



ASHLEY HOUSE

compassionate care for the medically fragile

August 31, 2018

Janis Sigman, Manager
Certificate of Need Program
Department of Health
P.O. Box 47852
Olympia, WA 98504-7852

R E C E I V E D

AUG 31 2018

**CERTIFICATE OF NEED PROGRAM
DEPARTMENT OF HEALTH**

Dear Ms. Sigman:

Enclosed please find the certificate of need application from Ashley house proposing to establish a 15 bed skilled pediatric nursing facility in King County.

Also enclosed is the appropriate review and processing fee of \$46,253.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

Ken Maaz
Executive Director

AUG 31 2018

APPLICATION FOR CERTIFICATE OF NEED
Nursing Home Projects
(Excluding CCRC)

CERTIFICATE OF NEED PROGRAM
DEPARTMENT OF HEALTH

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990 and the instructions on page 2 of this form.

Application is made for a Certificate of Need in accordance with provisions of Chapter 70.38 Revised Code of Washington (RCW) and Rules and Regulations adopted by the Department (WAC 246-310). I hereby certify that the statements made in this application are correct to the best of my knowledge and belief.

APPLICANT(S)

OWNER:

Mike Pugsley, Developmental Director
Name and Title of Responsible Officer
(PLEASE PRINT OR TYPE)
Legal Name of Owner:
Ashley House
Address of Owner:
33811 9th Ave S

Federal Way, WA 98003

Michael Pugsley
Signature of Responsible Officer

Date: 8/31/2018 Telephone: 253-533-9050

OPERATOR:

Mike Pugsley, Developmental Director
Name and Title of Responsible Officer
(PLEASE PRINT OR TYPE)
Legal Name of Operator:
Ashley House
Address of Operator:
33811 9th Ave S

Federal Way, WA 98003

Michael Pugsley
Signature of Responsible Officer

Date: 8/31/2018 Telephone: 253-533-9050

TYPE OF OWNERSHIP:

- [] District
[X] Private Non-Profit
[] Proprietary - Corporation
[] Proprietary - Individual
[] Proprietary - Partnership
[] State or County

Proprietor(s) or Stockholder(s) information:
Provide the name and address of each owner
and indicate percentage of ownership:

Blank lines for proprietor information.

Intended Project Start Date: Upon Certificate of Need approval

ESTIMATED CAPITAL EXPENDITURE: \$5,456,557

Project Description: To establish a 15-bed pediatric skilled nursing facility

OPERATION OF FACILITY:

- [X] Owner Operated
[] Management Contract
[] Lease

TYPE OF PROJECT (check all that apply):

- [] Total Replacement of Existing Facility
[X] New Facility
[] Renovation/Modernization
[] Bed Addition
[] Capital Expenditure Over the Minimum
[] Bed Capacity Change/Redistribution
[] New Institutional Health Service
[] Mandatory Correction of Fine/Deficiencies
[] Amend Current Certificate of Need
[] Expansion/Reduction of Physical Plant
[] Other

Intended Project Completion Date: January 2020

ATTACH NARRATIVE PORTION OF THE APPLICATION



ASHLEY HOUSE
compassionate care for the medically fragile

**CERTIFICATE OF NEED APPLICATION
FOR THE ESTABLISHMENT
OF A 15 BED
PEDIATRIC SKILLED NURSING FACILITY**

August 2018

**SECTION 1
APPLICANT DESCRIPTION**

A. Owner Description:

1. Legal name of owner:

The legal name of the applicant is Ashley House. Ashley House proposes to establish a 15 bed skilled nursing facility to serve pediatric patients. This facility will be known as Ashley House/Bridges to Home.

Ashley House's purpose is to serve children and young adults with special health care needs and their families. Ashley House is dedicated to helping families build new lives together with their medically fragile children. We provide high quality, cost effective health care in home-like settings to children as an alternative to hospitalization.

2. Address of each owner:

The address of Ashley House is:

33811 9th Avenue S.
Federal Way, WA 98003

The address of Ashley House/Bridges to Home will be:

18904 Burke Ave N
Shoreline, WA 98133

3. Provide the following information about each owner.

- a. If an out-of-state corporation, submit proof of registration with Secretary of State, Corporations, Trademarks and Limited Partnerships Division. Show relationship to any organization as defined in Section 405.427 of the Medicare Regulations.**

Ashley House is a Washington State not for profit corporation. This question is not applicable.

- b. If an out-of-state partnership, submit proof of registration with Secretary of State, Corporations, Trademarks and Limited Partnerships Division, and a chart showing organizational relationship to any related organizations as defined in Section 405.427 of the Medicare Regulations.**

This question is not applicable.

B. Operator Description:

1. Legal name and address of operating entity (unless same as owner).

- a. If an out-of-state corporation, submit proof of registration with Secretary of State, Corporations, Trademarks and Limited Partnerships Division, and a chart showing organizational relationship to any related organizations as defined in Section 405.427 of the Medicare Regulations.**

The operating entity is the same as the applicant.

- b. If an out-of-state partnership, submit proof of registration with Secretary of State, Corporations, Trademarks and Limited Partnerships Division, and a chart showing organizational relationship to any related organizations as defined in Section 405.427 of the Medicare Regulations.**

This question is not applicable.

- c. Is the applicant currently, or does the applicant propose to be reimbursed for services provided under Titles V, XVIII, and/or Title XIX of the Social Security Act?**

The applicant will secure both Medicaid and Medicare certification.

d. Name, title, address and telephone number of person to whom questions regarding this application should be directed.

Questions regarding this application should be addressed to:

Ken Maaz, Executive Director
Mike Pugsley, Development Director
33811 9th Avenue S.
Federal Way, WA 98003
253-533-9050 (phone)
Email: Ken Maaz: KMaaz@ashleyhousekids.com
Mike Pugsley: Mike@ashleyhousekids.com

e. Provide separate listings of each Washington and out-of- state health care facility, including name, address, Medicare provider number, Medicaid provider number, owned and/or managed by each applicant or by a related party, and indicate whether owned or managed. For each out-of- state facility, provide the name, address, telephone number and contact person for the entity responsible for the licensing/survey of each facility.

Using the definition of a health care facilities as defined in WAC 246-310, Ashley House does not currently operate any facilities. That said, Ashley House currently operates six group homes that provide care to medically fragile children as well as an in-home services agency. Each of the six homes is licensed as a boarding home. A listing of the homes and the in-home services agency is included in Exhibit 1.

**SECTION 2
FACILITY DESCRIPTION**

A. Name and address of the proposed/existing facility.

The address of the proposed Ashley House/Bridges to Home nursing facility will be:

18904 Burke Ave N
Shoreline, WA 98133

B. Provide the following information:

Ashley House/Bridges to Home does not currently exist.

	NURSING HOME (SNF)	BOARDING HOME (CONG.)
Total Number of Beds Currently Licensed	0	0
Number of Beds Currently Set up	0	0

Upon project completion, Ashley House Bridges to Home will have the following bed configuration:

	NURSING HOME (SNF)	BOARDING HOME (CONG.)
Total Number of Beds Licensed	15	0

SECTION 3 PROJECT DESCRIPTION

A. Describe the proposed project. This description should include discussion of any proposed conversion or renovation of existing space, as well as the construction of new facility space. Also, specify any unique services being proposed.

Ashley House proposes to open a 15-bed nursing facility to serve medically fragile children needing transitional care as they are discharged from the hospital prior to being able to be discharged home or in lieu of hospitalization. This facility, to be known as Ashley House/Bridges to Home, will be the first of its kind in Washington State.

Ashley House has been a leader in serving medically fragile children, and as far back as the late 1980s worked closely with the State to develop its medically intensive group home model to benefit the most medically complex/intensive children, young adults and their challenged families. The medically intensive group home program, consistent with the intent of RCW 74.26.010-060 and as operationalized by Ashley House, delivers expert pediatric nursing, family support, and care coordination resulting in transitions home for many children. While 98% of Ashley House's patients come from Washington State, children have come from many Western States.

The project specifically addresses one of the last gaps in medically complex care delivery: that small cohort of children in need of medically intensive nursing 24 hours per day, 7 days per week. Medically complex pediatric patients typically have multiple diagnoses and are often technology dependent due to pulmonary conditions with acuity necessitating tracheotomy and ventilator support. Patients considered medically complex often remain hospitalized for months and, at times, years beyond the necessary acute course of treatment. In part, due to these extremely long hospitalizations, and their commitment to return children to their homes, Seattle Children's Hospital (Seattle Children's) is a strong and active supporter in this proposed project.

The expected average length of stay for this program is 114 days with discharge to home or a less-intensive community program, including one of Ashley House's existing homes. The estimated capital expenditure is \$5,456,557.

B. Health Services (check all in each column that apply):

TYPES OF THERAPY	SUPPORT SERVICES	CURRENT SERVICES	PROPOSED SERVICES
Physical Therapy	Inpatient		X
Physical Therapy	Outpatient		
Speech Therapy	Inpatient		
Speech Therapy	Outpatient		
Occupational Therapy	Inpatient		X
Occupational Therapy	Outpatient		
Nursing Services	Outpatient		
Meals on Wheels	Outpatient		
Adult Day Care	Outpatient		
Other (specify)	Outpatient		

C. Increase in total licensed beds or redistribution of beds among facility and service categories of skilled nursing and boarding home care:

This project proposes the addition of 15 nursing facility beds. No redistribution of boarding home beds will result from this project.

D. Indicate if the nursing home would be Medicaid certified.

Ashley House will seek Medicaid certification.

E. Indicate if the nursing home would be Medicare eligible:

The vast majority of patients served by Ashley House will be Medicaid or commercial. However, we do intend to become Medicare certified.

Indicate the number of Medicare certified beds:

Current: 0 Proposed: 15

F. Description of new equipment proposed.

A listing of the equipment proposed is included in Exhibit 2.

G. Description of equipment to be replaced, including cost of the equipment and salvage value (if any) or disposal or use of the equipment to be replaced.

No equipment will be replaced as a part of this project. Therefore, this question is not applicable.

H. Blue print size schematic drawings to scale of current locations of patient rooms, ancillary departments and support services.

Ashley House is not an existing facility. Therefore, this question is not applicable.

I. Blueprint size schematic drawings to scale of proposed locations of patient rooms, ancillary department, and support services, *clearly differentiating between remodeled areas and new construction.*

Single line drawings of the proposed nursing home are included as Exhibit 3.

J. Geographic location of site of proposed project.

1. Indicate the number of acres in nursing home site:

The site includes 0.6 acres.

2. Indicate the number of acres in any alternate site for the nursing home (if applicable)

The site has been acquired. No alternate site is proposed.

3. Indicate if the primary site or alternate site has been acquired (if applicable)

Yes No

Address of site:

18904 N. Burke Avenue
Shoreline, WA 98133

Address of alternate site:

Not applicable

- 4. If the primary site or alternate site has not been acquired, explain the current status of the site acquisition plans, including proposed time frames.**

The primary site has been acquired.

- 5. Demonstration of sufficient interest in project site. Provide a copy of a clear legal title to the proposed site and one of the following:**
 - a. Lease for at least five years, with options to renew for not less than a total of twenty years; or**
 - b. Legal, enforceable agreement to give such title or such lease in the event a Certificate of Need is issued.**

Included in Exhibit 4 is a copy of the statutory warranty deed demonstrating that Ashley House is the owner of the proposed site.

- 6. Demonstration that the proposed site may be used for the proposed project. Please include a letter from the appropriate municipal authority indicating that the site for the proposed project is properly zoned for the anticipated use and scope of the project, or a written explanation of why the proposed purpose is exempt.**

Exhibit 5 contains a letter from the City of Shoreline documenting that the project is permissible with a Conditional Use Permit (CUP). The CUP process has commenced and Ashley House expects it to be completed by November 2018.

K. Space Requirements

- 1. Existing gross square feet:**

Ashley House/Bridges to Home is not an existing facility. Therefore, this question is not applicable.

- 2. Total gross square footage for the proposed addition and existing facility.**

Ashley House/Bridges to Home is not an existing facility. Therefore, this question is not applicable.

- 3. Proposed new facility gross square footage.**

The proposed facility will be 5,693 square feet.

4. Do the above responses include any shelled-in areas? Yes ___ No X

If yes, please explain the type of shelled-in space proposed (administration, patient beds, therapy space, etc.)

This question is not applicable.

L. Proposed Timetables for Project Implementation:

1. FINANCING

- a. Date for obtaining construction financing: November 2018
- b. Date for obtaining permanent financing: November 2018
- c. Date for obtaining funds necessary to undertaking the project: November 2018

1. DESIGN

- a. Date for completion and submittal to Consultation and Construction Review Section of preliminary drawings: September 2018
- b. Date for completion and submittal to Consultation and Construction Review Section of final drawings: November 2018

3. CONSTRUCTION

- a. Date for construction contract award: November 2018
- b. Date for 25 percent completion of construction (25% of the dollar value of the contract in place) January 2019
- c. Date for 50 percent completion of construction: February 2019
- d. Date for 75 percent completion of construction: March 2019
- e. Date for completion of construction: April 2019
- f. Date for obtaining licensure approval: December 2019
- g. Date for occupancy/offering of service(s): January 2020

M. As the applicant(s) for this project, please describe your experience and expertise in the planning, developing, financing, and construction of skilled nursing and intermediate care facilities.

Ashley House does not have direct experience with licensing, development and operation of skilled nursing facilities. Ashley House does, however, have considerable, proven expertise in planning, developing, financing, constructing and operating facility-based residential options for medically complex pediatric patients.

SECTION 4 PROJECT RATIONALE: NEED

1. Identify and analyze the unmet health services needs and/or other problems to which this project is directed.

a. Describe the need the people you plan to serve have for the service you propose.

Enormous advances in neonatal, pediatric, and surgical care have led to the survival of an increasingly greater number of children and youth with complex special health care needs. The number of children in the United States with complex medical needs is expected to double in the next decade – increasing from three to six million – as advances in medicine and technology continue to reduce mortality rates.¹ “Medically complex,” pediatric patients and their families are challenged with multiple, complex, chronic, severe health conditions requiring substantial medical and psychosocial support.

In Washington, Seattle Children’s, through its extensive network of specialty clinics and its Hospital is the predominant provider of care to these children. In 2017, Ashley House and Seattle Children’s began to jointly plan a Nursing Facility level of care to support or serve as a “bridge to home”. In March 2018, Seattle Children’s provided data to Ashley House detailing the volume and types of patients that it serves annually that are clinically appropriate candidates for placement. Table 1 provides this information.

