650,384)	(374,269)
Board designated Group Home reserve	615,071	574,970
Temporarily restricted	9,159	7,479
Permanently restricted	<u>4,047,743</u>	<u>3,699,017</u>
Total net assets	<u>4,021,589</u>	<u>3,907,197</u>
Total liabilities and net assets	<u><u>\$ 19,320,807</u></u>	<u><u>18,087,946</u></u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
STATEMENTS OF ACTIVITIES
Years ended December 31, 2016 and 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Home Ownership grants	\$ 1,244,138	-	307,500	1,551,638	\$ 1,587,598	-	682,369	2,269,967
Affordable Housing	703,109	-	-	703,109	677,634	-	-	677,634
Group Home	428,174	-	-	428,174	385,922	-	-	385,922
Management fees	272,120	-	-	272,120	301,910	-	-	301,910
Camper fees	30,923	-	-	30,923	30,000	-	-	30,000
Special events, net of direct benefits to donors of \$23,054 and \$7,014, respectively	33,063	-	-	33,063	57,633	-	-	57,633
Investment income, net	286,816	-	-	286,816	174,093	-	-	174,093
Contributions	63,021	1,680	-	64,701	56,247	7,479	-	63,726
Other income	37,467	-	41,226	78,693	30,643	-	8,677	39,320
	<u>3,098,831</u>	<u>1,680</u>	<u>348,726</u>	<u>3,449,237</u>	<u>3,301,680</u>	<u>7,479</u>	<u>691,046</u>	<u>4,000,205</u>
Debt forgiveness	98,000	-	-	98,000	74,985	-	-	74,985
Net assets released from restrictions:								
Satisfaction of purpose restrictions	-	-	-	-	35,100	-	(35,100)	-
Total support, revenue, and other revenue	<u>3,196,831</u>	<u>1,680</u>	<u>348,726</u>	<u>3,547,237</u>	<u>3,411,765</u>	<u>7,479</u>	<u>655,946</u>	<u>4,075,190</u>
Expenses:								
Program	3,040,297	-	-	3,040,297	3,150,595	-	-	3,150,595
Management and general	308,893	-	-	308,893	288,149	-	-	288,149
Fundraising	83,655	-	-	83,655	109,188	-	-	109,188
Total expenses	<u>3,432,845</u>	<u>-</u>	<u>-</u>	<u>3,432,845</u>	<u>3,547,932</u>	<u>-</u>	<u>-</u>	<u>3,547,932</u>
Increase (decrease) in net assets, as restated	(236,014)	1,680	348,726	114,392	(136,167)	7,479	655,946	527,258
Net assets at beginning of year, as restated	<u>200,701</u>	<u>7,479</u>	<u>3,699,017</u>	<u>3,907,197</u>	<u>336,868</u>	<u>-</u>	<u>3,043,071</u>	<u>3,379,939</u>
Net assets at end of year, as restated	<u>\$ (35,313)</u>	<u>9,159</u>	<u>4,047,743</u>	<u>4,021,589</u>	<u>\$ 200,701</u>	<u>7,479</u>	<u>3,699,017</u>	<u>3,907,197</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2016

	Program					Total Program	Support		Total Expenses
	Affordable Housing	Group Home	Home Ownership	Camp	Washington Homeownership Resource Center Grant Management		Management and General	Fundraising	
Compensation and related expenses:									
Salary and wages	\$ 163,166	310,851	898,344	17,756	166,732	1,556,849	132,701	55,870	1,745,420
Payroll taxes and benefits	48,787	86,485	249,391	5,013	46,083	435,759	49,433	15,954	501,146
	<u>211,953</u>	<u>397,336</u>	<u>1,147,735</u>	<u>22,769</u>	<u>212,815</u>	<u>1,992,608</u>	<u>182,134</u>	<u>71,824</u>	<u>2,246,566</u>
General and administrative	51,828	22,872	20,875	588	453	96,616	10,508	2,855	109,979
Insurance	25,095	5,671	5,577	118	1,029	37,490	5,470	364	43,324
Office and facilities rental	16,091	-	68,353	28,527	12,511	125,482	10,145	4,208	139,835
Office expenses	867	251	4,184	28	709	6,039	530	610	7,179
Professional services	5,279	1,221	4,164	778	668	12,110	75,769	224	88,103
Other operating expenses	65,868	36,770	45,896	7,819	5,837	162,190	10,633	3,455	176,278
Repairs and maintenance	69,824	2,440	2,949	37	341	75,591	561	115	76,267
Property tax	16,898	1,232	-	-	-	18,130	-	-	18,130
Depreciation	297,765	11,922	-	-	-	309,687	13,143	-	322,830
Contribution expense	-	-	177,582	-	-	177,582	-	-	177,582
Bad debt expense	-	-	3,838	-	-	3,838	-	-	3,838
Interest expense	22,934	-	-	-	-	22,934	-	-	22,934
Total functional expenses	<u>\$ 784,402</u>	<u>479,715</u>	<u>1,481,153</u>	<u>60,664</u>	<u>234,363</u>	<u>3,040,297</u>	<u>308,893</u>	<u>83,655</u>	<u>3,432,845</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2015

	Program					Total Program	Support		Total Expenses
	Affordable Housing	Group Home	Home Ownership	Camp	Washington Homeownership Resource Center Grant Management		Management and General	Fundraising	
Compensation and related expenses:									
Salary and wages	\$ 173,367	288,921	989,077	15,456	184,413	1,651,234	140,327	60,404	1,851,965
Payroll taxes and benefits	38,816	72,517	241,578	3,216	41,960	398,087	73,882	14,996	486,965
	<u>212,183</u>	<u>361,438</u>	<u>1,230,655</u>	<u>18,672</u>	<u>226,373</u>	<u>2,049,321</u>	<u>214,209</u>	<u>75,400</u>	<u>2,338,930</u>
General and administrative	47,511	29,438	25,312	1,244	1,161	104,666	7,312	13,179	125,157
Insurance	21,397	3,721	1,342	-	251	26,711	16,005	61	42,777
Office and facilities rental	15,628	-	68,598	28,957	12,898	126,081	4,014	5,257	135,352
Office expenses	741	289	6,713	137	705	8,585	516	435	9,536
Professional services	1,883	2,806	11,237	2,004	1,670	19,600	11,584	10,230	41,414
Other operating expenses	24,193	29,620	52,262	2,636	4,369	113,080	5,529	4,549	123,158
Repairs and maintenance	136,831	9,512	782	8	162	147,295	14	77	147,386
Property tax	10,633	271	-	-	-	10,904	-	-	10,904
Depreciation	282,414	14,574	-	-	-	296,988	17,939	-	314,927
Contribution expense	-	-	177,445	-	-	177,445	-	-	177,445
Bad debt expense	-	-	51,926	-	-	51,926	11,027	-	62,953
Interest expense	17,993	-	-	-	-	17,993	-	-	17,993
Total functional expenses	<u>\$ 771,407</u>	<u>451,669</u>	<u>1,626,272</u>	<u>53,658</u>	<u>247,589</u>	<u>3,150,595</u>	<u>288,149</u>	<u>109,188</u>	<u>3,547,932</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
Years ended December 31, 2016 and 2015

