

SENIOR LIFE RESOURCES NORTHWEST
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

**SENIOR LIFE RESOURCES NORTHWEST
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YEARS ENDED DECEMBER 31, 2015 AND 2014**

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CliftonLarsonAllen

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Senior Life Resources Northwest
Kennewick, Washington

We have audited the accompanying financial statements of Senior Life Resources Northwest, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, 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. 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 auditors' 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.

Board of Directors
Senior Life Resources Northwest

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Senior Life Resources Northwest as of 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Yakima, Washington
June 22, 2016

**SENIOR LIFE RESOURCES NORTHWEST
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,385,946	\$ 3,257,399
Accounts Receivable, Net, Primarily from Contracting Agencies	1,369,593	1,213,503
Prepaid Expenses	123,029	52,193
Total Current Assets	4,878,568	4,523,095
LAND, BUILDINGS, AND EQUIPMENT		
Land	150,398	150,398
Equipment	242,671	170,455
Total	393,069	320,853
Less: Accumulated Depreciation	174,719	163,297
Total	218,350	157,556
Construction in Progress	218,673	218,016
Total Land, Buildings, and Equipment	437,023	375,572
OTHER ASSETS		
Investments	10,371	-
Cash Surrender Value of Life Insurance after policy loans of \$100,618 in 2015 and \$-0- in 2014	63,789	158,114
Beneficial Interest in the Three Rivers Community Foundation	10,000	10,000
Total Other Assets	84,160	168,114
Total Assets	\$ 5,399,751	\$ 5,066,781
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 165,058	\$ 103,467
Accrued Wages and Related Taxes Payable	592,272	581,355
Accrued Vacation	238,766	200,185
Deferred Compensation Plan Payable	-	85,750
Other Accrued Liabilities	411,068	348,158
Total Current Liabilities	1,407,164	1,318,915
NET ASSETS		
Unrestricted	3,215,158	2,942,371
Unrestricted, Board Designated	732,575	788,970
Total Unrestricted Net Assets	3,947,733	3,731,341
Temporarily Restricted Net Assets	44,854	16,525
Total Net Assets	3,992,587	3,747,866
Total Liabilities and Net Assets	\$ 5,399,751	\$ 5,066,781

See accompanying Notes to Financial Statements.

**SENIOR LIFE RESOURCES NORTHWEST
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015**

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Fees and Grants from Government Agencies	\$ 13,280,604	\$ -	\$ 13,280,604
Program Income - Client Service Fees	1,095,298	-	1,095,298
Allocations from Nongovernmental Agencies	125,341	-	125,341
Program Income - Meals	223,692	-	223,692
Other Income	365,606	28,329	393,935
Contributions	47,046	-	47,046
In-Kind Contributions	22,140	-	22,140
Interest Income	12,046	-	12,046
Total Revenues, Gains, and Other Support	15,171,773	28,329	15,200,102
EXPENSES			
Program Services	13,885,799	-	13,885,799
Supporting Services	1,029,581	-	1,029,581
Fundraising Expenses	40,001	-	40,001
Total Expenses	14,955,381	-	14,955,381
CHANGES IN NET ASSETS	216,392	28,329	244,721
Net Assets - Beginning of Year	3,731,341	16,525	3,747,866
NET ASSETS - END OF YEAR	\$ 3,947,733	\$ 44,854	\$ 3,992,587

See accompanying Notes to Financial Statements.

**SENIOR LIFE RESOURCES NORTHWEST
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Fees and Grants from Government Agencies	\$ 11,943,282	\$ -	\$ 11,943,282
Program Income - Client Service Fees	870,860	-	870,860
Allocations from Nongovernmental Agencies	126,508	-	126,508
Program Income - Meals	212,102	-	212,102
Other Income	347,790	-	347,790
Contributions	52,290	-	52,290
In-Kind Contributions	21,908	-	21,908
Interest Income	9,567	-	9,567
Total Revenues, Gains, and Other Support	<u>13,584,307</u>	<u>-</u>	<u>13,584,307</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>3,575</u>	<u>(3,575)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	13,587,882	(3,575)	13,584,307
EXPENSES			
Program Services	12,359,468	-	12,359,468
Supporting Services	1,066,875	-	1,066,875
Fundraising Expenses	92,423	-	92,423
Total Expenses	<u>13,518,766</u>	<u>-</u>	<u>13,518,766</u>
CHANGES IN NET ASSETS	69,116	(3,575)	65,541
Net Assets - Beginning of Year	<u>3,662,225</u>	<u>20,100</u>	<u>3,682,325</u>
NET ASSETS - END OF YEAR	<u>\$ 3,731,341</u>	<u>\$ 16,525</u>	<u>\$ 3,747,866</u>

See accompanying Notes to Financial Statements.