**Table 1
Seattle Children’s Hospital
Medical Condition Requiring Nursing Facility Level Care at Discharge: Estimated Volume**

Medical Condition	Estimated Annual Volume
Ventilator and technology dependent children with and without spinal cord injury, craniofacial conditions and/or swallowing dysfunction	2 to 10 new trach patients 5-10 existing trach patients
High flow nasal cannula and non-invasive ventilation for stable patients requiring support post procedure, due to illness or infants outgrowing support	30-50 infants and 20-30 post procedure patients
Temporary nasopharyngeal tube or nasal stent	2-5 patients
Medically complex patients with care coordination and psychological needs to support discharge: <ul style="list-style-type: none"> ○ Underlying diagnosis/condition recognized as progressive or life limiting with significant decrease life expectancy beyond childhood ○ Ongoing nursing support needed and 24/7 continuous monitoring ○ Anticipated to have frequent and prolonged admissions 	24-36 patients

¹ Vestal, C. “Improving Medicaid for ‘Medically Complex’ Kids.” The Pew Charitable Trusts. 8 Jan. 2015.

Medical Condition	Estimated Annual Volume
Traumatic brain injury requiring intermediate treatment between acute and rehabilitation <ul style="list-style-type: none"> ○ Orthopedic injuries; spine/deformity, cerebral palsy or other conditions resulting in non-weight bearing ability requiring extensive supports ○ Children with physical injuries related to underlying mental health concerns ○ Complicated funding or care or home renovations to accommodate clinical needs 	○ 72-120 patients
Total	○ 100-256 patients annually

Today, these children spend many days hospitalized; frequently in excess of one year because there is no discharge option available, and the cost to the delivery system and the toll on the family is concerning. Over and above the patient volumes identified in Table 1, Seattle Children’s also defined a cohort of children that could avoid a hospitalization if there were a home to Nursing Facility option. These include children needing or undergoing a planned ventilator weaning, initiation of CPAP, long-term feeding tube trouble shooting, caregiver respite, end of life care and custody or residence changes. While Ashley House only intends to serve 45 patients annually in the new facility, the Bridges to Home facility will significantly improve discharge options.

b. Address the need for nursing home beds based on the 40 beds per 1,000 population and Substitute House Bill 2098, which encourages the development of a broad array of home and community-based long-term care services as an alternative to nursing home care.

The beds proposed in this application are a logical—and cost effective— extension of the continuum of services available to manage the growing number of children and youth with complex special health care needs. As noted elsewhere, these children and their families are challenged with multiple, complex, chronic, severe health conditions requiring substantial medical and psychosocial support. Ashley House has been at the forefront, both in Washington State and nationally, in developing community-based services to support families as they build new lives together with their medically fragile children. This is accomplished through the provision of high quality, cost effective health care in home-like settings.

This project aims to fill the gap from hospitalization to home or to a group home. The Seattle Children’s data, included in Table 1 is a sobering indication of the costs and burden of these children spending too many days in an acute care hospital.

2. If your proposal exceeds the number of beds identified as needed in your county nursing home planning area as shown in WAC 246-310-380(6), please discuss how the approval of beds beyond the projected need would further the policy that beds should be located reasonably close to the people they serve.

Based on the most recent bed to population estimates prepared by the CN Program, King County, in 2019, is nearly 25% below the 40 beds per 1,000 population ratio (at 31 beds per 1,000 population). However, in addition to the nursing home bed supply, the CN Program also uses data produced by the Department of Social and Health Services (DSHS) on comparable community based long term care services. For 2018, DSHS has determined that there are 10,251 comparable nursing home community based long term care “slots” available in King County. Adding these slots to the nursing home bed supply results in a surplus of over 8,500 nursing home beds in King County.

After extensive review and conversations with DSHS, Ashley House has determined that the excess capacity in King County is not available or accessible to the population defined to be served at Ashley House/Bridges to Home nursing facility for the following reasons:

- 1) The CN Program’s methodology for projecting bed need is based on the population age 70+. Ashley House proposes to serve only those under the age of 18.
- 2) Ashley House attempted to verify from DSHS how many children under the age of 18 are residing in a nursing home in King County or even Statewide. Even with the assistance of various DSHS staff, we could not secure information on the number, all parties contacted believe that it was far less than 0.5% of all nursing home residents.

- 3) The nursing facility comparable supply calculated from DSHS uses only data on RUGs scores. RUG scores are not computed for individuals under the age of 18, including those already resident in one of Ashley House's boarding homes. Further, and again with the assistance of DSHS staff, we were able to determine that Ashley House's existing boarding home beds are NOT included in the DSHS nursing home comparable calculation; confirming that pediatrics is not a part of the supply.

The bottom line is the count of "nursing home comparable" resources in King County is broad and comprehensive, these providers do not provide any significant care to pediatric residents. Consistent with WAC 246-310-380(6) the beds proposed in this application will promote care being reasonably close to the children they service, and is not an unnecessary duplication.

- 3. Provide utilization data for each of the last three full fiscal years, the current annualized full fiscal year, and the next three full fiscal years: inpatient and outpatient. (USE SCHEDULE A which is attached to these guidelines.)**

Schedule A is included in Exhibit 6.

- 4. In the case of any proposed conversion of beds from other service categories to nursing care beds, provide evidence that the conversion will not jeopardize the availability of service. Document the availability and accessibility of the services that are to be converted.**

This project does not propose any conversion of beds from other service categories.

- 5. In the context of the criteria contained in WAC 246-310-210(2) (a) and (b), please describe how the service will be available to the following: low-income individuals; racial and ethnic minorities; women; handicapped individuals; elderly; and other under-served persons.**

Included in Exhibit 7 is a copy of Ashley House's patient's rights and responsibilities policy. As noted in other sections of this application, Ashley House will only serve pediatric residents. These children will be accepted based on medical need, regardless of race, beliefs, age, ethnicity, religion, culture, language, social/physical/mental health, socio-economic status, sex, sexual orientation, gender identity or expression or disability.

- 6. Does/will your facility require a pre-admission deposit? Please explain the intent and use of the deposit.**

Ashley House will not require a pre-admission deposit.

7. Please submit copies of the facility’s admission agreement, policies and procedures.

The requested information is included in Exhibit 8.

8. If you propose any special services including but not limited to heavy care, Alzheimer’s care, respite care and day care.

- a. Describe the service in full detail.**
- b. Include program content, staffing by classification and FTE commitment, budget, and the amount of space dedicated to each service.**
- c. Document the need for any special services.**

The entirety of the facility will be dedicated to special care needs/medically complex children. The model is “Bridge to Home” and the goal is to provide an environment in which the parents can learn the skills to safely take the child home. This facility will be the first of its kind in Washington State.

The documentation of the extent and magnitude of need was provided in response to Question 1. Information regarding staffing is provided in Section 6 of this Application.

9. If the purpose of the project is to correct existing structure, fire and/or life safety code deficiencies, or licensing, accreditation, or certification standards as provided for under provisions of WAC 246-310-480, provide a detailed description of the cited deficiencies and attach copies of the two most recent Fire Marshal’s surveys and/or surveys conducted by the Survey Program, Aging and Adult Services Administration, Department of Social and Health Services, or other surveying agency.

This question is not applicable.

**SECTION 5
FINANCIAL FEASIBILITY**

SECTION I

Indicate the name, address and phone number of the licensed architect or engineer that completed this section.

NAME: Simon Simon, Gabbert Architects Planners

ADDRESS: 2011 Ballinger Way NE, #211

Shoreline, WA 98155

PHONE: 206-367-3600

Proposed Site Address: 18904 Burke Avenue N. Shoreline, WA Zip Code: 98133

PART I -- REASONABLE BUILDING COST GUIDELINES

- 1. The Marshall Valuation Services (*updated August 1993*) Section I, pages 3-12, describes the building class (A, B, C, and D) and the building quality (excellent, good, average, and low cost) of the building. Based on this description, state the building class and building quality that is proposed for construction by this project. Applicants proposing to add beds at an existing nursing home should also state the building class and building quality of the existing nursing home.**

For New Construction:

Class D Quality Good Number of Beds 15

For Existing Construction: Not applicable

Class _____ Quality _____ Number of Beds _____

- 2. Indicate the total number of square feet of construction that is proposed including walls, partitions, stairwells, etc. Total Square Feet 5,693**

3. The Marshall Valuation Services (*updated August 1993*) Section I, pages 3-12, describes the type of materials that can be utilized to construct the frame, floor, roof, and walls of a building. Based on this description, indicate the type of materials that would be utilized in the following major components of the proposed building.

ITEM	TYPE OF MATERIAL
Frame	Wood and Steel
Floor	Concrete and Wood
Roof	Clay Tiles or Composite Shingles
Wall Structures	Wood or Steel framing
Exterior Finish	Brick and Hardie Board
Interior Finish	Gypsum Board
Lighting, Plumbing, and Mechanical	LED Lighting and Hot water system
Heating and Cooling	HVAC system

4. Indicate the total cost of constructing the new nursing home, replacing the existing nursing home, or constructing a bed addition at the nursing home. In cases where a nursing home/boarding home facility shares a common foundation and roof, the cost of the shared items shall be apportioned to the nursing home based on the Medicare program methodology for apportioned costs to the nursing home service. Construction cost shall include the following items.

a. Land Purchase-	\$334,491
b. Utilities to Lot Line	\$84,594
c. Land Improvements	\$191,268
d. Building Purchase	\$986,565
e. Residual Value of Facility	
f. Building Construction	\$2,971,793
g. Fixed Equipment	
h. Moveable Equipment	\$140,009
i. Architect/Engineer Fees	\$120,000
j. Consulting Fees	\$65,000
k. Site Preparation	\$35,000
l. Supervision & Inspection	\$20,000
m. Costs Associated with Financing to Include Interim Interest	
1. Land	
2. Building	
3. Equipment	
4. Other-Loan Fees	\$85,000
n. Sales Tax	
1. Land	-
2. Building construction	\$297,179
3. Equipment	\$14,001
4. Other	
o. Other Project Costs - Itemized	
Fee/Permits/	\$75,000
Construction Review Fees	\$36,657
p. Total Estimated Capital Cost (Actual/Replacement Cost)	\$5,456,557

- 5. Provide a copy of a signed non-binding cost estimate or contractor's estimate of the project's land improvements, building construction cost, architect and engineering fees, site preparation, supervision and inspection of site, Washington State sales tax, and other project costs (items c, f, i, k, m, n, and o above).**

A copy of a signed, non-binding contractor's estimate will be submitted with the request for supplemental information.

- 6. The reasonableness of building construction cost is based on the data shown in the table shown on the next page entitled, "Cost Guidelines for New Building and Improvements Plus Increments for Additional Beds." Reasonable building costs will be determined by:**
- a. Locating the class of construction (A, B, C, or D) and quality of construction (good, average, low) in the table, multiply the number of beds proposed by the appropriate per bed base cost;**
 - b. Identify the appropriate base cost for the facility (using the same class and quality of construction);**
 - c. Additional incremental allowances are allowed for projects requesting beds between 75-120 and projects of over 120 beds.**
 - c1. For projects greater than 74 beds, but less than 121 beds, multiply the appropriate per bed incremental allowance (using the same class and quality of construction) by the number of additional beds between 75 to 120: or**
 - c2. For projects greater than 120 beds, multiply the appropriate per bed incremental allowance (using the same class and quality of construction) by the number of additional beds over 75, but less than 120, then multiply the appropriate incremental allowance by the number of beds over 120 and add these two figures together.**

This question is no longer applicable as Marshall Swift (and land lid calculations) are no longer a part of the Nursing Home rate calculation methodology. Effective July 1, 2016, the Legislature passed a new rate system for Nursing Homes. A Capital – Fair Market Rental (FMR) component calculation was implemented that replaced a methodology based on specific facility asset values. This new FMR calculation uses a fixed cost per allowable square footage amount set by the Legislature from “RS Means” (currently \$170.41) times the allowable square footage of the building limited to a maximum of 450 square feet per bed.

In the case of Ashley House this would be 15 bed licensed times 450 = 6,750 max. Moveable equipment is calculated at 10% of the building value and also Land is 10%.

The calculated value of the building and equipment using the above data is then adjusted for depreciation using the age of the building times “.015”. Since our building is new there will be no offset in year one. Then the land value is added to the adjusted value and multiplied times a Rental Rate of .075. The total calculation is then divided by the census days to calculate a rate per patient day.

- 7. The figures from 6a, 6b, and 6c, when applicable, are added to determine the construction cost lids. Final lid values will be adjusted for inflation using the actual change in the appropriate cost indexes.**

Since the Marshal Swift Valuation is no longer used for rate setting purposes, this question is not applicable.

- 8. The above estimated building costs per bed may be adjusted when the following circumstances apply to the project.**
 - a. Construction changes required by Facilities and Services Licensing Section, Office of Resource Development, and/or Department of Health in the course of approving the building plans for the project.**
 - b. Four story or higher construction.**
 - c. Unusual labor or climatic conditions at time of construction that were not foreseeable by management.**
 - d. Cost savings realized in other components of the project such as equipment or operating costs.**
 - e. Where more than one major construction type is present, an average facility type shall be computed by weighing relative costs of the framing, floor, roof, and walls.**

Since the Marshal Swift Valuation is no longer used for rate setting purposes, this question is not applicable.

PART II -- REASONABLE LAND COST GUIDELINES

- 1. The land cost guidelines are for land that is utilized by the nursing home service. When an applicant proposes to construct a new nursing home/boarding home facility, the amount of land utilized by the nursing home services should be calculated based on Medicaid program methodology for apportioning costs to the nursing home for reimbursement purposes. Based on the above factors, the cost of land, plus cost of utilities to lot line for the proposed nursing home would be:**

As noted in response to Question 6 in Part I, above, a new rate setting methodology is in place that renders this question “no longer applicable”.

- 2. Indicate the number of square feet of land that would be utilized for the nursing home service: 5,693 square feet**
- 3. Indicate the cost per square foot for the utilized by the nursing home service:**

The new reimbursement methodology uses a fixed cost per allowable square footage amount set by the Legislature from “RS Means” (currently \$170.41)

- 4. Exceptions to square foot cost lids (WAC 388-96-745 (7)) may be allowed to a maximum of ten percent (WAC 388-96-754(8)). An adjustment shall be granted only if requested by the applicant. Applicants requesting adjustments to the guidelines for reasonable land costs shall provide written justification and an analysis showing the rationale for the adjustments.**

As the cost per square foot is no longer utilized for the nursing home rate setting, this question is not applicable.

- 5. Exceptions to land area lids (WAC 388-96-762) may be allowed. An adjustment shall be granted only if requested by the applicant and meet the criteria defined in WAC 388-96-762(3). Applicants requesting adjustments to the guidelines for area land lids shall provide written justification and an analysis showing the rationale for the adjustments.**

As the land area lid is no longer utilized for the nursing home rate setting, this question is not applicable.

SECTION IV

1. Identify the owner or operator who will incur the debt for the proposed project.

Ashley House will incur the debt for the proposed project.