	2016	2015
Cash flows provided by (used in) operating activities:		
Increase (decrease) in net assets	\$ 114,392	527,258
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	322,830	314,927
Debt forgiveness	(98,000)	(74,985)
Provision for bad debts	3,838	51,926
Net unrealized (gain) loss on investments	(85,905)	26,285
Interest, dividends and shared appreciation received	(23,244)	(22,767)
Other	831	5,099
(Increase) decrease in assets:		
Accounts receivable	11,487	(57,689)
Grants receivable	33,332	(25,995)
Due from Washington Homeownership Resource Center	(838)	11,644
Prepaid expenses	(18,762)	10,501
Cash restricted for revolving loan fund	(113,205)	(31,287)
Increase (decrease) in liabilities:		
Accounts and grants payable	1,704	22,350
Accrued liabilities	29,409	25,497
Deferred revenue	4,597	(9,572)
Accrued interest, as restated	22,934	17,981
Total adjustments	91,008	263,915
Net cash provided by (used in) operating activities	205,400	791,173
Cash flows provided by (used in) investing activities:		
Purchase of property and equipment	(1,306,400)	(231,776)
Sale of investments	94,707	-
Loans made to clients	(371,896)	(748,260)
Payments received on loans receivable	166,250	58,000
Withdrawals from restricted reserve accounts	45,562	113,648
Deposits to restricted reserve accounts	(40,972)	(130,177)
Net cash provided by (used in) investing activities	(1,412,749)	(938,565)
Cash flows provided by (used in) financing activities:		
Proceeds from notes payable	742,789	-
Proceeds from forgivable loans	415,036	133,300
Net cash provided by (used in) financing activities	1,157,825	133,300
Net increase (decrease) in cash and cash equivalents	(49,524)	(14,092)
Cash and cash equivalents at beginning of year	160,440	174,532
Cash and cash equivalents at end of year	\$ 110,916	160,440

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

The Organization offers loans to eligible homebuyers for below-market rate interest rates. The Organization recognized interest income and related contribution expense of \$177,582 and \$177,445 on these loans in the years ended December 31, 2016 and 2015.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2016 and 2015

NOTE 1 – NATURE OF ORGANIZATION

Parkview Services (the Organization) is a King County based non-profit organization established in 1967. Parkview Services supports people with intellectual and developmental disabilities (IDDs) and their families with affordable housing and other programs.

Parkview Group Home: Originally established to provide residential support services to children with IDD, the Organization has shifted its service population to adults in order to continue serving the children who reached their adult age at the Organization. Currently, six adults live at the Parkview Group Home as clients. In 2016 and 2015, this program provided over 17,300 and 16,300 hours of direct support services to the residents, respectively.

The Affordable Housing Program: The program began in 1997 in response to the increasing cost of renting decent, safe and accessible housing for persons with IDD. The qualified individuals live in the housing owned by Parkview Services and pay 30% of their income toward rent and utilities. In 2016 and 2015, this program served over 178 and 160 tenants, respectively.

Camp Parkview: The camp provides an annual summer camp trip to Vashon Island to increase the level of social networking. Sixty-six and sixty campers attended the weeklong camp in 2016 and 2015, respectively.

The Homeownership Program: The program offers home buying assistance in King, Snohomish, and Skagit Counties to people with disabilities and family members who will live with them. The Organization also works with current homeowners anywhere in the State of Washington that need help to avoid foreclosure. In 2016 and 2015, this program served over 9,800 and 9,000 clients.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Presentation of Financial Statements for Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. This Topic establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset classes according to donor imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets of Parkview Services are classified as follows:

- Unrestricted net assets are available without restriction for support of Parkview Services' operations.
- Temporarily restricted net assets are restricted by the donor to be used for certain purposes or future periods. Parkview Services had temporarily restricted net assets of \$9,159 and \$7,479 at December 31, 2016 and 2015, respectively.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of presentation, continued

- Permanently restricted net assets are grants given with the intent that the principal will be maintained intact in perpetuity, and the income may be used for current operations or specific purposes. Permanently restricted net assets of \$4,047,743 and \$3,699,017 at December 31, 2016 and 2015 represent a revolving loan fund established to benefit eligible homeowners with down payment assistance loans.

Basis of accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

Cash and cash equivalents consist of general checking and savings accounts. Parkview Services maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. Parkview Services has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Investments

Investments consist of investments in exchange traded funds and money market funds which are classified as available-for-sale securities carried at fair value. Net unrealized investment gains (losses) related to available-for-sale securities are recorded in net investment income on the statement of activities. Interest and dividends earned are also reported in net investment income. Parkview Services uses quoted market prices or public market information to determine the fair value of its investments.

Accounts and grants receivables

Accounts and grants receivable are recognized as revenues in the period earned. Receivables are expected to be collected within three months and are recorded at their collectible value.

Property and equipment

Land, building and improvements are recorded at cost. Improvements and fixed assets costing over \$1,000 individually are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred unless a certain expense below the \$1,000 threshold is allowed to be capitalized by the funder. Assets are depreciated on the straight-line method over the estimated economic lives ranging from three to 40 years. Depreciation expense for the years ended December 31, 2016 and 2015 was \$322,830 and \$314,927.

A significant amount of the Organization's property was obtained with grant monies. The Federal and State government funded property retains a reversionary interest to the grantor(s). Such assets may be reclaimed at the program end or if the use of the property changes from the original intent or the grantor may relinquish title to the Organization. The Organization does not intend to change the use of the properties acquired with such funds.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and equipment, continued

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Notes Payable

The Organization has funded some of its affordable housing units through the use of a note payable provided by a government organization. The loan requires compliance in meeting the underlying obligations of restricted use of the property and principal and interest are due in full at the end of the loan period.