**SENIOR LIFE RESOURCES NORTHWEST
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015**

	Program Services	Supporting Services	Fund- raising Expenses	Total
Salaries and Wages	\$ 9,282,247	\$ 513,977	\$ 12,892	\$ 9,809,116
Employee Benefits and Payroll Taxes	2,990,773	77,708	5,202	3,073,683
Total	12,273,020	591,685	18,094	12,882,799
Advertising	16,588	7,099	17	23,704
Bad Debt Expense	31,299	-	-	31,299
Communications	51,747	50,591	-	102,338
Depreciation	11,422	-	-	11,422
Insurance	886	64,894	-	65,780
Interest Expense	618	-	-	618
Miscellaneous	30,586	28,348	-	58,934
Operating Rentals	106,487	65,719	-	172,206
Professional Services	1,937	106,236	18,531	126,704
Provider Training	207,976	-	-	207,976
Repairs, Maintenance, and Small Equipment	8,617	88,011	3,311	99,939
Supplies	691,115	18,555	-	709,670
Travel and Mileage	447,183	5,174	48	452,405
Utilities	6,318	3,269	-	9,587
Total Expenses	<u>\$ 13,885,799</u>	<u>\$ 1,029,581</u>	<u>\$ 40,001</u>	<u>\$ 14,955,381</u>

See accompanying Notes to Financial Statements.

**SENIOR LIFE RESOURCES NORTHWEST
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014**

	Program Services	Supporting Services	Fund- raising Expenses	Total
Salaries and Wages	\$ 8,398,644	\$ 536,701	\$ 33,722	\$ 8,969,067
Employee Benefits and Payroll Taxes	2,563,258	89,905	10,013	2,663,176
Total	<u>10,961,902</u>	<u>626,606</u>	<u>43,735</u>	<u>11,632,243</u>
Advertising	26,387	5,144	-	31,531
Communications	46,845	51,399	-	98,244
Depreciation	-	7,649	-	7,649
Insurance	-	59,692	-	59,692
Miscellaneous	165,572	40,100	14,042	219,714
Operating Rentals	101,814	67,028	-	168,842
Professional Services	-	96,111	34,646	130,757
Repairs, Maintenance, and Small Equipment	2,028	70,303	-	72,331
Supplies	645,989	34,221	-	680,210
Travel and Mileage	403,538	5,442	-	408,980
Utilities	5,393	3,180	-	8,573
Total Expenses	<u>\$ 12,359,468</u>	<u>\$ 1,066,875</u>	<u>\$ 92,423</u>	<u>\$ 13,518,766</u>

See accompanying Notes to Financial Statements.

**SENIOR LIFE RESOURCES NORTHWEST
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 244,721	\$ 65,541
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	11,422	7,649
Unrealized Loss on Investments	24	-
Loss on Disposal of Assets	-	12,523
Donated Investments	(10,395)	-
(Increase) Decrease in Assets:		
Accounts Receivable	(156,090)	(157,561)
Prepaid Expenses	(70,836)	30,919
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, and Other Liabilities	173,999	233,779
Deferred Compensation Plan Payable	(85,750)	-
Net Cash Provided by Operating Activities	107,095	192,850
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Building and Equipment	(72,873)	(27,502)
Additions to Cash Surrender Value of Life Insurance	(6,293)	(6,044)
Net Cash Used by Investing Activities	(79,166)	(33,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Life Insurance Policy Loan	100,618	-
Net Cash Provided by Financing Activities	100,618	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	128,547	159,304
Cash and Cash Equivalents - Beginning of Year	3,257,399	3,098,095
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,385,946	\$ 3,257,399

See accompanying Notes to Financial Statements.

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Senior Life Resources Northwest (SLRNW) administers programs funded through the Southeast Washington Aging and Long-Term Care Council of Governments (SE ALTC COG) in southeast Washington State.

Program services, as indicated below, were provided to senior and disabled individuals for the years ended:

	<u>2015</u>	<u>2014</u>
Home Care Services	Senior Life provided over 582,708 hours of in-home supportive care services to approximately 894 senior citizens and disabled individuals.	Senior Life provided over 545,746 hours of in-home supportive care services to approximately 835 senior citizens and disabled individuals.
Nutrition Services	Provided over 157,074 meals to 1,748 senior and disabled individuals at meal sites and in their homes.	Provided over 152,131 meals to 1,591 senior and disabled individuals at meal sites and in their homes.
Farmers' Market Senior Program	Provided fresh, local produce to 758 low-income senior citizens.	Provided fresh, local produce to 755 low-income senior citizens.

Basis of Accounting

SLRNW's accounting records are maintained on the accrual method of accounting.

Financial Statement Presentation

The financial statements of SLRNW have been prepared in accordance with accounting guidance related to financial statements for nonprofit organizations.