2. Anticipated sources and amounts of financing for the project (actual sources for conversions)

	Specify Type	Dollar Amount
Public Campaign		\$
Bond Issue		\$
Commercial Loans	5% interest for a term of 30 years	\$1,700,000
Government Loans		\$
Grants		\$
Bequests & Endorsements		\$
Private Foundations		\$
Accumulated Reserves		\$2,035,501
Owner's Equity	Building/Land Purchase	\$1,321,056
Other - (specify)		
Other - (specify)	Secured Gift	\$400,000
<i>TOTAL (must equal total Project Cost)</i>		\$5,456,557

3. Provide a complete description of the methods of financing which were considered for the proposed project. Discuss the advantages of each method in terms of costs and explain why the specific method(s) to be utilized was (were) selected.

The combination of equity, debt and grants (already committed) was deemed best as it balances preservation of capital, liquidity and reasonable debt payments.

4. Indicate the anticipated interest rate on the loan for constructing the nursing home.

There is no separate construction loan.

5. Indicate if the interest rate will be fixed or variable on the long-term loan and indicate the rate of interest.

The rate on the long-term loan is expected to be fixed at 5% interest. The term will be 30 years².

6. Estimated start-up and initial operating expenses

a. Total estimated start-up costs \$278,570 (expenses incurred prior to opening such as staff training, inventory, etc., reimbursed in accordance with Medicaid guidelines for start-up costs)

b. Estimated period of time necessary for initial start-up: 1.5 months (period of time after construction completed, but prior to receipt of patients)

c. Total estimated initial operating deficits \$1,200,027 (operating deficits occurring during initial operating period)

d. Estimated initial operating period 13.5 months (period of time from receipt of first patient until total revenues equal total expenses)

7. Anticipated Sources of Financing Start-up and Initial Operating Deficits.

Unrestricted Cash	\$278,570
Unrestricted Marketable Securities of Proponent	\$
Accounts Receivable	\$
Commercial Loan	\$
Line of Credit (<i>specify source</i>)	\$
Other (<i>specify</i>)	\$
TOTAL	\$278,570

² Please note that the financing proposed will have a fixed interest rate for the first five years and will be adjusted thereafter.

8. Evidence of Availability of Financing for the Project

Please submit the following:

- a. Copies of letter(s) from the lending institution indicating a willingness to finance the proposed project (*both construction and permanent financing*). The letter(s) should include:
 - i. Name of person/entity applying**
 - ii. Purpose of the loan(s)**
 - iii. Proposed interest rate(s) (fixed or variable)**
 - iv. Proposed term (*period*) of the loan(s)**
 - v. Proposed amount of loan(s)****

A letter from Commencement Bank will be submitted with the request for supplemental information.

- b. Copies of letter(s) from the appropriate source(s) indicating the availability of financing for the initial start-up costs. The letter(s) should include the same items requested in 8(a) above, as applicable.**

The sources of financing for the start up costs will come from Ashely House's existing reserves. Appendix 1 contains the audited financials documenting the availability of the funds.

- c. Copies of each lease or rental agreement related to the proposed project.**

There are no lease or rental agreements.

- d. Separate amortization schedule(s) for each financing arrangement including long-term and any short-term start-up, initial operating deficit loans, and refinancing of the facility's current debt setting forth the following:
 - i. Principal**
 - ii. Term (*number of payment period, long-term loans may be annualized*)**
 - iii. Interest**
 - iv. Outstanding balance of each payment period****

An amortization schedule is included in Exhibit 9. The principal amount is \$1,700,000, at an assumed interest rate of 5%. It will be repaid over 30 years.

9. Provide the following:

- a. Please supply copies of the following pages and accompanying footnotes of each applicant's three most recent financial statements: Balance Sheet, Revenue and Expense, and Changes in Financial Position. (If not available as a subsidiary corporation, please provide parent company's statements, as appropriate.)**

Historical financial statements for Ashley House are included in Appendix 1.

- b. Please provide the following facility-specific financial statements through the third complete fiscal year following project completion. Identify all assumptions utilized in preparing the financial statements.**

- | | | |
|--------------|-------------------|--|
| i. | Schedule B | Balance Sheet |
| ii. | Schedule C | Statement of Operations |
| iii. | Schedule D | This Statement Has Been Eliminated |
| iv. | Schedule E | Statement of Changes in Equity/Fund Balance |
| v. | Schedule F | Notes to Financial Statements |
| vi. | Schedule G | Itemized Lists of Revenue and Expenses |
| vii. | Schedule H | Debt Information |
| viii. | Schedule I | Book Value of Allowable Assets |

The requested pro forma financials are included in Exhibit 10.

10. Utilizing the data from the financial statements, please calculate the following:

- a. Debt Service Coverage**
- b. Current Ratio**
- c. Assets Financed by Liabilities Radio**
- d. Total Operating Expense to Total Operating Revenue**

Table 2 details the requested financial ratios.

**Table 2
Ashley House
Financial Ratios, 2020-2022**

Ratio	Target Ratio ³	Proj. FYE 2020	Proj. FYE 2021	Proj. FYE 2022
Current Ratio	1.8-2.5	2.744	2.783	2.798
Assets Financed by Liabilities	0.6-0.8	0.207	0.208	0.210
Total Operating Expense/Total Operating Revenue	1.0	1.103	1.030	0.993
Debt Service Coverage	1.5-2.0	(0.716)	1.463	2.724

Source: Applicant

11. If the project's calculated ratios are outside the normal or expected range, please explain.

Ashley House's ratios are either within range by 2022 or, if they are outside of the target, they are better than expected.

12. If a financial feasibility study has been prepared, either by or on behalf of the proponent in relation to this project, please provide a copy of that study.

No financial feasibility study has been prepared at this time.

³ Ashley House used the target ratios identified in one of the last CN decisions for nursing home beds. That decision was the April 2015 reconsideration for the Seattle University 36 bed nursing home, p.12

13. Current and Projected Charges and Percentage of Patient Revenue

a. Per Diem Charges for Nursing Home Patients for Each of the Last Three Fiscal Years:

This question is not applicable, as Ashley House is not a current provider of NF level care.

b. Current Average Per Diem Charges for Nursing Home Patients:

This question is not applicable, as Ashley House is not a current provider of NF level care.

c. Projected Average Per Diem Charges for Nursing Home Patients for Each of the First Three Years of Operation:

Charges for the first three years are detailed in Table 3.

**Table 3
Average Per Diem Charges- First Three Years**

	2020	2021	2022
Private Pay	\$730	\$730	\$730
Medicaid	\$430	\$430	\$430
Medicare ⁴	\$0	\$0	\$0
VA	NA	NA	NA
Other- HMO	\$650	\$650	\$650

Source: Applicant

d. Please indicate the percentage of patient revenue that will be received for the:

<i>Existing Facility</i>	
Private Pay	NA
Medicaid	NA
Medicare	NA
VA	NA
Other-Specify	NA

Source: Applicant

<i>Proposed Facility FY2022</i>	
Private Pay	19.9%
Medicaid	9.4%
Medicare	0%
VA	0%
Other-HMO	70.8%

Source: Applicant

⁴ While Ashley House does intend to become Medicare certified, we have not assumed any Medicare patient days or revenue during the first three years of operation.

SECTION 6
STRUCTURE AND PROCESS (QUALITY) OF CARE

1. Nursing Home Number of Employees

Staffing	Projected Employees-2022	
	<i>Full-Time Equivalent</i>	<i>Consultant hr/week</i>
Registered Nurse	10.50	
LPN		
Nurses Aides & Assistants	12.30	
NURSING TOTAL	22.80	
Dietitians	0.00	contract
Aides (included in nurses aides above)	0.00	
DIETARY TOTAL	0.00	
Administrator (Program Director)	1.00	
Assistant Administrator (Asst. Program Director)	0.50	
Administrator In-training		
Activities Director		
Medical Director	0.20	
In-service Director	Included in RNs	
Director of Nursing	Included in RNs	
Clerical		
Housekeeping/ Maintenance/Laundry	2.00	
ADMINISTRATION TOTAL	3.70	
Physical Therapist		contract
Occupational Therapist		contract
Pharmacist		contract
Medical Records		
Social Worker	1.00	
Plant Engineer		
Other (specify)		Contract-respiratory therapy
Accounting staff	1.00	
Other office staff	1.00	
Network support	0.50	
ALL OTHERS-TOTAL	3.50	
TOTAL STAFFING	30.0	

2. Nursing Hours/Patient Day:

Registered Nurse	4.51
LPNs	0.00
Nurse's Aides & Assistants	5.24
TOTAL	9.75

3. Provide evidence that the personnel needed to staff the nursing home will be available.

Over the years, Ashley House has enjoyed success in both recruitment and retention of staff. We believe, in large part, that this is attributable to our reputation as a leader programming to support children with special health care needs.

Ashley House is also very aware that supporting the patients and families that need us can be demanding and has worked to engage, support, and develop our workforce so that our patients and families can receive the best care.

Because recruitment and retention are critical to our success, we strive to offer competitive salaries, a generous paid time off program and a benefit package. In addition, we encourage and support staff, through flexible scheduling, to continue their education, if desired. In fact, Ashley House is evaluating tuition reimbursement as a potential benefit for our employees.

4. Provide evidence that there will be adequate ancillary and support services to provide the necessary patient services.

Required ancillary and support services include pharmacy, ventilators, humidifiers, O2 concentrators, monitors, other ordered respiratory treatment equipment and supplies, enteral feeding equipment and supplies. Physical and occupational therapies will be through licensed contracted providers. In addition, our children will need access to x-ray, laboratory, and specialty clinics including: pulmonary; rehab, G.I., developmental, cardiac, neurology, wound care dermatology, hematology-oncology, orthopedic, infectious disease, endocrine, nephrology, transplant, and other specialties. All these specialties are available through Seattle Children's a known leader in pediatric treatment both inpatient and outpatient in the Northwest. Our proposed NF is less than 10 miles from SCH. This close location was purposeful as it facilitates continuation of each child's specialty care management.

5. Provide evidence that indicates the services provided at your facility will be in compliance with applicable federal and state laws, rules, and regulations for health care facilities.

Ashley House will provide services in compliance with all applicable federal and state laws, rules, and regulations. Ashley House's leadership has expended considerable time over the past six months confirming the specific regulations under which the proposed facility would operate to ensure that the facility would be operated in conformance with requirements. Ashley House operates its other facilities and program in compliance with all applicable laws, rules and regulations.

6. Provide evidence that the project will be in compliance with applicable conditions of participation related to the Medicare and Medicaid programs.

Ashley House will provide services in compliance with the applicable conditions of participation related to the Medicare and Medicaid programs

7. Fully describe any history of each applicant with respect to the actions noted in the Certificate of Need criterion. (WAC 246-310-230 (5) (a). If there is such a history, provide evidence that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.

Ashley House has no history with respect to the criteria in wac 246-310-230 (5)(a).

8. Provide evidence that the project will adequately address continuity of care. Describe the arrangements that will be made with other providers for patient care consultation services. Provide assurance that patients will be referred to a hospital for acute care needed. Also, provide assurance that patients discharged from the nursing home will be referred to home health, hospice, or assisted living agencies when such care is needed.

Ashley House advocates ardently for the treatment and transition for children with special health care needs. We know firsthand that continuity of treatment providers is essential for these specialized and complex child patients. Ashley House has established exceptionally strong relationships on behalf of medically complex children. We will continue and expand our working relationships with area providers to assure services are adequately available.

The nursing facility project embodies continuity of care. Ashley House will support parent/caregiver training with the goal of returning children home.

- 9. Existing nursing homes will document the number of patients discharged from the nursing home to the patients home, referred to home health, hospice agency, or assisted living services during the last three years.**

Ashley House is not an existing facility. Therefore, this question is not applicable.

SECTION 7 COST CONTAINMENT

1. Describe distinct alternative means for meeting the need described previously. Identify alternative advantages and disadvantages, including cost, efficiency or effectiveness.

In response to requests from Seattle Children's, Ashley House considered three options: 1) do nothing/status quo, 2) build and operate one or more additional group homes, or 3) build and operate a skilled level of care nursing facility. After conversations and data sharing with Seattle Children's, the status quo option was ruled out because a minimum of at least 100 children annually need better transitions or "bridges" from the hospital to home or to a less institutional level of care. The costs to the delivery system and to families is daunting and needs to be addressed.

In terms of option #2, and after additional analysis with Seattle Children's, there was consensus between the parties that a level of care higher than boarding home and located in close proximity to Seattle Children's would support parents in transitioning their child from the hospital and to receiving the training and support necessary to gain the skills to manage their child at home. For this reason, Ashley House rejected option 2 and selected option 3.

Because Ashley House fundamentally believes in home-like settings for care delivery, we have elected to pursue a small nursing facility—only 15 beds. Ashley House's mission is to provide comprehensive cost effective quality care to medically fragile children, teens and young adults *in home-like settings*. We are dedicated to providing education to families and care givers, building support systems, coordinating services and nurturing the development of each individual. After working with our architects on concepts, we quickly came to the conclusion that 15 beds maintains a home-like setting and will assure that the nurturing and support needed remains easily available to each child and family.

2. Describe, in as much detail as possible, specific efforts that were undertaken to contain the costs of offering the proposed service.

As noted in earlier sections of the application, both Seattle Children's and Ashley House agreed that the facility should be as close as possible to the Seattle Children's Laurelhurst campus, The geography and real-estate around Seattle Children's is both highly developed and costly. The main way in which the capital costs were managed was via the purchase of existing building/residence. While the interior remodeling will be extensive, the utilities and other infrastructure are already in place.

- 3. In the case of construction, renovation, or expansion, describe any operating or capital cost reductions achieved by architectural planning, engineering methods, methods of building design and construction, or energy conservation methods used.**

Again, the current building envelope is being retained and very minimal site work is required. The extent of the interior renovation will assure that building meets or exceeds all energy codes. In fact, Ashley House intends to install an efficient HVAC system that will reduce the daily operating costs of the facility.

- 4. Under a concurrent or comparative review, preference will be given to the project which meets the greatest number of criteria listed below. Provide documentation describing how the proposed project meets the following criteria.**
 - a. Projects that include other institutional long-term care services or evidence of relatively greater linkages to community-based, long-term care services.**
 - b. Projects which improve the geographic distribution and/or provide access to nursing home beds in a currently under-served area.**
 - c. Nursing home operators having (*or proposing to have*) a Medicare contract in areas with less than the statewide proportion of Medicare nursing home beds to total nursing home beds.**
 - d. Nursing home operators serving (*or proposing to serve*) Medicaid clients.**
 - e. Nursing home operators proposing to serve additional heavy care patients in areas where CSO placement staff or hospital discharge planners document significant and continuing difficulties in placing such patients in nursing homes.**
 - f. Existing nursing home operators in the state who are seeking to achieve a 100-bed minimum efficient operating size for nursing homes or to otherwise upgrade a facility with substantial physical plant waivers or exemptions, as determined by Washington State Aging and Adult Services Administration.**
 - g. Projects that propose to serve individuals requiring mental health services and care for Alzheimer's or dementia conditions.**

A review of letters of intent demonstrates that Ashley House was the only entity in the State to apply for a certificate of need in the 2018 concurrent review process. As such, this question is not applicable.