Forgivable Loans

The Organization has funded its affordable housing units through the use of forgivable loans provided by government organizations. The loans have various ongoing compliance requirements including restricted use of the properties. The Organization carries the full value of each forgivable loan as a liability until the conditions of the loan have been met at the end of the loan and/or compliance period, at which point in time, loan forgiveness is recognized as unrestricted revenue.

Restricted and unrestricted support

Contributed support is recorded when a promise to give is made or when ownership of donated assets is transferred. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions and are reflected as contributions or grants on the statement of activities.

Contributions received with donor stipulations that limit the use of the donated assets are reported as temporarily restricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted resources whose restrictions are met in the reporting period received are recorded as unrestricted.

Affordable Housing and Group Home revenues

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants are operating leases.

Cost Reimbursement Contracts

Revenues under cost-reimbursement type contracts are recognized as earned and are based on billings submitted for reimbursement that are subject to audit. These revenues are reflected as grants in the statement of activities. Retroactive adjustments may be made by the funding agencies. No such adjustments were made for the years ended December 31, 2016 and 2015.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated goods and services

Donated goods are recorded as contributions at their estimated fair values at the date of donation. In accordance with financial accounting standards, the financial statements reflect only those donated services requiring specific expertise that Parkview Services would otherwise need to purchase. There were donated goods and services of \$9,180 and \$26,985 for the years ended December 31, 2016 and 2015, which is included in special events on the statements of activities.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of unrestricted activities and of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services.

Advertising expenses

Advertising is expensed as incurred. For the years ended December 31, 2016 and 2015, advertising expense was \$2,141 and \$16,202, respectively.

Federal income taxes

The Internal Revenue Service has recognized Parkview Services as exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and is classified as an organization other than a private foundation under Section 509(a)(1).

Parkview Services accounts for tax positions in accordance with the Recognition and Initial Measurement Sections of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification. With few exceptions, Parkview Services is subject to federal and state income tax examinations by tax authorities for the prior three years. Management has reviewed Parkview Services' tax positions and determined there were no uncertain tax positions as of December 31, 2016 and 2015.

Parkview Services recognizes income tax related interest in interest expense and penalties in operating expenses. During the years ended December 31, 2016 and 2015, Parkview Services recognized no income tax related interest or penalties.

Impairment of long-lived assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation techniques. There were no impairment losses recognized for the years ended December 31, 2016 and 2015.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Use of estimates

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 disclosures 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.

Date of Management’s Review

Subsequent events have been evaluated through September 7, 2017, which is the date the financial statements were available to be issued.

Reclassifications

Certain balances in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications had no effect on the change in net assets.

NOTE 3 – INVESTMENTS

The following schedule summarizes investments stated at fair value as of December 31:

	<u>2016</u>	<u>2015</u>
Exchange traded funds	\$ 1,313,724	1,230,426
Stocks	1,341	1,322
Money market funds	92,619	161,494
	<u>\$ 1,407,684</u>	<u>1,393,242</u>

Net investment income consists of the following for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Dividends	\$ 23,230	22,167
Interest	177,681	178,211
Unrealized gain (loss) on investments	85,905	(26,285)
	<u>\$ 286,816</u>	<u>174,093</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification establishes a framework for measuring fair value. That framework provides 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 or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this topic are described below:

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 4 - FAIR VALUE MEASUREMENTS, continued

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Parkview Services has the ability to access.

Level 2: Inputs to the valuation methodology include:

- a. Quoted prices for similar assets or liabilities in active markets,
- b. Quoted prices for identical or similar assets or liabilities in inactive markets,
- c. Inputs other than quoted prices that are observable for the asset or liability,
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- e. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Investments in exchange traded funds and money market funds: Valued at the net asset value of shares held at year end, which is considered a Level 1 measurement.

Investments in stocks: Valued at fair market value of securities held at year end as provided by broker, which is considered a Level 1 measurement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Parkview Services 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 fair value measurement at the reporting date.

NOTE 5 – RELATED PARTY TRANSACTIONS

Parkview Services shares common management with Washington Homeownership Resource Center (WHRC). In 2013, Parkview Services executed a management agreement with WHRC effective January 1, 2013 to December 31, 2016, whereby Parkview Services subcontracts the use of its employees, office space and administrative staff, supplies, materials, lease space, utilities, phones, computers, copiers, scanners, mail services and support to WHRC. Under the terms of the management agreement, Parkview Services earned \$272,120 and \$301,910 in management fees in the years ended December 31, 2016 and 2015. These fees are reflected in the statement of activities.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 5 – RELATED PARTY TRANSACTIONS, continued

The following amounts are recorded as receivable from (payable to) WHRC as of December 31:

	<u>2016</u>	<u>2015</u>
Receivable for services provided	\$ 32,744	20,905
Receivable for startup costs	-	11,001
Total receivable	<u>\$ 32,744</u>	<u>31,906</u>

NOTE 6 – PROPERTY AND EQUIPMENT

The Organization began acquiring residential properties which are rented to low income individuals with IDD's in 1998. Parkview had acquired 56 affordable housing properties in King and Snohomish counties as of December 31, 2016 and 2015. The majority of the funding for these projects was received from governmental agencies in the form of restricted grants and forgivable loans. Additionally, a house in northeast Seattle was donated in 2004. This house is also a rental property for low income individuals with IDD's. Capitalized property and equipment associated with these projects are as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Affordable housing units		
Parkview 1 - 5 houses	\$ 1,338,911	1,331,363
Parkview 2 - 5 houses	1,160,591	1,127,012
Parkview 3 - 9 houses	1,188,460	1,186,379
Parkview 4 - 3 houses	929,107	929,071
Parkview 5 - 5 houses	1,367,334	1,356,445
Parkview 6 - 9 houses	3,098,376	3,061,303
Parkview 7 - 11 houses	4,074,775	3,990,401
Parkview 8 - 1 house	309,643	309,643
Parkview 9 - 2 houses	963,458	963,244
Parkview 10 - 1 house	277,913	277,913
Parkview 11 - 2 houses	982,744	437,983
Parkview 12 - 2 houses	568,396	-
Donated house	<u>361,765</u>	<u>356,272</u>
	16,621,473	15,327,029
Accumulated depreciation	<u>(3,626,625)</u>	<u>(3,323,486)</u>
Net book value	<u>\$ 12,994,848</u>	<u>12,003,543</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 6 – PROPERTY AND EQUIPMENT, continued

Parkview Services owns real estate in Seattle, Washington, which is the location of the Group Home. The Organization maintains an office in Shoreline, Washington under an operating lease. Property and equipment associated with all locations are as follows as of December 31, 2016:

	<u>Affordable Housing</u>	<u>Group Home</u>	<u>Administration</u>	<u>Total</u>
Non-depreciable property:				
Land	\$ 5,472,946	18,086	-	5,491,032
Depreciable property and equipment:				
Building	11,148,527	149,323	-	11,297,850
Furniture and equipment	-	92,936	182,360	275,296
Vehicles	<u>21,927</u>	<u>31,500</u>	<u>5,361</u>	<u>58,788</u>
Total depreciable property and equipment	<u>11,170,454</u>	<u>273,759</u>	<u>187,721</u>	<u>11,631,934</u>
Property and equipment	16,643,400	291,845	187,721	17,122,966
Accumulated depreciation	<u>(3,648,552)</u>	<u>(168,517)</u>	<u>(148,857)</u>	<u>(3,965,926)</u>
Property and equipment, net	<u>\$ 12,994,848</u>	<u>123,328</u>	<u>38,864</u>	<u>13,157,040</u>

Property and equipment associated with all locations are as follows as of December 31, 2015:

	<u>Affordable Housing</u>	<u>Group Home</u>	<u>Administration</u>	<u>Total</u>
Non-depreciable property:				
Land	\$ 5,070,124	18,086	-	5,088,210
Depreciable property and equipment:				
Building	10,256,905	144,152	-	10,401,057
Furniture and equipment	-	92,936	177,176	270,112
Vehicles	<u>21,927</u>	<u>31,500</u>	<u>3,762</u>	<u>57,189</u>
Total depreciable property and equipment	<u>10,278,832</u>	<u>268,588</u>	<u>180,938</u>	<u>10,728,358</u>
Property and equipment	15,348,956	286,674	180,938	15,816,568
Accumulated depreciation	<u>(3,345,413)</u>	<u>(163,686)</u>	<u>(133,999)</u>	<u>(3,643,098)</u>
Property and equipment, net	<u>\$ 12,003,543</u>	<u>122,988</u>	<u>46,939</u>	<u>12,173,470</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 7 - LOANS RECEIVABLE

Loans are provided for the purchase of first homes for eligible low-income homebuyers with household members who are persons with IDD. Loans receivable are recorded at the principal amounts outstanding. The deferred loans are secured by deeds of trust and bear no interest. The loans are due upon the earlier of the sale of the home, refinance in certain cases, or when the home secured by the mortgage ceases to be used as a primary residence by the mortgagee. At December 31, 2016 and 2015 there was one amortizing loan that was delinquent over 90 days totaling \$17,605 and \$16,234. All other loans are deferred in nature. No principal payments are due until sale, refinance, or the cessation of use of the home as a primary residence. The average outstanding loan balance was \$36,915 and \$35,143 at December 31, 2016 and 2015.

Loans receivable consisted of the following at December 31, 2016:

	<u>Number of Loans</u>	
Deferred loans	102	\$ 3,866,877
Amortizing loan	1	17,605
Total loans receivable	103	3,884,482
Less: allowance for loan losses		(92,805)
Loans receivable, net		\$ 3,791,677

Loans receivable consisted of the following at December 31, 2015:

	<u>Number of Loans</u>	
Deferred loans	98	\$ 3,661,231
Amortizing loan	1	17,605
Total loans receivable	99	3,678,836
Less: allowance for loan losses		(88,967)
Loans receivable, net		\$ 3,589,869

Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for potential uncollected amounts through a provision for loan loss expense and an adjustment to a loan loss reserve account based on historical experience. No impairment losses were recognized in the years ended December 31, 2016 and 2015.

Cash available to be loaned is held in a separate bank account and is reported as cash restricted for revolving loan fund on the statement of financial position. Interest income on loans receivable is recorded based on the historic average market rate for a 30-year fixed term loan based on the month the loan originated. The difference between market rate and the actual interest rate of 0% is recorded as interest income. A corresponding amount of contribution expense is recorded to reflect the contribution of interest to homebuyers who would otherwise be unable to afford the loan. The Organization recognized interest income and related contribution expense of \$177,582 and \$177,445 on these loans in the years ended December 31, 2016 and 2015, which is included in investment income, net on the statement of activities and interest income reported in Note 3.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 8 – RESTRICTED RESERVES

In accordance with City of Seattle loan agreements, the Organization is required to make annual replacement and operating reserve deposits for fifteen affordable housing properties. Replacement contributions range from \$1,000 to \$2,250 per property annually, and operating reserve contributions range from \$625 to \$750 per property annually. Use of the replacement and operating reserves requires approval from the City of Seattle and reserves funds must be maintained in a separate bank account. The restricted reserve balances were \$384,981 and \$389,571 at December 31, 2016 and 2015.

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE

Parkview Services had the following forgivable loans associated with and collateralized by the affordable housing units recorded as of December 31:

<u>Project Home</u>	<u>2016</u>	<u>2015</u>
1 1 Note payable to City of Seattle and WDC contract 96-493-307 of \$99,428 and \$127,568, respectively, payable with all principal and interest at 1% due in 2038.	\$ 226,996	226,996
1 2 Amended Contract WDC 96-493-307 note payable of \$25,000, 0% interest, payable in 2038.	25,000	25,000
1 2 Note payable, DHHS of \$100,740 payable with all principal and interest of 1% due and payable in 2043	100,740	100,740
1 3 Grant from the City of Seattle of \$90,323, simple interest accrues at 1% due and payable in 2038.	90,323	90,323
1 4 King County Housing Opportunity Fund (HOF) provides a total of \$150,000 for two properties (Parkview 1-4 and 1-5) for a period of 35 years from 3/1/1998 to 3/1/2033. 0% interest.	75,000	75,000
1 5 King County Housing Opportunity Fund (HOF) provides a total of \$150,000 for two properties (Parkview 1-4 and 1-5) for a period of 35 years from 3/1/1998 to 3/1/2033. 0% interest.	75,000	75,000
1 5 King County note payable C98559 of \$30,000, interest at 0% and expires in 2018.	30,000	30,000
1 G WDC Contract 96-493-307 note payable of \$458,991, 0% interest payable in 2038	458,991	458,991
1 G KC Community Development Block Grant in the amount of \$77,046 with 0% interest is due on 1/1/2018.	77,046	77,046
1 G KC Housing Opportunity Fund contract #D39491F executed in 2009.	12,500	12,500
	<u>\$ 1,171,596</u>	<u>1,171,596</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE, continued