Revenue Recognition

All contributions are considered available for SLRNW's general programs unless specifically restricted by the contributor. Amounts received that are designated for future periods or restricted by a donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Revenue from federal and state contracts is recognized when the contract related services are provided.

Net Assets

Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Accordingly, net assets of SLRNW and changes therein are classified and reported as follows:

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Unrestricted – Those resources over which the board of directors (the Board) has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of SLRNW or passage of time. Temporarily restricted contributions expended in the year of receipt are recognized as unrestricted contributions. SLRNW had temporarily restricted net assets of \$44,854 and \$16,525 as of December 31, 2015 and 2014, respectively. Temporarily restricted net assets totaling \$44,854 and \$16,525 are for the purpose of the Fowler Street Building as of December 31, 2015 and 2014.

Permanently Restricted – Those resources subject to a donor-imposed restriction that they be maintained permanently by SLRNW. SLRNW does not currently have any permanently restricted net assets.

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 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.

Significant estimates that are susceptible to change in the near-term relate to the determination of the provision for depreciation, the allocation of expenses by function, and the allowance for doubtful accounts.

Cash and Cash Equivalents

Management considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

SLRNW extends unsecured credit to its clients in the ordinary course of business but mitigates the associated credit risk by actively pursuing past due accounts. Private pay clients are required to prepay for their services or provide a deposit to SLRNW which is held in the event of non-payment. Management estimates an allowance for doubtful accounts based on historical collections and information currently available to them. Accounts receivable balances 90 days or more delinquent were \$17,912 and \$27,102 as of December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, an allowance of \$20,000 was established for uncollectible receivables.

Fundraising Expenses

Fundraising expenses for the years ended December 31, 2015 and 2014 were \$40,001 and \$92,423, respectively.

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to the operations of SLRNW. The value of this contributed time is not reflected in these statements since it does not meet the criteria required by Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 958*. For the years ended December 31, 2015 and 2014, management has estimated the value of these services to be \$558,455 and \$530,954, respectively.

Unionization

The provider workforce of SLRNW is represented by the Office and Professional Employees International Union, and the contract will expire on August 31, 2018. The percentage of labor force covered by the collective bargaining agreement is approximately 93% of the total labor force employed by SLRNW.

Property and Equipment

Property and equipment acquisitions are recorded at cost. SLRNW capitalizes all expenditures for property and equipment with a per item cost in excess of \$5,000 and a useful life of three years or more. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Capital assets are evaluated periodically for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. The amount of any impairment is calculated as the excess of the carrying amount over the fair value. There were no impairment losses for 2015 and 2014.

Board Designated Net Assets

SLRNW's Board has established a reserve policy which defines authorized accounts and prioritizes funding of these accounts for all cash on hand. Reserves are designated as follows:

	2015	2014
Meals on Wheels Program Funding Reserve	\$ 368,575	\$ 424,970
Reserve for Business Termination Costs	364,000	364,000
Total	<u>\$ 732,575</u>	<u>\$ 788,970</u>

Income Taxes

SLRNW is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) except to the extent of unrelated business taxable income as defined under IRC Sections 511 and 515. SLRNW complies with FASB ASC 740-10, relating to accounting for uncertain tax positions. ASC 740-10 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. As of December 31, 2015 and 2014, SLRNW had no uncertain tax positions requiring accrual.

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

Effective January 1, 2009, SLRNW adopted ASC Topic 820, *Fair Value Measurements and Disclosures* (Topic 820), which provides a framework for measuring fair value under accounting principles generally accepted in the United States of America. Topic 820 applies to all financial instruments that are being measured and reported on a fair value basis.

Advertising

SLRNW expenses advertising costs as incurred. Total advertising costs were \$23,704 and \$31,531 for the years ended December 31, 2015 and 2014, respectively.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported changes in net assets.

NOTE 2 CONCENTRATION OF CREDIT RISK

For the years ended December 31, 2015 and 2014, approximately 86% and 88% of SLRNW's funding is derived from vendor contracts with the SE ALTC COG for southeast Washington, respectively. SE ALTC COG is funded by appropriations made by the Washington State Legislature and Medicaid funds received from the federal government.

SLRNW maintains bank account balances with its primary financial institution in excess of federally insured limits.

NOTE 3 IN-KIND REVENUE AND EXPENSE

Donated rents, which can be determined and measured, are reflected as in-kind revenue and expense in the financial statements. Amounts consisted of the following as of December 31:

	2015	2014
Rents	<u>\$ 22,140</u>	<u>\$ 21,908</u>

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 4 OPERATING LEASES

SLRNW rents various facilities and offices throughout the state of Washington. Many rental agreements are on a month-to-month basis. SLRNW also leases office space for the Kennewick main office, Yakima office, Pasco Senior Citizen Center, and other various locations under noncancellable agreements which expire at various times through July 2019.