Exhibit 1
Listing of Ashley House Facilities

Ashley House in Kent WA:

25120 43 Ave South
Kent, WA. 98032

License: DCYF Group Home for Medically Fragile Youth

Provider One #: 1013591 08

NPI #: 1568682797

Provider #: 285580

Ashley House in Auburn:

31303 188thAve SE
Auburn, WA. 98092

License: DCYF Group Home for Medically Fragile Children

Provider One #: 1013591 08

NPI #: 1568682797

Provider #: 23148

Ashley House in Tacoma:

1810 Brown's Point Blvd
Tacoma, WA. 98422

Licensed: DCYF Staffed Foster Home for Medically Fragile Children

Provider One #: 1013591 08

NPI #: 1568682797

Provider #: 304203

Ashley House in Tacoma:

4411 Browns Point BLVD
Tacoma, WA. 98422

Licensed: DCYF Group Home for Medically Fragile Children

Provider One #: 1013591 08

NPI #: 1568682797

Provider #: 164616

Ashley House in Olympia:

4012 Wiggins Rd
Olympia, WA. 98501

Licensed: DCYF Staffed Residential Home for Medically Fragile Children

Provider One #: 1013591 08

NPI #: 1568682797

Provider #: 165886

Ashley House in Edgewood:

11306 8th St East
Edgewood, WA. 98372

License: AL TSA Adult Family Home for Medically Complex Young Adults

Provider One #: 1013591 08

NPI #: 1568682797

DSHS Contract #: 1712-21227

Ashley House In Home Services Agency:

Business Address:

33811 9th Ave South

Federal Way, WA. 98003

To Provide: Home Health

Provider One #: 1013591 08

Medicaid Provider #: 9030560

NPI #: 1568682797

Credential # : HIS.FS.00000227

**Exhibit 2
Equipment List**

Hospital beds; full size, toddler, mattresses, side rails,	13,810
Arjo Therapy tub	15,999
Scales, weights	2,700
Patient lifts	5,500
Wheelchair Accessible Vans (2)	72,000
Furnishings (office, waiting area, dining, etc)	30,000
Total	140,009
Sales Tax (10%)	14,000.90

Exhibit 3
**Single Line Drawings of Ashley House/
Bridges to Home**

PROJECT INFORMATION:

PROJECT DESCRIPTION:
 THE WORK INDICATED IN THESE DRAWINGS IS FOR THE SUBSTANTIAL REMODEL OF THE EXISTING 13 BEDROOM HOUSE INTO A 15 BED SKILLED NURSING FACILITY THAT CAREERS ONLY TO KIDS WITH SPECIAL NEEDS. THE BUILDING FOOTPRINT WILL NOT BE INCREASED OTHER THAN TO EXCAVATE AN AREA THAT WILL BE USED TO PARK TWO CARS INTO A GARAGE, AND WE PLAN TO MAINTAIN THE SAME LOT COVERAGE AND HARDSCAPE AREAS IF WE CAN'T REDUCE THEM. THE BASEMENT WILL BE USED AS A GARAGE FOR PARKING, AND OTHER ACCESSORY SPACES NEEDED TO RUN THE FACILITY. ALL THE BEDS WILL BE LOCATED ON THE MAIN FLOOR, WITH OFFICES AND A TRAINING ROOM LOCATED ON A MEZZANINE FLOOR.
 THE FACILITY WILL BE LICENSE BY THE STATE AS A SKILLED NURSING FACILITY

JURISDICTION: CITY OF SHORELINE (SHORELINE MUNICIPAL CODE)
ZONING: R-6
SITE ADDRESS: 18904 BURKE AVE NORTH, SHORELINE, WA 98133

PARCEL #: 8563400030
SITE AREAS: 14,980sf (0.34)acres
CODES: 2015 (IBC, UPC, IMC) & 2015 WSEC

BLDG. FOOTPRINT: 5,693 SF.
BUILDING AREA: 8,620 SF. (CONDITIONED)
GARAGE AREA: 2,844 SF.
PROPOSED USE: BUSINESS

OCC. CLASS: I-2
TYPE OF COMST: VA - WOOD FRAME
SPRINKLERED: YES (NFPA-1.3)

LOT AREA (MIN): 7,200sf
LOT COVERAGE: 35% MAX.
HARDSCAPE: 50% MAX.
BUILDING HEIGHT: 35ft. PLATE HEIGHT(MAX)

SETBACKS:
 FRONT 20FT
 REAR 15FT (10FT-EXCEPTION)
 SIDE 5FT
 SIDE INTERIOR 5FT

PARKING CALCULATION

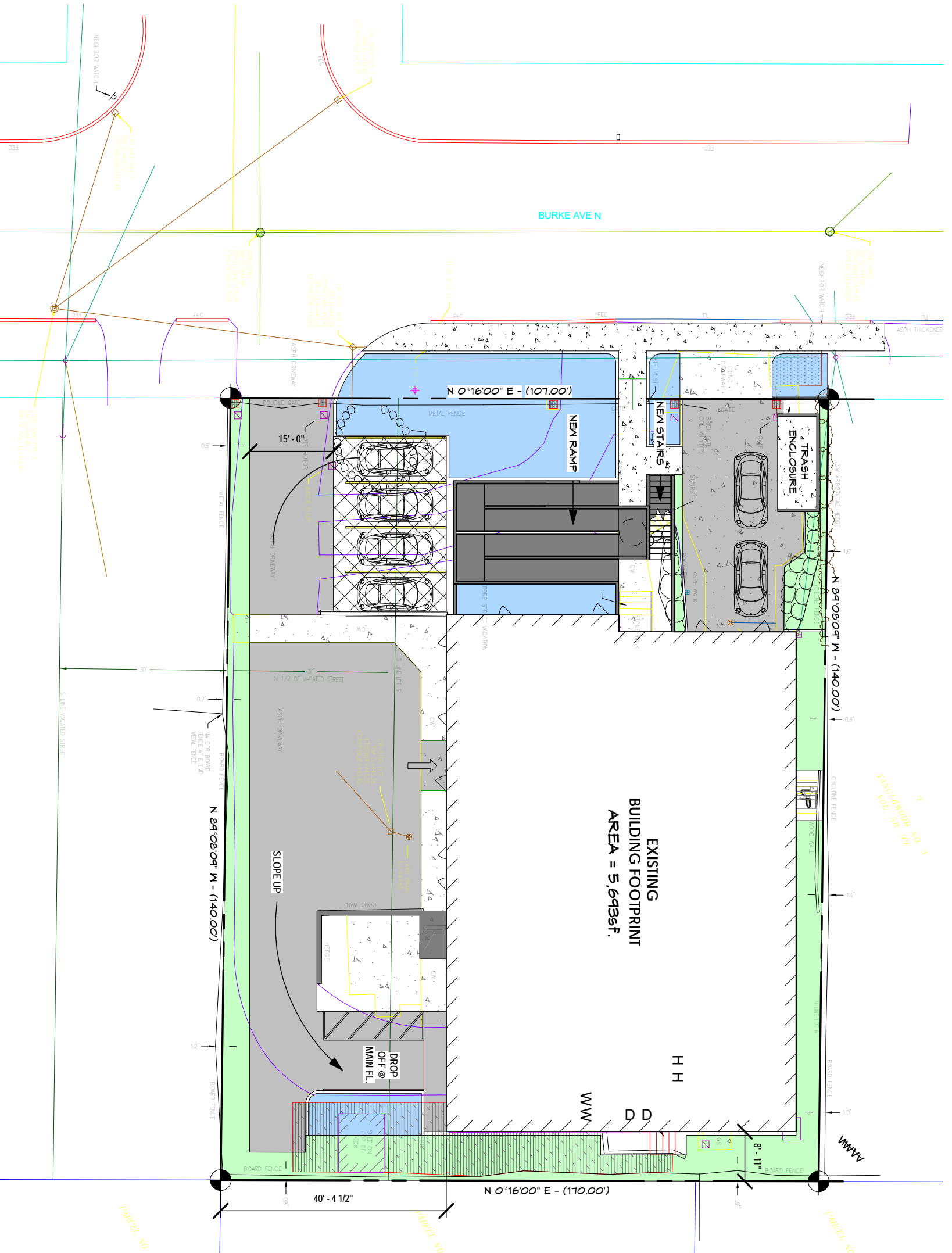
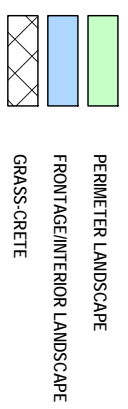
REQUIREMENT:
 1. 1/ber 3 beds + 1 parking for each full time staff
 2. Any cars over 6 need to be parked in an enclosed structure.
PARKING PROVIDED: = 14 Stalls
PARKING REQUIRED:
 15 Bedroom/3 = 5 Stalls
 8 full time Staff = 8 Stalls
Total Parking = 13 Stalls

LEGAL DESCRIPTION

LOT 6, TANGLEWOOD NO 3, ACCORDING TO THE PLAT THEREOF RECORDED IN VOL. 58 OF PLATS, PAGE 99, RECORDS OF KING COUNTY, WASHINGTON. TOGETHER WITH THE NORTH HALF OF VACATED NORTH 1897TH ST. EXTENDING 140 FT. EASTERLY FROM THE EAST MARGIN OF BURKE AVENUE AS VACATED UNDER ORDER OF VACATION FILED UNDER VAULT FILE # 38880320. SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

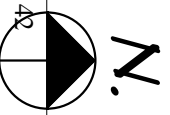
HARDSCAPE CALCS:

LANDSCAPE (SF): 3,369 SF
TOTAL SITE AREA: 14,980 SF
BUILDING FOOTPRINT: 5,693 + 335 = 6,028 SF
ROAD & SIDEWALK (SF): 4,094 SF
TOTAL HARDSCAPE(SF): 10,122 SF (68%)



SITE PLAN - SD

1 1" = 20'-0"



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PROJ. No. 17015
 DATE: 08/14/2018
 DRAWN BY: Author
SITE PLAN & PROJECT INFO