Project	Home		<u>2016</u>	<u>2015</u>
2	1	King County note payable D26119D/E/F of \$112,166, interest at 0% and expires in 2033.	\$ 112,166	112,166
2	2	King County note payable D26119D/E/F of \$112,166, interest at 0% due and expires in 2033.	112,166	112,166
2	3	King County note payable D26119D/E/F of \$112,166, interest at 0% due and expires in 2033.	112,166	112,166
2	4	King County note payable D26119D/E/F of \$112,166, interest at 0% and expires in 2033.	112,166	112,166
2	5	King County note payable D26119D/E/F of \$112,166, interest at 0% and expires in 2033.	112,166	112,166
2	G	Department of Community, Trade and Economic Development House Finance Unit contract 98-49300-317 amended 1/17/2002 in the amount of \$375,000 and due 1/1/2050 with 0% interest, for all five (5) locations of "Parkview 2".	<u>375,000</u>	<u>375,000</u>
			\$ 935,830	935,830

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE, continued

<u>Project Home</u>	<u>2016</u>	<u>2015</u>
3 1 King County note payable D26703E of \$49,659 effective 11/28/2001, payable with all principal and interest at 0% due and payable in 2035	\$ 49,659	49,659
3 2 King County note payable D26703E of \$5,553 effective 11/28/2001, payable with all principal and interest at 0% due and payable in 2035.	5,553	5,553
3 3 King County note payable D26703E of \$61,733 which was reduced to \$45,899 effective 1/12/2001, payable with all principal and interest at 0% due and payable in 2035.	45,899	45,899
3 4 King County note payable D26703E of \$10,513 effective 1/12/2001, interest at 0% due and expires in 2035.	10,513	10,513
3 5 King County note payable D26703E of \$40,166 effective 1/12/2001, interest at 0% due and expires in 2035.	40,166	40,166
3 6 King County note payable D26703D/E/F/G of \$75,955 effective 11/28/2001, interest at 0% due and expires in 2035.	75,955	75,955
3 7 King County note payable D26703D/E/F/G of \$24,193 effective 11/28/2001, interest at 0% due and expires in 2035.	24,193	24,193
3 8 King County note payable D26703D/E/F/G of \$59,328 effective 11/28/2001, interest at 0% due and expires in 2035.	59,328	59,328
3 9 King County note payable D26703D/E/F/G of \$17,488 effective 11/28/2001, interest at 0% due and expires in 2035.	17,488	17,488
3 G City of Bellevue funding agreement totaling \$75,000 with \$35,000 available from Housing Trust Fund and \$40,000 available from Operating Grants and Donation Fund due on 12/12/2050 with 0% interest.	75,000	75,000
3 G WDC Note 00-49300-326 totaling \$485,901 due on 6/30/2050 with 0% interest.	485,901	485,901
3 G King County Housing and Community Development Community Services Division Housing Opportunity Fund agreement number D26703E for the amended amount of \$235,264. The agreement encompasses all nine (9) "Parkview 3" locations and does not stipulate the duration or interest terms in the amended contract.	235,264	235,264
	<u>\$ 1,124,919</u>	<u>1,124,919</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE, continued

<u>Project Home</u>	<u>2016</u>	<u>2015</u>
4 1	King County note payable D30462D of \$62,142 effective 7/26/2001, interest at 0% due and expires in 2031. WDC note payable 01-49300-344 for \$105,670, interest free for 41 years, restrictions expire in 2042.	\$ 167,812 167,812
4 2	King County note payable D30462D of \$51,144 effective 7/26/2001, interest at 0% due and expires in 2031.	51,144 51,144
4 2	King County note payable \$75,000 effective 7/26/2001, interest at 0% due and expires in 2031. WDC note payable 01-49300-343 for \$106,521, interest free for 45 years, restrictions expire in 2045.	181,521 181,521
4 2	King County note payable of \$51,144 effective 7/26/2001, interest at 0% due and expires in 2031.	51,144 51,144
4 2	King County note payable of \$75,000 effective 7/26/2001, interest at 0% due and expires in 2031.	75,000 75,000
4 3	King County note payable D30462D of \$68,956 and \$75,000 effective 7/26/2001, and interest at 0% due and expires in 2035 and 2031, respectively.	143,956 143,956
4 3	Washington State Department of Commerce note payable of \$77,867 contract #01-49300-343, interest at 0% and expiring 2045	77,867 77,867
4 3	King County note payable D22470D of \$175,000 and interest at 0% due and expires in 2031.	175,000 175,000
4 G	Reduction of King County note balance by grantor.	(68,105) (68,105)
	\$ 855,339	855,339

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE, continued

<u>Project</u>	<u>Home</u>		<u>2016</u>	<u>2015</u>
5	1	Department of Community, Trade and Economic Development (CTED) House Finance Unit contract 01-49300-333 totaling \$597,473 effective 10/01/2000 and terminating on 9/30/2050 with 0% interest.	\$ 597,473	597,473
5	1	City of Seattle note payable totaling \$129,052 effective 9/20/2000, interest at 0% due and expires in 2040.	129,052	129,052
5	2	City of Seattle note payable totaling \$126,754 effective 9/28/2001, interest at 0% due and expires in 2041.	126,754	126,754
5	3	The City of Seattle notes and deeds totaling \$132,746 effective 7/17/2001, with all principal and interest at 1% due and payable in 2041.	132,746	132,746
5	4	The City of Seattle notes and deeds totaling \$134,100 effective 11/20/2001 respectively, with all principal and interest at 1% due and payable in 2041.	134,100	134,100
5	5	City of Seattle notes and deeds totaling \$67,123 effective 9/23/2001, interest at 1% due but expires if conditions are met in 2041.	67,123	67,123
5	G	Federal Home Loan Bank of Seattle approved subsidy amount of \$98,000 effective 1/29/2001 with a term of 15 years at 0% interest.	-	98,000
			<u>\$ 1,187,248</u>	<u>1,285,248</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE, continued