Rent expense for 2015 and 2014 was \$172,206 and \$168,842, respectively, of which \$22,140 and \$21,908 was the value of donated facilities for 2015 and 2014, respectively.

Future minimum lease payments as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$ 33,238
2017	6,955
2018	6,475
2019	<u>3,777</u>
Total	<u>\$ 50,445</u>

NOTE 5 KEY PERSON LIFE INSURANCE

SLRNW purchased a \$500,000 life insurance policy on the former executive director for the benefit of the organization. All payments to this policy are tax deferred under IRC Section 457(f). No contribution was made to the policy for the years ended December 31, 2015 and 2014. At December 31, 2015 and 2014, the cash surrender value of the policy after policy loans of \$100,618 and \$-0- was \$63,789 and \$158,114, respectively.

NOTE 6 DEFERRED COMPENSATION PLAN

In 2004, SLRNW established a Section 457(b) deferred compensation plan (Plan) for the former executive director. Funding of the Plan is based on annual Board approved amounts as well as bonus payments and other factors, subject to Internal Revenue Service limitations. There was no related expense for the years ended December 31, 2015 and 2014. At December 31, 2015 and 2014, the liability under the Plan was \$- and \$85,750, respectively. The deferred compensation was paid out to the former executive director on January 21, 2015 for \$85,750 and as such, the payout of the deferred compensation terminated the plan.

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 7 BENEFICIAL INTEREST IN THE THREE RIVERS COMMUNITY FOUNDATION

During 2007, SLRNW contributed \$10,000 to the Three Rivers Community Foundation (Foundation) as a beneficial interest of SLRNW. In accordance with accounting principles generally accepted in the United States of America, the amount of the fund is recognized as an asset of SLRNW. SLRNW will receive distributions of income subject to the Foundation's spending policy, determined annually, which was 3% during 2015 and 2014.

NOTE 8 FAIR VALUE OF FINANCIAL INSTRUMENTS

SLRNW follows the accounting standards related to fair value measurements. The statement on fair value measurement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The statement defines fair value 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. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used to estimate the value of each class of financial instrument pursuant to valuation hierarchy:

Investments in stock – Valued at quoted market prices which represents the net asset value of the shares held by SLRNW at year end.

Beneficial interest in the Foundation – The beneficial interest in the Foundation is an investment in pooled investment mutual funds. Mutual funds include assets from several accounts, pooled together, to reduce management and administration costs. Allocation of income and realized and unrealized gains or losses is calculated based on the average monthly percent share of each fund's balance in the pool. Underlying mutual funds are valued at quoted market prices which represent the net asset value of shares held by the pooled fund.

Cash surrender value of life insurance – Cash surrender values are provided by the insurance carrier on a periodic basis. The values approximate the fair value of these policies.

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 8 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables disclose by level, within the fair value hierarchy, SLRNW's assets at fair value as of December 31:

	2015			
	Level 1	Level 2	Level 3	Total
Investments in Stock	\$ 10,371	\$ -	\$ -	\$ 10,371
Beneficial Interest in the Three Rivers Community Foundation	-	10,000	-	10,000
Cash Surrender Value of Life Insurance	-	63,789	-	63,789
Total	\$ 10,371	\$ 73,789	\$ -	\$ 84,160
	2014			
	Level 1	Level 2	Level 3	Total
Beneficial Interest in the Three Rivers Community Foundation	\$ -	\$ 10,000	\$ -	\$ 10,000
Cash Surrender Value of Life Insurance	-	158,114	-	158,114
Total	\$ -	\$ 168,114	\$ -	\$ 168,114

NOTE 9 SUBSEQUENT EVENTS

In May 2016, SLRNW completed construction of an administration facility on Fowler Street. Permanent financing for the facility was obtained through a series of Washington State Housing Finance Commission Nonprofit Revenue Bonds and the fiscal agent is U.S. Bank National Association and the lender is Bank of the West. The bond, issued in June 2016, was for the purpose of providing financial assistance to SLRNW. The total funds obtained through these bonds were \$1,500,000. Payments of \$8,335 including interest are due monthly through June 1, 2036. The bond bears interest at 2.98 percent. The bond is secured by a deed of trust, security agreement, assignment of leases and rents, and fixture filing encumbering real and personal property of the SLRNW located in Benton County, Washington. The agreement contains various financial and nonfinancial covenants that require SLRNW to maintain certain minimum and maximum financial ratios and amounts.

**SENIOR LIFE RESOURCES NORTHWEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 9 SUBSEQUENT EVENTS (CONTINUED)

Future annual principal requirements are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$ 27,936
2017	56,531
2018	58,239
2019	59,999
2020	61,811
Thereafter	1,235,484
Total	<u>\$ 1,500,000</u>

Subsequent events have been evaluated through June 22, 2016, which is the date the financial statements were available to be issued.