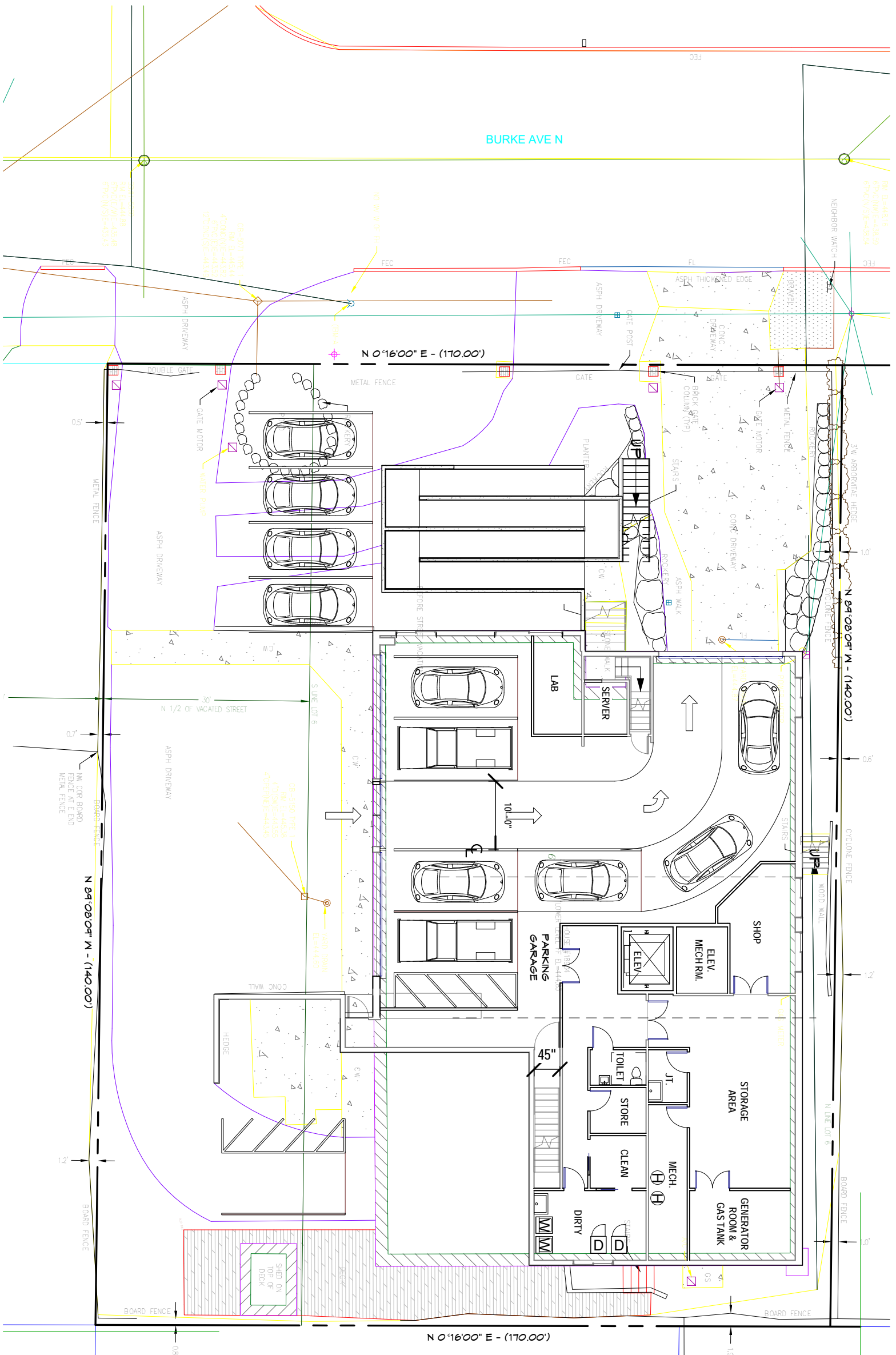
A1

ASHLEY HOUSE (SHORELINE)- REMODEL
 18904 BURKE AVE. NORTH
 SHORELINE, WA 98133
 CLIENT: ASHLEY HOUSE KIDS



20011 Ballinger Way NE Office #211. Shoreline, WA 98155 www.gabbertarchitects.com TEL: 206.367.3600

S.DESIGN



1 BASEMENT FLOOR - SD
 1/16" = 1'-0"

FLOOR AREA = 4,724 SF
 CONDITION SPACE = 1,880 SF

S.DESIGN



2011 Ballinger Way NE Office #211. Shoreline, WA 98155

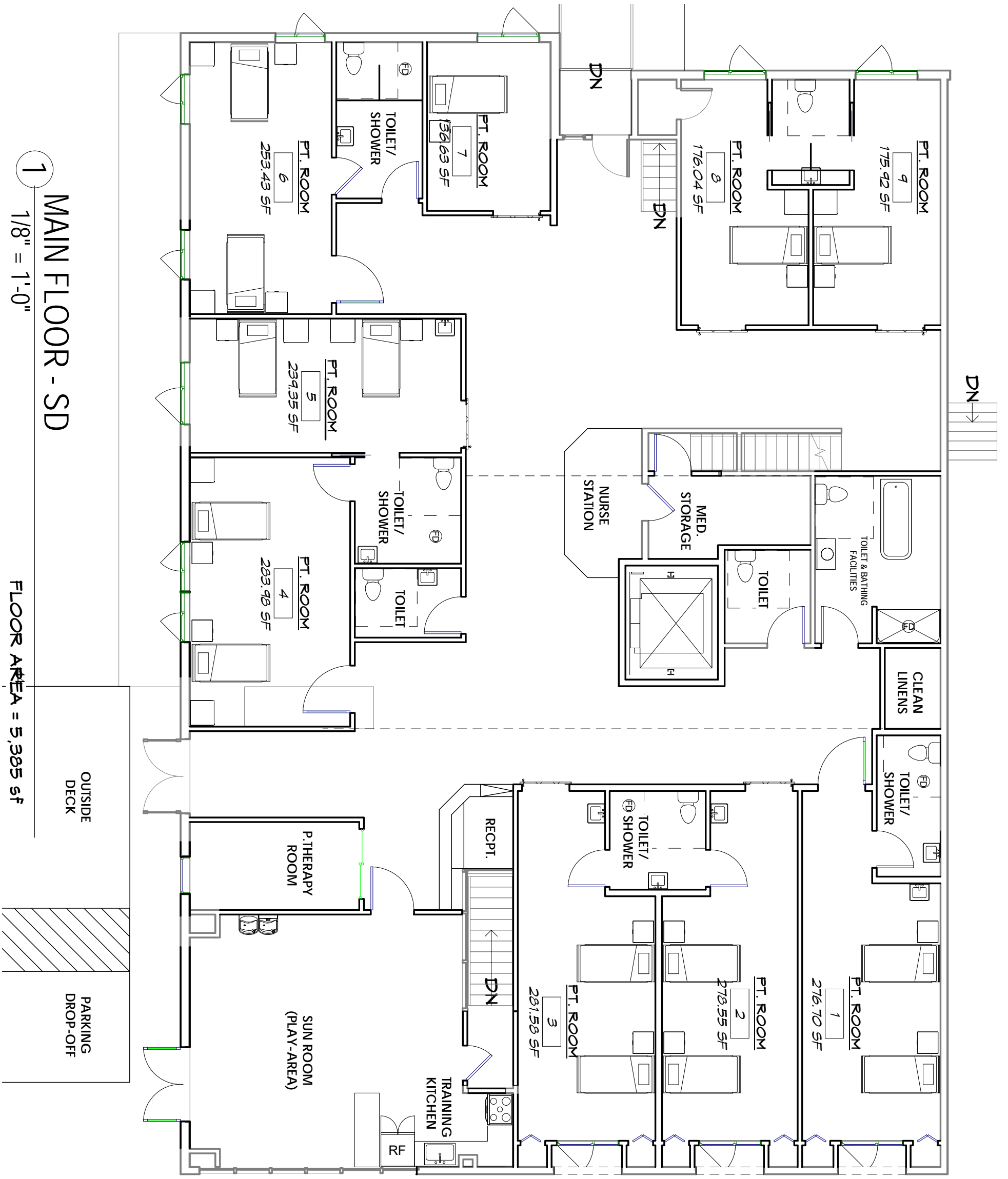
ASHLEY HOUSE (SHORELINE)- REMODEL
 18904 BURKE AVE. NORTH
 SHORELINE, WA 98133
 CLIENT: ASHLEY HOUSE KIDS

www.gabbertarchitects.com TEL: 206.367.3600

8/23/2018 12:02:56 PM

PROJ. No. 17015
 DATE: 08/14/2018
 DRAWN BY: Author
BASEMENT FLOOR LEVEL

A2



1 MAIN FLOOR - SD
1/8" = 1'-0"

FLOOR AREA = 5,385 SF

2 BED ROOMS 6
1 BED ROOMS 3
TOTAL BEDS 15

S.DESIGN



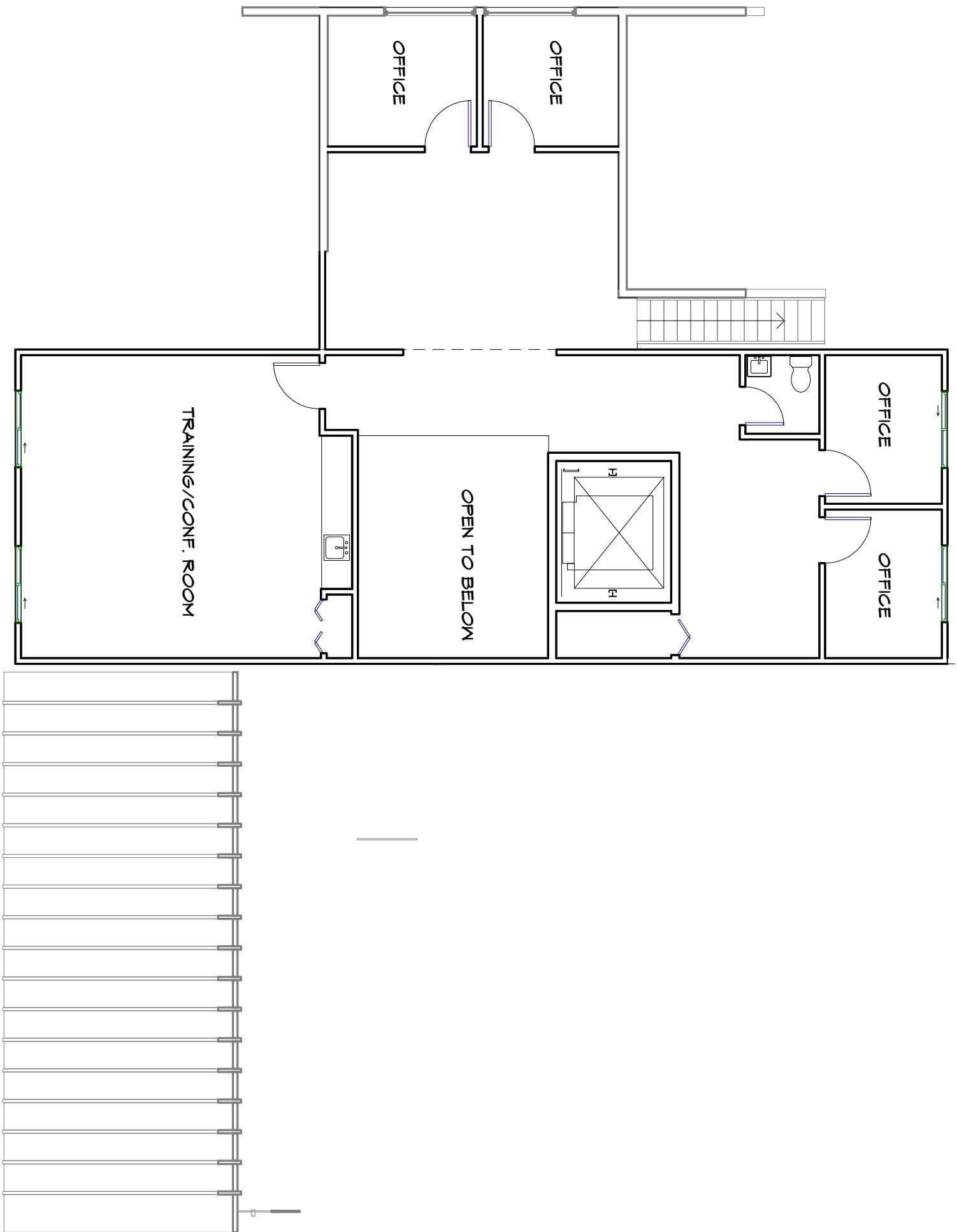
2011 Ballinger Way NE Office #211. Shoreline, WA 98155

ASHLEY HOUSE (SHORELINE)- REMODEL
18904 BURKE AVE. NORTH
SHORELINE, WA 98133
CLIENT: ASHLEY HOUSE KIDS

www.gabbertarchitects.com TEL: 206.367.3600

8/23/2018 12:02:57 PM
PROJ. No. 17015
DATE: 08/14/2018
DRAWN BY: Author
MAIN FLOOR LEVEL

A3



1 MEZZANINE FLOOR - SD
 1/8" = 1'-0"

FLOOR AREA = 1,355 sf

S.DESIGN

GABBERT
 Architects Planners

20011 Ballinger Way NE Office #211. Shoreline, WA 98155

ASHLEY HOUSE (SHORELINE)- REMODEL

18904 BURKE AVE. NORTH
 SHORELINE, WA 98133

CLIENT: ASHLEY HOUSE KIDS

www.gabbertarchitects.com

TEL: 206.367.3600

8/23/2018 12:02:57 PM

PROJ. No. 17015

DATE: 08/14/2018

DRAWN BY: Author

MEZZANINE FLOOR
 LEVEL

A4

Exhibit 4
Copy of Statutory Warranty Deed

61165704 (2/76)
**INSURED BY
FIDELITY NATIONAL TITLE**

When recorded return to:
Ashley House
33811 9th Ave S
Federal Way, WA 98003



20171116001078

WARRANTY DEED Rec: \$75.00
11/16/2017 3:20 PM
KING COUNTY, WA

E2901219

EXCISE TAX AFFIDAVITS
11/16/2017 3:20 PM KING COUNTY, WA
Selling Price: \$1,300,000.00
Tax Amount: \$23,145.00

Filed for record at the request of:



600 University Street, Suite 2710
Seattle, WA 98101-4136

Escrow No.: 611165704

STATUTORY WARRANTY DEED

THE GRANTOR(S) Dung H. Nguyen and Ha T. Pham, husband and wife
for and in consideration of Ten And No/100 Dollars (\$10.00) and other good and valuable
consideration
in hand paid, conveys, and warrants to Ashley House, a Washington Non-Profit Corporation

the following described real estate, situated in the County of King, State of Washington:
LOT 6, TANGLEWOOD NO. 3, ACCORDING TO THE PLAT THEREOF RECORDED IN
VOLUME 58 OF PLATS, PAGE 99, RECORDS OF KING COUNTY, WASHINGTON;

TOGETHER WITH THE NORTH HALF OF VACATED NORTH 189TH STREET EXTENDING 140
FEET EASTERLY FROM THE EAST MARGIN OF BURKE AVENUE AS VACATED UNDER
ORDER OF VACATION FILED UNDER VAULT FILE NO. 3880320.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

Abbreviated Legal: (Required if full legal not inserted above.)


Tax Parcel Number(s): 856340-0030-08

Subject to:

1. RIGHTS, RESERVATIONS, COVENANTS, CONDITIONS, RESTRICTIONS, AGREEMENTS,
NOTES, DEDICATIONS, ENCROACHMENTS, AND EASEMENTS PRESENTLY OF
RECORD.

STATUTORY WARRANTY DEED
(continued)

Dated: **14 NOV 2017**



Dung H. Nguyen



Ha T. Pham

U.S. Consulate General
Ho Chi Minh City

State of Socialist Republic of Vietnam
County of _____

I certify that I know or have satisfactory evidence that Dung H. Nguyen and Ha T. Pham are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: **14 NOV 2017**

TERESA CHANG

Vice Consul
U.S. Consulate General
Ho Chi Minh City, Vietnam

Name: _____
Notary Public in and for the State of _____
Residing at: _____
My appointment expires: **INDEFINITE**


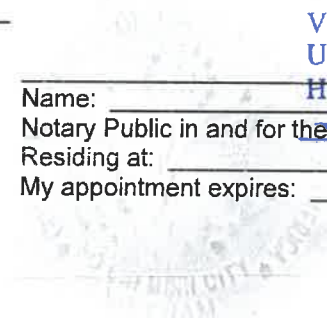



Exhibit 5
City of Shoreline Zoning Letter



August 28, 2018

Ashley House
Ken Maaz
33811 9th Avenue S
Federal Way, WA 98003

To Whom It May Concern:

This letter is to assure that the project proposed by Ashley House located at 18904 Burke Ave. North in Shoreline, WA is permitted with a Conditional Use Permit in the R-6 zone in which the property is located. If approved through the Conditional Use Permit process, the program will operate in compliance with City of Shoreline zoning codes addressing Community Residential Facilities.

Sincerely,

Steven Szafran
Senior Planner
Planning and Community Development
City of Shoreline

Exhibit 6
Schedule A: Ashley House Utilization Data

**SCHEDULE A
HISTORICAL AND PROJECTED PATIENT UTILIZATION**

(NURSING HOME OPERATION ONLY)

Name of Facility: Ashley House

Page 1 of 1

Line No.	FISCAL YEAR	Medicare Patient Days	Medicaid Patient Days	Private Patient Days	OTHER PATIENT DAYS	TOTAL PATIENT DAYS	# OF LICENSED BEDS	OCCUPANCY RATE
1	Actual					0		
2	Actual					0		
3	Actual					0		
4	Estimated					0		
5	Projected 1/1 to 12/31/2020	0	732	732	3,294	4,758	15	87
6	Projected 1/1 to 12/31/2021	0	730	730	3,650	5,110	15	93
7	Projected 1/1 to 12/31/2022	0	730	913	3,650	5,293	15	97
8	Projected					0		
9	Projected					0		

Exhibit 7
Patient's Rights and Responsibilities Policy



Client Bill of Rights and Responsibilities

LOCATION:

CLIENT'S NAME:

CLIENT'S DOB:

The Ashley House client, the client's family, or the client's representative have the right to:

1. Choose the agency providing care and to have access to the Department of Social and Health Services directory of licensing agents.
2. Be fully informed of all your rights and responsibilities by the agency in a manner and language you can understand.
3. Be treated with courtesy, sensitivity, dignity, and respect, including cultural and personal beliefs, values, and/or preferences.
4. Not be discriminated against because of your race, beliefs, age, ethnicity, religion, culture, language, social/physical/mental health, socio-economic status, sex, sexual orientation, gender identity or expression.
5. Safe and efficient care with all efforts made to maintain or improve the health and comfort of the individual.
6. Know and utilize a broad spectrum of services provided by the agency, that are delivered in an efficient and convenient manner.
7. Be protected from neglect, exploitation, verbal, mental, physical, and sexual abuse.
8. Be informed of the name of the individual staff member who is responsible for the plan of care, along with their supervisor, and be aware of how to contact those staff members.
9. Know that the plan of health care will be developed by the physician, in cooperation with the appropriate home health care professional team.
10. Right to choose the physician responsible for your care plan.
11. Assurance that all services are provided by screened and supervised personnel that are qualified for their jobs.
12. Be informed of your condition, to participate in all aspects of care, including the development of your care plan.
13. Be informed about advanced directives and the agency's responsibility to implement them.