<u>Project Home</u>	<u>2016</u>	<u>2015</u>
7 1, 10 King County note payable for \$450,374, 0% interest. WDC amended contract 04-49300-074 \$140,713 effective	\$ 450,374	450,374
7 2 12/30/2003, interest at 0%, expiring in 2043.	140,713	140,713
7 3 King County D33073D note payable for \$209,000, 0% interest and expiring 2053.	209,000	209,000
7 4 WDC contract 04-49300-074 and King County D33074D,E notes payable for \$280,953 and \$87,238, respectively, 0% interest and expiring 2043 and 2033.	368,191	368,191
7 5 WDC contract 04-49300-074 and King County D33074D,E notes payable for \$135,751 and \$89,090, respectively, 0% interest and expiring 2043 and 2053.	224,841	224,841
7 6 WDC contract 04-49300-074 note for \$180,667, 0% interest, expiring 2043.	180,667	180,667
7 7 WDC contract 04-49300-074 for \$162,324, 0% interest and expiring in 2043.	162,324	162,324
7 8 WDC contract 04-49300-074 and King County D33074D,E notes payable for \$274,026 and \$87,238, respectively, 0% interest and expiring 2043 and 2033.	361,264	361,264
7 11 WDC contract 04-49300-074 and King County D33074D,E notes payable for \$143,459 and \$112,659, respectively, 0% interest and expiring 2043 and 2026.	255,918	255,918
7 G WDC contract 04-49300-074 note payable for \$587,594, 0% interest and expiring in 2043.	587,594	587,594
	<u>\$ 2,940,886</u>	<u>2,940,886</u>
 <u>Project Home</u>		
8 1 WDC contract 05-49300-116 and King County D35274D notes payable for \$327,631 and \$20,000, respectively, 0% interest and expiring in 2045 and 2026, respectively.	\$ 347,632	347,632
	<u>\$ 347,632</u>	<u>347,632</u>
 <u>Project Home</u>		
9 1 WDC Contract 09-94100-036 note payable for \$488,660, 0% interest expiring 2051.	\$ 488,660	488,660
9 2 Snohomish County Contract HCD-09-25-0803-280 note payable for \$502,092, 0% interest expiring 2051.	502,092	502,092
	<u>\$ 990,752</u>	<u>990,752</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE, continued

<u>Project Home</u>	<u>2016</u>	<u>2015</u>
11 1 Department of Commerce Contract 13-94110-018 note payable for \$320,000, 0% interest expiring 2054.	\$ 320,000	320,000
11 1 Snohomish County Contract HCS-14-23-1405-280 note payable for \$83,250, 0% interest expiring 2035.	83,250	80,500
11 2 City of Bellevue funding agreement totaling \$73,416 due on 6/2/2053 with 0% interest.	73,416	-
11 2 Department of Commerce Contract 15-94110-012 note payable for \$180,000, 0% interest expiring 2055	180,000	-
	<u>\$ 656,666</u>	<u>400,500</u>
 <u>Project Home</u>		
12 1 Department of Commerce Contract 15-94110-017 note payable for \$215,500, 0% interest expiring 2057	\$ 64,185	-
12 2 Department of Commerce Contract 15-94110-017 note payable for \$185,500, 0% interest expiring 2057.	94,685	-
	<u>158,870</u>	<u>-</u>
Total	<u>\$ 13,283,016</u>	<u>12,965,980</u>

Abbreviation Key

WDC	Washington Department of Commerce, formerly Washington Department of Community Trade and Economic Development
DHHS	Federal Department of Health and Human Services
KC	King County Department of Community and Health Services
G	General funding for the entire Parkview Services project

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 9 – FORGIVABLE LOANS AND NOTES PAYABLE, continued

Parkview Services had the following notes payable associated with the affordable housing units recorded as of December 31:

<u>Project Home</u>	<u>2016</u>	<u>2015</u>
7 2 City of Seattle for \$129,448, respectively, 1% interest and expiring in 2043.	\$ 129,448	129,448
7 6 City of Seattle for \$128,877, respectively, 1% interest and expiring in 2043.	128,877	128,877
7 7 City of Seattle for \$130,013, respectively, 1% interest and expiring in 2043.	130,013	130,013
7 9 City of Seattle for \$125,708, respectively, 1% interest and expiring in 2043.	125,708	125,708
10 1 King County Contract D40146D note payable for \$306,528, 0% interest unless breach then 12%, due 2060.	306,528	306,528
11 1 CHIP City of Everett Loan #54238 for \$40,000, 3% simple interest, due May 2055.	40,000	40,000
11 2 King County 5806177 note payable for \$291,789, 0% interest and expiring 2066	291,789	-
12 1 King County 5834096 note payable for \$200,500, 0% interest and expiring 2066.	200,500	-
12 2 King County 5834096 note payable for \$200,500, 0% interest and expiring 2066.	200,500	-
12 1 City of Federal Way Agmt. AG 16-099 note payable \$50,000, 1% interest and expiring 6/30/2036.	50,000	-
	<u>\$ 1,603,363</u>	<u>860,574</u>

Scheduled maturities for forgivable loans and notes payable are as follows for the years ending December 31:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>	<u>Total</u>
Forgivable loans	\$ -	296,019	-	-	-	12,986,997	13,283,016
Notes payable	-	-	-	-	-	1,603,363	1,603,363
	<u>\$ -</u>	<u>296,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,590,360</u>	<u>14,886,379</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 10 – GROUP HOME BOARD-DESIGNATED RESERVE

The Board has designated funds to be used as a reserve fund for the Group Home. The reserve total is shown under net assets as unrestricted Board-Designated Group Home Reserve. The reserve funds are invested in Level I investments. The following is the reserves total and the activity in this account for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Beginning balance at January 1	\$ 574,970	610,670
Investment income	10,465	10,019
Additions	-	1,425
Net appreciation/depreciation	37,117	(12,136)
Expenditures	<u>(7,481)</u>	<u>(35,008)</u>
Ending balance at December 31	<u>\$ 615,071</u>	<u>574,970</u>

NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2016</u>	<u>2015</u>
Purpose restricted gifts:		
Legislative reception	\$ 2,164	1,984
Camp scholarships	<u>6,995</u>	<u>5,495</u>
	<u>\$ 9,159</u>	<u>7,479</u>

NOTE 12 – LEASES

Parkview Services leases its main office and branch locations pursuant to terms of various operating lease agreements. Rent expense under these leases was \$71,364 and \$67,017 for the years ended December 31, 2016 and 2015. Scheduled lease payments for office space for the years ending December 31, are as follows:

2017	\$	99,696
2018		73,989
2019		56,700
2020		-
2021		-
Thereafter		<u>-</u>
		<u>\$ 230,385</u>

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 12 – LEASES, continued

Additionally, the Organization rents a camp facility for one week of the year. Rent expense associated with the use of this facility was \$28,527 and \$28,957 for the years ended December 31, 2016 and 2015.