Client Bill of Rights and Responsibilities

LOCATION:

CLIENT'S NAME:

CLIENT'S DOB:

14. Pain and symptom management.
15. To know the nature and purpose of any procedure or treatment rendered by staff and the right to give informed consent prior to the start of any procedure or treatment.
16. Receive an explanation of any responsibilities the patient or family will have in the care process.
17. Refuse care, treatment, or services and be informed of the potential consequences of such actions if they be known.
18. Receive and restrict visitors.
19. Request a change in services.
20. Receive an explanation of the agency's charges and policies for payment of services, including insurance coverage to the extent possible.
21. Be informed about any changes not covered by their insurance.
22. Be informed of the charges for which the client may be liable.
23. To have access, upon request, to all bills for services the client has received regardless of whether they are paid out of pocket or by another party.
24. Be assured of privacy and confidentiality of medical records.
25. Have information about other agencies and services available in the community upon request or in preparation for discharge.
26. Be informed, within a reasonable time, of anticipated termination of services and/or possible transfer to alternative services within the community.
27. Informed consent for the agency to produce or use recordings, films, or images for purposes other than your care.
28. Choose whether or not to participate in research, investigational, or experimental studies or clinical trials.



Client Bill of Rights and Responsibilities

LOCATION:	CLIENT'S NAME:	CLIENT'S DOB:
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29. Be informed of the procedure to lodge complaints with administration about the care that is or fails to be furnished and regarding lack of respect for person or property. To lodge complaint(s) contact the Clinical Manager or the Director of Program Services.
30. To voice their grievances without fear of restraint, reprisal, or discrimination.
31. Be accompanied by a trained, controlled, and registered service animal or guide dog
32. Upon request, be informed of who owns and controls the agency.
33. Have access to information in the client's own record by contacting the location assigned Clinical Manager during regular business hours (Monday—Friday 8am to 5pm).
34. Be informed of any care provided by the agency, which has experimental or research aspects with documentation of voluntary informed consent.
35. Be advised of how to file a complaint with Ashley House, the Washington State Department of Health, the Joint Commission Office of Quality Monitoring, and the Aging and Long-Term Support Administration. Ashley House will take immediate actions to investigate and act to prevent further violations.
 - a. Ashley House: 1-800-853-8120
 - b. Washington State Department of Health: 1-800-633-6828
 - c. Joint Commission Office of Quality Monitoring: 1-800-994-6610
 - d. State of Washington Aging and Long-Term Support Administration: 1-800-562-6078
 - e. State of Washington Child Protective Services 24 hour hotline: 1-866-363-4276



Client Bill of Rights and Responsibilities

LOCATION:

CLIENT'S NAME:

CLIENT'S DOB:

The Ashley House client, the client's family, or the client's representative have the responsibility to:

1. Give accurate and complete information to the Ashley House staff and to comply with any instructions provided by staff.
2. Alert the team when the client's pain control and symptom management are unsatisfactory to you.
3. Ask questions of Ashley House when you do not understand the care, treatment, services, or what is expected of you/the client.
4. Follow instructions regarding the client's care, treatment, or services. You should also express any concerns regarding your ability to follow the instructions given.
5. Understand and accept the consequences for outcomes if the care, services, and/or treatment plan are not followed.
6. Inform Ashley House of any changes to the health insurance/benefits for you and/or your child.
7. Inform Ashley House of your expectations of and satisfaction with the organization.
8. Show respect towards Ashley House, to include being considerate to the organization's staff and property, as well as other patients and their property.



Client Bill of Rights and Responsibilities

LOCATION:	CLIENT'S NAME:	CLIENT'S DOB:
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I, the undersigned, have read, understand, and received a copy of the Client's Bill of Rights and Responsibilities.

_____	_____	_____
Client Name	Client Signature	Date
_____	_____	_____
Parent/Guardian Name	Parent/legal Guardian Signature	Date
_____	_____	_____
Ashley House Staff Name	Ashley House Staff Signature	Date

Exhibit 8
Admission Agreement, Policies & Procedures

ASHLEY HOUSE AT SHORELINE RESIDENT ADMISSION AGREEMENT

This is an agreement between Ashley House and
I/we _____ the parent(s)/legal
guardian(s) of _____ the patient.

The facility is located at 18904 N Burke Av, Shoreline WA. 98133 It is licensed by
the state of Washington as a Skilled Nursing Facility under WAC 388-97-0001-
4720 license no. _____.

This agreement may not be terminated except as provided in Section VII of this
agreement.

Nothing in this Agreement shall be construed to limit any legal right of the
Resident, nor any legal duty of the Facility.

I. SERVICES, ITEMS AND ACTIVITIES

Beginning on _____, Ashley House shall provide to the resident
the services, items and activities listed on in **XI.** of this agreement at the basic
services rate described in Section II below.

Other services, items and activities, available for an additional cost, are
described in **XII.** of this agreement and may be provided if requested by the
resident.

Services will be determined based upon a written assessment made by a
qualified assessor and obtained prior to the resident's admission to the facility.
The assessment will address specific pre-admit information regarding the
applicant, including recent medical history, care needs and preferences, current
prescribed medications, medical diagnosis, significant known behaviors or
symptoms, history of depression, anxiety, and mental illness if applicable, social,
physical and emotional strengths and needs, functional abilities, evaluation of
cognitive status, religious and cultural considerations and activity preferences.
The qualified assessor will complete a treatment/service plan that describes the
needs for services and an initial plan as to how to meet the needs identified in
the assessment.

This care plan will be completed in consultation with the resident, parent(s)/legal
guardian(s), referring and treating physician(s), social workers, and professionals

involved with the resident, appropriate facility staff, and any other person the resident parent(s)/legal guardian(s) wishes to include. It must be agreed to and signed by the parent(s)/legal guardian(s) and resident if possible.

The facility will notify the resident, parent(s)/legal guardian(s) as soon as possible of any changes in the resident's condition that require a different level of service.

II. FEES

A. Basic Services Rate

The basic services rate, as of the date of this agreement, is \$_____ per day or \$_____month. This rate is based on the resident's level of required care and/or selected services and includes the services, items and activities listed in The level of care and required services have been determined by facility staff, the resident, parent and or legal guardians if applicable, and in consultation with appropriate health care professionals.

B. Total Rate

The Total Rate, as of the date of this Agreement, is \$_____per day. This rate is the sum of the basic services rate, identified above, plus the rates for additional services selected by the resident. The resident and/or parent(s)/Legal guardian(s) will be notified in advance of any changes to the total rate. The notification and rationale for rate changes will be confirmed by an attachment to this agreement when applicable for this resident.

C. Payments

Ashley House requires the parent(s)/legal guardian(s) assure that costs of the resident's care and treatment be provided by the patient's medical benefits; private insurance, Medicaid, managed care organization, trusts, or other resources. Ashley House will confirm reimbursement rates and sources before the resident is admitted for care and treatment. The resident's parent(s)/ legal guardian(s) may be charged for unpaid costs of care.

Private payment for treatment and services provided by Ashley House will be billed and paid bi-monthly. A 5% late charge may be required for payments 30 days in arrears. Ashley House will provide billing statements submitted to private insurance, Medicaid, Managed Care Organization, and other payors to parent(s)/legal guardian(s).

D. Deposits and Non-Refundable Fees)

Ashley House does not require a deposit for care and treatment for patients with Medicaid as the primary benefit for the care and treatment provided by Ashley House.

E. Absences From Facility

If agreed to by the resident's parent(s)/legal guardian(s), it is determined that the resident will not return to the facility, the facility may discharge the resident in accordance with Section **VII** of this agreement and the other requirements of Chapter 70.129 RCW (Long-term Care Resident Rights Law). In such a case, reasonable accommodations to prevent the discharge will not be required and notice of the discharge may be made by the facility as soon as practicable rather than 30 days in advance.

It is Ashley House policy to hold a patient's bed/room for up to 20 days during temporary medically necessary absences. Ashley House will hold the bed or room for 20 days when the client is likely to return to the facility by the 20th day. After the 20th day, the room or bed is available to others, unless a third party agrees to pay the provider to continue to hold the bed.

F. Rate Adjustments

All services, items and activities available at the facility, along with the related charges, are described in **XI.** and **XII.** of this agreement. Except in cases of emergency, the facility will give the resident 30 days advance written notice of any changes in the availability of or charges for services, items, or activities.

If, there has been a substantial and continuing change in the resident's condition necessitating substantially greater or lesser services, items or activities, then charges for those services, items or activities may be changed upon 14 days advance written notice.

Ashley House will provide the needed services, if agreed to by the resident and/or parent(s)/legal guardian(s), at the rates identified on in **XI.** and **XII.** of this agreement. The charges for the new services may exceed the rates specified in **XI.** and **XII.** in this agreement only if the Ashley House has given the resident 30 days advance written notice of the fee change. Determinations that the resident needs greater or fewer services will be made by the facility in consultation with the resident and/or parent(s)/legal guardian(s) and include appropriate assessment. The resident and/or parent(s)/legal guardian(s) have the right to refuse any service offered by the facility. Ashley House will honor patient and/or

parent(s)/legal guardian(s) wishes to refuse recommended care and treatment. Ashley House will notify treating physicians and required child protective agencies including the State of Washington, Child Protective Services if refusal of care and treatment may cause serious harm, worsening of conditions or fatality to the resident. The resident has the right to an independent assessment by health care professionals of his or her choice, at a cost to be borne by the resident.

G. Medicaid Payment Policy

Ashley House will accept Medicaid and Medicaid contracted benefits for costs of for the services care, and treatment for patients who's private payments or private medical benefits terminate and when medical necessity for continued Ashley House level of care is confirmed. The patient and/or parent(s)/legal guardian(s) are responsible to establish and/or coordinate Medicaid eligibility and payment of Ashley House services; care, and treatment.

III. RESIDENT'S RIGHTS AND RESPONSIBILITIES

A. Resident Rights

The resident and/or parent(s)/legal guardian(s) acknowledges that he or she has been provided with a list of Resident's Rights and Responsibilities and that a representative of the Ashley House has explained these rights to the resident, parent(s)/legal guardian(s) prior to or upon admission. Ashley House shall protect and promote the rights of each resident.

B. Facility Policies and Rules

The resident and/or parent(s)/legal guardian(s) acknowledges that he/she or they were provided with "Ashley House Guidelines" containing the general policies and rules of the facility, and that a representative of the facility has explained these policies and rules to the resident and/or parent(s)/legal guardian(s) prior to or upon admission. The resident and/or parent(s)/legal guardian(s) agree to abide by and observe these policies and rules as consistent with the resident rights law. Except in cases of emergency, Ashley House will give 30 days advance written notice to the resident and/or parent(s)/legal guardian(s) of any change in the facility's policies or rules.

C. Nondiscrimination

Ashley House will not discriminate and will comply with all applicable state and federal laws with respect to age, race, color, national origin, ancestry, religion, sex, handicap or disability.

IV. RESIDENT'S PERSONAL PROPERTY

The resident has the right to have and use personal property, space permitting, provided that it does not endanger the health or safety of the resident and/or others. Ashley House shall protect and promote this right.

The resident and/or parent(s)/legal guardian(s) and Ashley House shall take reasonable steps to ensure that the resident's property is not lost, stolen, or damaged. The resident will be provided with lockable storage space upon request.

V. LIABILITY

Ashley House will maintain liability insurance to cover loss or damage to resident's property to the extent such loss or damage is caused by the facility's negligence.

The liability insurance will also cover injury or harm to the resident resulting from the provision of services or failure to provide needed services or incidents occurring in the Ashley House building or on the facility premises.

However, because not all loss or damage may be caused by Ashley House negligence, and because the facility's insurance may not cover losses for which the facility is not responsible, the resident is encouraged, but not required to maintain insurance to cover loss or damage to resident's personal property.

VI. VISITING POLICY

Ashley House has an open visitation policy. Visitors will be required to abide by any and all facility policies that pertain to the resident in regards to the use of any facility or service. Disruptive visitors will be required to leave the premises. The facility locks the exterior entrances between 8:00 p.m. and 7:00 a.m. Out of respect to other residents and staff, it is requested that prior arrangements be made for visits during non-visiting hours.

Ashley House will develop a parent(s)/legal guardian(s) authorized visitor and contact list to include; treating physician(s), and an authorized telephone contact list. All visitors will be required to provide the name of the child/resident they wish to visit; the visitor's name, address, phone contacts, with date and times of their visitation. The facility will confirm parent(s)/legal guardian(s) authorization for visitor contacts with the resident.

VII. TERMINATION OF THIS AGREEMENT

A. Termination by Resident and Refund Policy

The resident may terminate this agreement at any time, regardless of cause, by giving the Ashley House 30 days advance notice in writing. This notice is deemed to have been given automatically under extenuating circumstances beyond the resident's, parent(s)/legal guardian(s) reasonable control.

If the resident for reasons beyond the patient's reasonable control; is hospitalized, or is transferred to another facility for more appropriate care, and does not return to Ashley House, then the facility shall comply with the following refund requirements¹

1. Regardless of whether or not the Resident has given 30 days advance notice, the Ashley House shall refund any deposit or charges already paid, less the facility's per diem rate for the days the resident actually resided or reserved (when permitted) or retained a bed in the facility. In an effort to mitigate the number of days that the resident is considered to have retained a bed, the Ashley House will make reasonable efforts to store personal items that are left at the facility following a transfer.
2. In addition to the amount retained under subparagraph 1, the Ashley House may retain an additional amount to cover its reasonable, actual expenses incurred as a result of the resident's move, not to exceed five days' per diem charges. The facility may not retain this additional amount if the resident has given the 30 days advance notice.
3. Medicaid termination of residency and refund requirements will be followed by Ashley House for residents for whom their care, treatment and residency is under Medicaid.