In 2014 and 2015, the Organization entered into leases of office equipment. Rent expense under these leases was \$19,100 and \$12,508 for the years ended December 31, 2016 and 2015. Scheduled payments for office equipment for the years ending December 31, are as follows:

2017	\$	19,100
2018		19,100
2019		18,114
2020		6,592
2021		-
Thereafter		-
	\$	<u>62,906</u>

NOTE 13 – PROFIT SHARING PLAN

The Organization established a defined contribution profit sharing plan in 1996. The annual contribution to the plan in 2016 and 2015 was \$52,328 and \$49,259, respectively. The contribution each year is determined at the discretion of the Board of Directors within Internal Revenue Service guidelines.

NOTE 14 – CONCENTRATIONS

Economic

The Organization operates properties located in the Puget Sound region of Washington. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in city, county, state, and federal low-income housing subsidies or the demand for such housing.

Revenues

The Organization is dependent on the government for its funding. The operation of the Organization is subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to the Department of Housing and Urban Development, the Washington State Housing Finance Commission, King and Snohomish counties and cities within their jurisdiction. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by any of these agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended December 31, 2016 and 2015, \$1,147,527 or 92% and \$1,405,008 or 88% of grant revenues were received from the Washington State Housing Finance Commission.

The accompanying notes are an integral part of these financial statements.

PARKVIEW SERVICES
NOTES TO FINANCIAL STATEMENTS, continued
Years Ended December 31, 2016 and 2015

NOTE 14 – CONCENTRATIONS, continued

Grants receivable

At December 31, 2016 and 2015, \$104,346 or 100% and \$102,678 or 75% of total grants receivable was due from the Washington State Housing Finance Commission.

NOTE 15 – CONTINGENCIES AND COMMITMENTS

The Organization's affordable housing loans are contingent on its ability to maintain compliance with applicable sections of loan documents. Failure to maintain compliance with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in noncompliance and require repayment of the associated loans.

Amounts received from grantor agencies are subject to audit and adjustments by the grantor agency. Any disallowed costs, including amounts already collected, may constitute a liability for the Organization. The amounts, if any, of expenditures, which may be disallowed by the grantor, are recorded at the time that such amounts can be reasonably determined, normally upon notification by the government agency. During the years ended December 31, 2016 and 2015, no such adjustments were made.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

The Organization identified the following adjustment to be made in the prior year financial statements:

Accrued interest expense: The City of Seattle has granted Parkview Services a series of 40 year loans that carry a 1% interest rate for the first 20 years of the loan. The interest is forgiven ratably over the remaining 20 years of the loan so long as Parkview Services maintains compliance with certain conditions regarding the restricted use of the homes purchased with the loans. Previously, the interest associated with these loans was not recorded as an accrued liability. This error was corrected and restated in the financial statements as follows:

	<u>As Reported</u>	Prior Period <u>Adjustment</u>	<u>As Restated</u>
Unrestricted net assets as of December 31, 2014	\$ 567,062	\$ (230,194)	\$ 336,868
Interest expense for the year ended December 31, 2015	\$ 65,964	\$ (47,971)	\$ 17,993
Program expense for the year ended December 31, 2015	\$ 3,198,566	\$ (47,971)	\$ 3,150,595
Increase (decrease) in unrestricted net assets	\$ (184,138)	\$ 47,971	\$ (136,167)
Unrestricted net assets as of December 31, 2015	\$ 382,924	\$ (182,223)	\$ 200,701
Accrued interest as of December 31, 2015	\$ 65,952	\$ 182,223	\$ 248,175

The accompanying notes are an integral part of these financial statements.

**Reports and Schedules in Accordance
with the Uniform Guidance and
*Government Auditing Standards***

PARKVIEW SERVICES
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Federal Grantor Program Title	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Expenditures		
				Pass- Through Awards	Loan Balance Outstanding	Total
Department of Housing and Urban Development						
Housing Counseling Assistance Program	14.169	Washington State Housing & Finance Commission	16 SuperNOFA	\$ 40,355	-	40,355
Community Development Block Grants/Entitlement Grants	14.218*	Snohomish County	HCD-09-25-0803-280	-	502,092	502,092
Community Development Block Grants/Entitlement Grants	14.218*	Snohomish County	HCS-14-23-1405-280	-	83,250	83,250
Community Development Block Grants/Entitlement Grants	14.218*	King County Housing & Community Development Program	Parkview King County Loans	-	831,006	831,006
Community Development Block Grants/Entitlement Grants	14.218*	King County Housing & Community Development Program	Contract# 5806177	-	127,384	127,384
Community Development Block Grants/Entitlement Grants	14.218*	City of Seattle		-	10	10
Community Development Block Grants/Entitlement Grants	14.218*	City of Bellevue		-	73,416	73,416
Community Development Block Grants/Entitlement Grants	14.218*	City of Bellevue		-	150,000	150,000
Community Development Block Grants/Entitlement Grants	14.218*	City of Federal Way		-	50,000	50,000
Community Development Block Grants/Entitlement Grants	14.218*	Snohomish County	HCS-12-23-1202-280	280,000	-	280,000
Community Development Block Grants/Entitlement Grants	14.218*	Everett Housing Authority	EHA 60410	23,403	-	23,403
Subtotal CFDA# 14.218/Entitlement Grants Cluster				303,403	1,817,158	2,120,561
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	King County Housing & Community Development Program	D40146E	-	306,528	306,528
Rental Housing Rehabilitation	14.230	City of Seattle	Rental Rehab Program Community Housing Improvement Program	-	57,217	57,217
Rental Housing Rehabilitation	14.230	City of Everett		-	40,000	40,000
Subtotal CFDA# 14.230				-	97,217	97,217
Home Investment Partnerships Program	14.239*	Snohomish County	HCD-09-42-0905-280	160,500	-	160,500
Home Investment Partnerships Program	14.239*	Snohomish County	HCD-11-42-1105-280	141,686	-	141,686
Home Investment Partnerships Program	14.239*	Snohomish County	HCD-10-42-1007-280	70,000	-	70,000
Home Investment Partnerships Program	14.239*	City of Seattle	Home Rental Production & LTD PI	-	707,165	707,165
Home Investment Partnerships Program	14.239*	City of Everett	HCD-09-42-1789-198	86,380	-	86,380
Home Investment Partnerships Program	14.239*	City of Everett	HCD-10-42-1001-198	105,000	-	105,000
Home Investment Partnerships Program	14.239*	City of Everett	HCD-15-42-1303-198	70,000	-	70,000
Home Investment Partnerships Program	14.239*	Parkview Revolving Loan Fund		128,800	-	128,800
Home Investment Partnerships Program	14.239*	Parkview Revolving Loan Fund		27,846	-	27,846
Home Investment Partnerships Program	14.239*	King County Housing & Community Development Program	Parkview King County Loans	-	766,224	766,224
Subtotal CFDA #14.239				790,212	1,473,389	2,263,601
Section 8 Housing Choice Vouchers	14.871	King County Housing Authority	2001-830-0001, 7, 9 & 10	47,173	-	47,173
Section 8 Housing Choice Vouchers	14.871	Seattle Housing Authority	VPB 06	54,171	-	54,171
Subtotal CFDA #14.871/Housing Voucher Cluster				101,344	-	101,344
Total Department of Housing and Urban Development				1,235,314	3,694,292	4,929,606
Neighborworks America						
Neighborworks Foreclosure Mitigation	21.000	Washington State Housing & Finance Commission	NFMC Sub-Grant Agreement	15,000	-	15,000
Total Expenditures of Federal Awards				\$ 1,250,314	3,694,292	4,944,606