The Facility shall refund any amount due to the Resident or his or her legal representative, less charges for damage beyond normal and reasonably foreseeable wear and tear caused by the Resident, within 30 days of the Resident's death, discharge, or transfer. The Facility also shall provide to the Resident or the Resident's legal representative an explanation of any charges retained by the Facility.²

B. Termination by Facility and Discharge or Transfer Requirements

Ashley House will permit the resident to remain in the facility, and will not transfer or discharge the resident against the resident, parent(s)/legal guardian(s) will unless:

1. Transfer or discharge is necessary for the resident's welfare and the resident's needs cannot be met by Ashley House;
2. The safety of individuals; residents, Ashley House staff, professionals associated with the facility, and others at the facility are endangered;
3. The health of the resident; other residents, Ashley House staff, professionals associated with the facility, and other individuals at the facility would otherwise be endangered;
4. The resident's parent(s)/legal guardian(s) or medical benefit provider(s) have failed to make required payment or made diligent efforts to assure medical benefit funding for the patient through private insurance, Medicaid or other resources.
5. Ashley House ceases to operate.

If Ashley House transfers or discharges the resident for one or more of the above reasons, the facility shall provide written notice of the transfer or discharge to the resident's parent(s)/legal guardian(s) and his or her at least 30 days in advance. However, written notice may be made on less than 30 days, and as soon as practicable before discharge or transfer if:

1. The health or safety of individuals; residents, Ashley House staff, professionals associated with the facility, and others at the facility would be endangered;
2. An immediate transfer or discharge is required by the resident's urgent medical needs;
3. The Resident has not resided at the facility for 30 days.

Before transferring or discharging a resident, Ashley House will attempt, through reasonable accommodations to avoid the transfer or discharge, unless the resident and/or parent(s)/legal guardian(s) agrees to the transfer or discharge.

If the resident must be transferred by the Ashley House to a hospital or another facility for more appropriate care, and the resident does not return to the facility, Ashley House shall comply with the refund requirements set forth in section VII of this agreement. If the Resident is transferred or discharged for any other reason, this facility will comply with the refund requirements set forth above in **VII.** of this agreement.

VIII. SEVERABILITY

The provisions of this agreement shall be severable and if any phrase, clause, sentence, or provision of this agreement or its application is held to be invalid or unenforceable for any reason, the remainder of the agreement shall remain in full force and effect.

IX. NOTICE

All written notices required by this Agreement shall be delivered either in person or by mail. Notices delivered by mail shall be addressed as indicated below, or as specified by subsequent written notice by the party whose address has changed.

Facility: Ashley House
18904 N Burke Ave
Shoreline, WA. 98133
Attention: Administrator

Resident: _____

Resident's parent(s)/Legal Guardian(s):

X. SIGNATURES

My/our signature(s) below as the resident and/or parent(s)/legal guardian(s) indicates that I/we have read, or had read to me/us, the provisions of this agreement, that I/we enter into this agreement voluntarily, that I/we agree to be bound by all of its terms, and that I have received a copy of this agreement for my/our own records.

Resident signature if applicable:

_____ Date

Parent(s)/Legal guardian(s) signature(s), if applicable:

_____ Date

Signature of Ashley House representative:

_____ Date

XI.SERVICES, ITEMS AND ACTIVITIES INCLUDED IN BASIC SERVICES RATE

The Basic Services Rate includes the following accommodations and services³

1. Room: This is a [private/semi-private] room. The room includes space for storage of clothing and a reasonable amount of personal possessions, and adequate lighting. The resident may use his or her own personal belongings and furniture, subject to space considerations and the safety of others. If the resident desires personalized; bed, linens, blankets, and pillow; a lockable storage space for small items of personal property will be provided.

Ashley House reserves the right to assign rooms and change room assignments or roommates for any resident. The resident and/or parent(s)/legal guardian(s) will receive prompt notice of any room or roommate change. The Ashley House will make reasonable attempts to honor the resident's, parent(s)/legal guardian(s) other roommate requests and preferences.

2. Reasonable access to a non-pay telephone in an area that affords privacy to the resident.
3. Laundry services will be provided as needed, sheets, blankets and pillowcases will be laundered weekly or more frequently as needed.
4. Staffing:
Ashley House will provide the level of care and treatment ordered by your child's treating physician(s) and when in the identified scope of Ashley House practice. Staffing will be provided in accordance with State of Washington guidelines and Administrative Codes. The 24 hour resident's care will be provided by licensed nurses including nurses licensed as: BSN; RN, and LPN. Personal care and other tasks will be provided by home health assistants and CNA. Staffing for staff to patient ratios will be provided in accordance within applicable State of Washington licensing guidelines including a minimum of 3.4 hours of direct care daily.
5. Immediate notification to resident's physician; parent(s)/legal guardian(s), family, and other appropriate professionals and persons identified in the admissions agreement whenever there is a significant change in the resident's condition or a serious injury; trauma, or fatality occurs.

6. Assistance with personal care needs such as and not limited to: Dressing; bathing, grooming, oral care, toileting, changing briefs and diapers, oral feeding, oral hygiene, mobility, transferring(bed, chair, wheelchair, bath chair, bath tub), walking, use of phone, laundry, ROM, recreation, activities, comforting, as appropriate holding, rocking, orienting (time, date, location), and other tasks as needed.

- 7 Personal care items provided:
Age appropriate personal care items will be provided including body Soaps shampoo, tooth brush, tooth paste, age and developmentally relevant toys, games, videos.

8. Three nutritious meals daily, snacks and beverages when ordered by treating physician(s). Special dietary needs will be accommodated. Individual food preferences will be taken into consideration and Provided when possible. The resident and/or parent(s)/legal guardian(s) may bring foods and beverages for the resident to the facility with notification to the licensed nurse assigned to the resident and when approved by the resident’s treating physician(s). Dietary and nutritional needs will be addressed and accommodated according to physician orders including g tube, NG tube, G/J tube, N G/J tube feedings.

9. Planned activity programs as specified in the nursing care plan designed to meet the resident’s and parent(s)/legal guardian(s) preferences.

10. Medication and Nursing Services: Assistance with medications and medical needs as identified in the assessment and care plan. Medications will be kept in locked storage. Nursing services provided According to and under physicians’ specific written and signed orders. Nursing tasks include and are not limited to: Daily assessments as needed, administration of medications, respiratory treatments, ordered respiratory management of airway with and without tracheotomy, vital sign monitoringSAO2 monitoring and associated supplemental O2 administration, Ventilator, CPAP, BiPAP, nasal stint, high flow O2 supports, respiratory toileting/CPT, oral and tube feedings including bolus or continuous by prescribed routes including: G tube, G/J tube,

Nasal G tube, or nasal G/J tube, wound care, orthopedic care, post-surgery management, pre surgical protocols, titrations of treatments including: oral feedings, medications, titration of ventilator settings and weaning. I.V. medication treatment, and other nursing tasks as prescribed and within Ashley House identified scope of practice, symptom management, pain management, medical care management (medical, transition planning and management, educational, written and verbal communication with medical benefit entities treating physicians and their staff, associated medicals professionals).

11. Ashley House will ensure that appropriate professionals provide needed and physician ordered services to the resident. Ashley House will assist the resident to obtain additional onsite health care services requested by the resident and/or parent(s)/legal guardian(s) and when ordered by the resident's physician(s). These services may be at additional cost to resident's financially responsible person(s) when the additional services are not medically necessary or otherwise cover by medical insurance benefits, Medicaid or MCOs.

Except in cases of emergency, Ashley House will give the resident and/or parent(s)/legal guardian(s) 30 days advance written notice of any changes in the availability of/or charges for services, items, or activities.

Resident signature if applicable:

Date

Parent(s)/legal guardian(s), if applicable:

Date

Signature of Ashley House representative:

Date

XII. ADDITIONAL SERVICES, ITEMS AND ACTIVITIES, NOT COVERED IN THE BASIC SERVICES RATE

Additional services, items, activities, treatments dietary choices, not provided under the patient's medical benefits and or when not determined to be medically necessary by threatening physicians may be provided when parent(s)/legal guardian(s) pay for or otherwise provide the specific services, items, treatments or other requested services.

Except in cases of emergency, Ashley House will give the resident 30 days advance written notice of any changes in the availability of or charges for services, items, or activities.

Resident signature, if applicable

Date

Parent(s)/legal guardian(s) signature:

Date

Signature of Facility representative:

Date

XIII. PATIENT RIGHTS AND RESPONSIBILITIES

Individuals living in licensed long-term care facilities (adult family homes, boarding homes, nursing homes, children's group care and veteran's homes) in the state of Washington have legal rights. Residents and his/her parent(s)/legal guardian(s) also have responsibilities.

Each resident and legal representative must be notified both orally and in writing, in a language they understand, of his/her rights, the rules and regulations governing his/her conduct in the facility, and the rules of operation of the facility. Notification must be provided prior to or upon admission and reviewed at least every 24 months in writing and in a language the resident and legal representative understands.

Ashley House Patient Rights and Responsibilities will be provided to the resident and his/her parent(s)/legal guardian(s) prior to or upon admission to Ashley House. (See attached Ashley House Rights and Responsibilities And patient signature pages.)

FOR ASSISTANCE WITH PROBLEMS AND COMPLAINTS ABOUT VIOLATION OF RIGHTS, CARE AND SERVICE ISSUES, ABUSE, NEGLECT OR EXPLOITATION

WASHINGTON STATE OMBUDSMAN'S OFFICE.....1-800-562-6028
COMPLAINT HOT LINE.....1-800-562-6078
AGING AND ADULT SERVICES ADMINISTRATION.....1-800-422-3263
CHILD PROTECTIVE SERVICES.....1-866-363-4276

(Nursing Homes, Boarding Homes, Adult Family Homes, Children's Licensed Homes licensing and regulations)



Ashley House Guidelines

LOCATION (circle one): AU BP KT NS OLY CLIENT'S NAME:

Ashley House is dedicated to helping families with medically fragile children and young adults. It is our goal to provide high quality health care in a home like setting. Ashley House understands the importance of the bond between children and their families and will work hard to sustain that bond. These guidelines are established in order to ensure continuity of care, safety, and respect of all our clients. In the event that these guidelines are not adhered to, Ashley House will meet with the family to address violations of these guidelines.

Guidelines

1. The kitchen at each location is available for families to use for meal preparation. Ask for assistance when looking for cookware to use. All food in the refrigerator must be labeled and leave with you at the end of your visit. Please clean up all dishes promptly.
2. Smoking or vaping is not permitted in Ashley House or on the property. We also ask that you do not use strong perfume, cologne, or lotion before visiting. If you or your guests smell of tobacco or other strong odors, you may be asked to leave.
3. Alcohol or drugs are not permitted in Ashley House or on the property. If it appears that someone is under the influence then they will be asked to leave. Failure to leave will prompt a call to the police.
4. Fire arms (guns) or any weapons are not permitted in Ashley House or on the property. This includes vehicles parked on the premises.
5. If you or a family member have signs or symptoms of illness or a communicable disease (lice, fleas, bedbugs), we ask that you stay home during the incubation period or until you are no longer infectious.
6. All visitors must sign in when entering and leaving the facility. Parents and visitors are expected to visit in common areas or their child's bedroom.
7. Parents and visitors are not permitted in a shared bedroom while another client is present. Please ask staff to facilitate the visit.
8. If you bring other children or visitors to Ashley House, you agree to be solely responsible for them and to provide supervision at all times.
9. Visitors unaccompanied by a parent or guardian must be cleared by a background check prior to visiting.
10. Please use appropriate and respectful language while at Ashley House. Swearing and loud voices are not permitted.
11. When calling Ashley House, please keep your calls brief. Remember other parents, physicians, and therapists may be trying to call in so it is important that the phone lines not be occupied.



Ashley House Guidelines

LOCATION (circle one): AU BP KT NS OLY CLIENT'S NAME:

12. The TV and entertainment equipment at Ashley House are for the children. The programming you view must be appropriate for children.
13. Family and visitors are not permitted to spend the night due to licensing restrictions. Exceptions may be made for training purposes, end of life care, and family traveling long distances. Please contact social work to request an exception.
14. At time of admit, an inventory of the client's personal belongings will be collected. All items will be clearly marked with the client's initials. All items removed or added must be documented on the client inventory list by Ashley House staff.
15. Ashley House is not liable for lost, stolen, or damaged items. Please keep sentimental, costly, and irreplaceable items at home.

_____ Guardian/Visitor Name	_____ Guardian/Visitor Signature	_____ Date
_____ Guardian/Visitor Name	_____ Guardian/Visitor Signature	_____ Date
_____ Ashley House Staff Name	_____ Ashley House Staff Signature	_____ Date



HIPAA

33811 9th Avenue South
Federal Way, WA 98003
Phone: 253.533.9050
Fax: 253.517.7706

LOCATION (circle one): AU BP KT NS OLY CLIENT'S NAME:

Your Information. Your Rights. Our Responsibilities.

HIPAA required Privacy Notice Acknowledgment

YOUR SIGNATURE IS REQUESTED BELOW:

Federal regulations require that we ask you to acknowledge receiving this Notice. Please sign and date below.

The undersigned have received the Notice of Privacy Practices of Ashley House.

_____	_____	_____
Guardian/Visitor Name	Guardian/Visitor Signature	Date
_____	_____	_____
Guardian/Visitor Name	Guardian/Visitor Signature	Date
_____	_____	_____
Ashley House Staff Name	Ashley House Staff Signature	Date

STAFF INSTRUCTIONS:

HAVE PARENT OR LEGAL GUARDIAN SIGN TWO ACKNOWLEDGMENT FORMS
GIVE HANDOUT TO SIGNING PARENT OR LEGAL GUARDIAN
RETAIN ADDITIONAL ORIGINAL SIGNATURE PAGE FOR ASHLEY HOUSE FILES



HIPAA

33811 9th Avenue South
Federal Way, WA 98003
Phone: 253.533.9050
Fax: 253.517.7706

Your Information. Your Rights. Our Responsibilities.

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. **Please review it carefully.**

Your Rights

You have the right to:

- Get a copy of your paper or electronic medical record
- Correct your paper or electronic medical record
- Request confidential communication
- Ask us to limit the information we share
- Get a list of those with whom we've shared your information
- Get a copy of this privacy notice
- Choose someone to act for you
- File a complaint if you believe your privacy rights have been violated

Your Choices

You have some choices in the way that we use and share information as we:

- Tell family and friends about your condition
- Provide disaster relief
- Provide mental health care
- Market our services
- Raise funds

Our Uses and Disclosures

We may use and share your information as we:

- Treat you
- Run our organization
- Bill for your services
- Help with public health and safety issues
- Do research
- Comply with the law
- Respond to organ and tissue donation requests
- Work with a medical examiner or funeral director
- Address workers' compensation, law enforcement, and other government requests
- Respond to lawsuits and legal actions



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Your Rights

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get an electronic or paper copy of your medical record

- You can ask to see or get an electronic or paper copy of your medical record and other health information we have about you. Ask us how to do this.
- We will provide a copy or a summary of your health information, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct your medical record

- You can ask us to correct health information about you that you think is incorrect or incomplete. Ask us how to do this.
- We may say “no” to your request, but we’ll tell you why in writing within 60 days.