* Denotes Major Program

PARKVIEW SERVICES
Schedule of Expenditures of Federal Awards, continued
Year Ended December 31, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Parkview Services under programs of the federal government for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of Parkview Services, it is not intended to and does not present the financial position, changes in net assets or cash flows of Parkview Services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Super Circular, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – LOANS OUTSTANDING

Parkview Services had the following forgivable loans outstanding at December 31, 2016:

Federal CFDA Number	Pass-through entity	Outstanding Loan Balance
14.218	Snohomish County	\$ 502,092
14.218	Snohomish County	83,250
14.218	King County Housing & Community Development Program	831,006
14.218	City of Seattle	10
14.218	City of Bellevue	150,000
14.218	City of Bellevue	73,416
14.230	City of Seattle	57,217
14.239	City of Seattle	707,165
14.239	King County Housing & Community Development Program	766,224
		<u>\$ 3,170,380</u>

PARKVIEW SERVICES
 Schedule of Expenditures of Federal Awards, continued
 Year Ended December 31, 2016

NOTE 3 – LOANS OUTSTANDING, continued

Parkview Services had the following non-forgivable loans outstanding at December 31, 2016:

Federal CFDA Number	Pass-through entity	Outstanding Loan Balance
14.218	King County Housing & Community Development Program	\$ 127,384
14.218	City of Federal Way	50,000
14.228	King County Housing & Community Development Program	306,528
14.230	City of Everett	40,000
		<u>\$ 523,912</u>

NOTE 4 – INDIRECT COSTS

Parkview Services has not elected to use the 10% de minimis indirect cost rate.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Parkview Services

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Parkview Services (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 7, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Parkview Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Parkview Services' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Parkview Services' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Parkview Services' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Finney, Hill & Company, P.S.

September 7, 2017
Seattle, Washington

**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control
Over Compliance Required By the Uniform Guidance**

To the Board of Directors
Parkview Services
Seattle, Washington

Report on Compliance for Each Major Federal Program

We have audited Parkview Services' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Parkview Services' major federal programs for the year ended December 31, 2016. Parkview Services' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Parkview Services' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Parkview Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Parkview Services' compliance.

Opinion on Each Major Federal Program

In our opinion, Parkview Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance, continued

Report on Internal Control Over Compliance

Management of Parkview Services is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Parkview Services' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Parkview Services' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Finney, Hill & Company, P.S.

September 7, 2017
Seattle, Washington

PARKVIEW SERVICES
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2016

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X no

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.218	Community Block Development Grants/Entitlement Grants Cluster
14.239	Home Investment Partnerships Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualifies as low-risk auditee? _____ yes X no

PARKVIEW SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2016

Section II – Financial Statement Findings

NONE

PARKVIEW SERVICES
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2016

2015-001 Financial Reporting - Schedule of Expenditure of Federal Awards

Finding:

The SEFA provided for audit did not include all federal expenditures

Current Status:

During the 2015 audit, management at its own initiative confirmed all CFDA numbers with funders and identified three loans with funds totaling approximately \$914,000 that were not listed on the SEFA, and some of the listed loans had incorrect CFDA numbers. Management immediately submitted the corrected SEFA to the auditor. Management implemented an improved process for ensuring that future SEFAs are correct.

2015-002 Accounting System, Processes and Reporting

Finding:

Internal control processes over financial reporting did not ensure that all transactions were properly recorded.

Current Status:

With the hiring of an external CPA firm in October 2015 and their subsequent efforts, the Organization has made significant progress in resolving these matters.

PARKVIEW SERVICES
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year ended December 31, 2016

State Program Sponsor <i>Pass-Through Grantor</i> Program Title	State Identifying Number	Grant Period	State Expenditures
Washington State Department of Commerce			
Down Payment Assistance Loans, Developer Fee, Soft Costs	15-94110-035	07/01/2008 - 12/31/2041	\$ 186,750
Parkview Services Revolving Loan Fund			43,910
Parkview Homes XII	15-94110-017	01/01/2017 - 12/31/2047	158,370
Parkview Homes XI	14-94110-012	9/1/2015 - 8/31/2055	180,000
O&M Subsidy	17-42200-014, 086, & 195	07/01/2015 - 06/30/2017	28,942
<i>Washington State Housing Finance Commission:</i>			
Foreclosure Fairness Act 2015 - 2016		7/1/2015 - 6/30/2016	130,090
Foreclosure Fairness Act 2016 - 2017		7/1/2016 - 6/30/2017	442,002
			<u>572,092</u>
			1,170,064
State Attorney General (AGO)			
<i>Washington State Housing Finance Commission:</i>			
State AGO Consumer Foreclosure Remedies Fund Program		11/01/2012 - 06/30/2016	520,080
			<u>520,080</u>
DSHS Developmental Disabilities Administration	1312-80008; 1512-42959	07/01/2013 - 06/30/2017	378,087
Department of Financial Institutions	102-17-007	10/01/2015 - 06/30/2016	40,000
Total Expenditures of State Awards			<u><u>\$ 2,108,231</u></u>

PARKVIEW SERVICES
SCHEDULE OF EXPENDITURES OF STATE AWARDS, continued
Year ended December 31, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards (the Schedule) includes the activity of Parkview Services under programs of the State of Washington for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of the Government Accountability Office 2011 Revised Yellow Book. Because the schedule presents only a selected portion of the operations of Parkview Services, it is not intended to and does not present the financial position, changes in net assets or cash flows of Parkview Services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Expenditures reported on the Schedule reflect total billings to state programs during the year ended December 31, 2016.