Request confidential communications

- You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.
- We will say “yes” to all reasonable requests.

Ask us to limit what we use or share

- You can ask us not to use or share certain health information for treatment, payment, or our operations. We are not required to agree to your request, and we may say “no” if it would affect your care.
- If you pay for a service or health care item out-of-pocket in full, you can ask us not to share that information for the purpose of payment or our operations with your health insurer. We will say “yes” unless a law requires us to share that information.

Get a list of those with whom we’ve shared information

- You can ask for a list accounting of the times we’ve shared your health information for six years prior to the date you ask, who we shared it with, and why.
- We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We’ll provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of this privacy notice

- You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

- If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
- We will make sure the person has this authority and can act for you before we take any action.



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File a complaint if you feel your rights are violated

- You can complain if you feel we have violated your rights by contacting us using the information on page 1.
- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/.
- We will not retaliate against you for filing a complaint.

Your Choices

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in your care.
- Share information in a disaster relief situation.

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we never share your information unless you give us written permission:

- Marketing purposes.
- Most sharing of psychotherapy notes.

In the case of fundraising:

- We may contact you for fundraising efforts, but you can tell us not to contact you again.

Our Uses and Disclosures

How do we typically use or share your health information? We typically use or share your health information in the following ways:

Treat you

We can use your health information and share it with other professionals who are treating you.

Run our organization

We can use and share your health information to run our practice, improve your care, and contact you when necessary.

Bill for your services

We can use and share your health information to bill and get payment from health plans or other entities.

How else can we use or share your health information?

We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before



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we can share your information for these purposes. For more information see:
www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.

Help with public health and safety issues: We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
- Preventing or reducing a serious threat to anyone's health or safety

Do research: We can use or share your information for health research.

Comply with the law: We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we're complying with federal privacy law.

Respond to organ and tissue donation requests: We can share health information about you with organ procurement organizations.

Work with a medical examiner or funeral director: We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests: We can use or share health information about you:

- For workers' compensation claims
- For law enforcement purposes or with a law enforcement official
- With health oversight agencies for activities authorized by law
- For special government functions such as military, national security, and presidential protective services

Respond to lawsuits and legal actions: We can share health information about you in response to a court or administrative order, or in response to a subpoena.

Our Responsibilities

- We are required by law to maintain the privacy & security of your protected health information.
- We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
- We must follow the duties and privacy practices described in this notice and give you a copy of it.



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- We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticapp.html.

Changes to the Terms of this Notice

We can change the terms of this notice and the changes will apply to all information we have about you. The new notice will be available upon request and in our office.

Other Instructions for Notice

- Effective Date of this Notice: 9/15/14
- If you have general questions about this notice please call the Executive Director / Privacy Officer at (253) 533-9050. If you think we may have violated your privacy rights or you disagree with a decision made about access to your PHI, you may file a written complaint with the Privacy Officer by writing to the Executive Director, 33811 9th Avenue S, Federal Way, WA 98003. You may also file a complaint with the Secretary of the U.S. Department of Health and Human Services. You will not be penalized if you file a complaint about our privacy practices with us or with Health and Human Services.

Exhibit 9
Amortization Schedule

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Feb 2020	\$9,125.97	\$2,042.63	\$7,083.33	\$7,083.33	\$1,697,957.37
Mar 2020	\$9,125.97	\$2,051.15	\$7,074.82	\$14,158.16	\$1,695,906.22
Apr 2020	\$9,125.97	\$2,059.69	\$7,066.28	\$21,224.43	\$1,693,846.53
May 2020	\$9,125.97	\$2,068.27	\$7,057.69	\$28,282.13	\$1,691,778.26
Jun 2020	\$9,125.97	\$2,076.89	\$7,049.08	\$35,331.20	\$1,689,701.36
Jul 2020	\$9,125.97	\$2,085.55	\$7,040.42	\$42,371.62	\$1,687,615.82
Aug 2020	\$9,125.97	\$2,094.24	\$7,031.73	\$49,403.36	\$1,685,521.58
Sep 2020	\$9,125.97	\$2,102.96	\$7,023.01	\$56,426.36	\$1,683,418.62
Oct 2020	\$9,125.97	\$2,111.72	\$7,014.24	\$63,440.61	\$1,681,306.90
Nov 2020	\$9,125.97	\$2,120.52	\$7,005.45	\$70,446.05	\$1,679,186.38
Dec 2020	\$9,125.97	\$2,129.36	\$6,996.61	\$77,442.66	\$1,677,057.02
Jan 2021	\$9,125.97	\$2,138.23	\$6,987.74	\$84,430.40	\$1,674,918.79
Feb 2021	\$9,125.97	\$2,147.14	\$6,978.83	\$91,409.23	\$1,672,771.65
Mar 2021	\$9,125.97	\$2,156.09	\$6,969.88	\$98,379.11	\$1,670,615.56
Apr 2021	\$9,125.97	\$2,165.07	\$6,960.90	\$105,340.01	\$1,668,450.49
May 2021	\$9,125.97	\$2,174.09	\$6,951.88	\$112,291.89	\$1,666,276.40
Jun 2021	\$9,125.97	\$2,183.15	\$6,942.82	\$119,234.70	\$1,664,093.25
Jul 2021	\$9,125.97	\$2,192.25	\$6,933.72	\$126,168.43	\$1,661,901.01
Aug 2021	\$9,125.97	\$2,201.38	\$6,924.59	\$133,093.01	\$1,659,699.63
Sep 2021	\$9,125.97	\$2,210.55	\$6,915.42	\$140,008.43	\$1,657,489.08
Oct 2021	\$9,125.97	\$2,219.76	\$6,906.20	\$146,914.63	\$1,655,269.31
Nov 2021	\$9,125.97	\$2,229.01	\$6,896.96	\$153,811.59	\$1,653,040.30
Dec 2021	\$9,125.97	\$2,238.30	\$6,887.67	\$160,699.26	\$1,650,802.00
Jan 2022	\$9,125.97	\$2,247.63	\$6,878.34	\$167,577.60	\$1,648,554.38
Feb 2022	\$9,125.97	\$2,256.99	\$6,868.98	\$174,446.57	\$1,646,297.38
Mar 2022	\$9,125.97	\$2,266.40	\$6,859.57	\$181,306.15	\$1,644,030.99
Apr 2022	\$9,125.97	\$2,275.84	\$6,850.13	\$188,156.28	\$1,641,755.15
May 2022	\$9,125.97	\$2,285.32	\$6,840.65	\$194,996.92	\$1,639,469.83
Jun 2022	\$9,125.97	\$2,294.84	\$6,831.12	\$201,828.05	\$1,637,174.99
Jul 2022	\$9,125.97	\$2,304.41	\$6,821.56	\$208,649.61	\$1,634,870.58
Aug 2022	\$9,125.97	\$2,314.01	\$6,811.96	\$215,461.57	\$1,632,556.57
Sep 2022	\$9,125.97	\$2,323.65	\$6,802.32	\$222,263.89	\$1,630,232.93

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Oct 2022	\$9,125.97	\$2,333.33	\$6,792.64	\$229,056.53	\$1,627,899.60
Nov 2022	\$9,125.97	\$2,343.05	\$6,782.91	\$235,839.44	\$1,625,556.54
Dec 2022	\$9,125.97	\$2,352.82	\$6,773.15	\$242,612.59	\$1,623,203.73
Jan 2023	\$9,125.97	\$2,362.62	\$6,763.35	\$249,375.94	\$1,620,841.11
Feb 2023	\$9,125.97	\$2,372.46	\$6,753.50	\$256,129.45	\$1,618,468.65
Mar 2023	\$9,125.97	\$2,382.35	\$6,743.62	\$262,873.07	\$1,616,086.30
Apr 2023	\$9,125.97	\$2,392.27	\$6,733.69	\$269,606.76	\$1,613,694.02
May 2023	\$9,125.97	\$2,402.24	\$6,723.73	\$276,330.48	\$1,611,291.78
Jun 2023	\$9,125.97	\$2,412.25	\$6,713.72	\$283,044.20	\$1,608,879.53
Jul 2023	\$9,125.97	\$2,422.30	\$6,703.66	\$289,747.86	\$1,606,457.23
Aug 2023	\$9,125.97	\$2,432.40	\$6,693.57	\$296,441.44	\$1,604,024.83
Sep 2023	\$9,125.97	\$2,442.53	\$6,683.44	\$303,124.87	\$1,601,582.30
Oct 2023	\$9,125.97	\$2,452.71	\$6,673.26	\$309,798.13	\$1,599,129.59
Nov 2023	\$9,125.97	\$2,462.93	\$6,663.04	\$316,461.17	\$1,596,666.66
Dec 2023	\$9,125.97	\$2,473.19	\$6,652.78	\$323,113.95	\$1,594,193.47
Jan 2024	\$9,125.97	\$2,483.49	\$6,642.47	\$329,756.42	\$1,591,709.98
Feb 2024	\$9,125.97	\$2,493.84	\$6,632.12	\$336,388.55	\$1,589,216.14
Mar 2024	\$9,125.97	\$2,504.23	\$6,621.73	\$343,010.28	\$1,586,711.90
Apr 2024	\$9,125.97	\$2,514.67	\$6,611.30	\$349,621.58	\$1,584,197.23
May 2024	\$9,125.97	\$2,525.15	\$6,600.82	\$356,222.40	\$1,581,672.09
Jun 2024	\$9,125.97	\$2,535.67	\$6,590.30	\$362,812.70	\$1,579,136.42
Jul 2024	\$9,125.97	\$2,546.23	\$6,579.74	\$369,392.44	\$1,576,590.19
Aug 2024	\$9,125.97	\$2,556.84	\$6,569.13	\$375,961.57	\$1,574,033.35
Sep 2024	\$9,125.97	\$2,567.50	\$6,558.47	\$382,520.04	\$1,571,465.85
Oct 2024	\$9,125.97	\$2,578.19	\$6,547.77	\$389,067.81	\$1,568,887.66
Nov 2024	\$9,125.97	\$2,588.94	\$6,537.03	\$395,604.84	\$1,566,298.72
Dec 2024	\$9,125.97	\$2,599.72	\$6,526.24	\$402,131.09	\$1,563,699.00
Jan 2025	\$9,125.97	\$2,610.56	\$6,515.41	\$408,646.50	\$1,561,088.45
Feb 2025	\$9,125.97	\$2,621.43	\$6,504.54	\$415,151.04	\$1,558,467.01
Mar 2025	\$9,125.97	\$2,632.36	\$6,493.61	\$421,644.65	\$1,555,834.66
Apr 2025	\$9,125.97	\$2,643.32	\$6,482.64	\$428,127.29	\$1,553,191.33
May 2025	\$9,125.97	\$2,654.34	\$6,471.63	\$434,598.92	\$1,550,537.00

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Jun 2025	\$9,125.97	\$2,665.40	\$6,460.57	\$441,059.49	\$1,547,871.60
Jul 2025	\$9,125.97	\$2,676.50	\$6,449.47	\$447,508.96	\$1,545,195.10
Aug 2025	\$9,125.97	\$2,687.65	\$6,438.31	\$453,947.27	\$1,542,507.44
Sep 2025	\$9,125.97	\$2,698.85	\$6,427.11	\$460,374.39	\$1,539,808.59
Oct 2025	\$9,125.97	\$2,710.10	\$6,415.87	\$466,790.26	\$1,537,098.49
Nov 2025	\$9,125.97	\$2,721.39	\$6,404.58	\$473,194.83	\$1,534,377.10
Dec 2025	\$9,125.97	\$2,732.73	\$6,393.24	\$479,588.07	\$1,531,644.37
Jan 2026	\$9,125.97	\$2,744.12	\$6,381.85	\$485,969.92	\$1,528,900.26
Feb 2026	\$9,125.97	\$2,755.55	\$6,370.42	\$492,340.34	\$1,526,144.71
Mar 2026	\$9,125.97	\$2,767.03	\$6,358.94	\$498,699.28	\$1,523,377.67
Apr 2026	\$9,125.97	\$2,778.56	\$6,347.41	\$505,046.68	\$1,520,599.11
May 2026	\$9,125.97	\$2,790.14	\$6,335.83	\$511,382.51	\$1,517,808.98
Jun 2026	\$9,125.97	\$2,801.76	\$6,324.20	\$517,706.72	\$1,515,007.21
Jul 2026	\$9,125.97	\$2,813.44	\$6,312.53	\$524,019.25	\$1,512,193.78
Aug 2026	\$9,125.97	\$2,825.16	\$6,300.81	\$530,320.05	\$1,509,368.61
Sep 2026	\$9,125.97	\$2,836.93	\$6,289.04	\$536,609.09	\$1,506,531.68
Oct 2026	\$9,125.97	\$2,848.75	\$6,277.22	\$542,886.31	\$1,503,682.93
Nov 2026	\$9,125.97	\$2,860.62	\$6,265.35	\$549,151.65	\$1,500,822.31
Dec 2026	\$9,125.97	\$2,872.54	\$6,253.43	\$555,405.08	\$1,497,949.77
Jan 2027	\$9,125.97	\$2,884.51	\$6,241.46	\$561,646.53	\$1,495,065.26
Feb 2027	\$9,125.97	\$2,896.53	\$6,229.44	\$567,875.97	\$1,492,168.73
Mar 2027	\$9,125.97	\$2,908.60	\$6,217.37	\$574,093.34	\$1,489,260.13
Apr 2027	\$9,125.97	\$2,920.72	\$6,205.25	\$580,298.59	\$1,486,339.41
May 2027	\$9,125.97	\$2,932.89	\$6,193.08	\$586,491.67	\$1,483,406.53
Jun 2027	\$9,125.97	\$2,945.11	\$6,180.86	\$592,672.54	\$1,480,461.42
Jul 2027	\$9,125.97	\$2,957.38	\$6,168.59	\$598,841.12	\$1,477,504.04
Aug 2027	\$9,125.97	\$2,969.70	\$6,156.27	\$604,997.39	\$1,474,534.34
Sep 2027	\$9,125.97	\$2,982.07	\$6,143.89	\$611,141.28	\$1,471,552.27
Oct 2027	\$9,125.97	\$2,994.50	\$6,131.47	\$617,272.75	\$1,468,557.77
Nov 2027	\$9,125.97	\$3,006.98	\$6,118.99	\$623,391.74	\$1,465,550.79
Dec 2027	\$9,125.97	\$3,019.51	\$6,106.46	\$629,498.20	\$1,462,531.28
Jan 2028	\$9,125.97	\$3,032.09	\$6,093.88	\$635,592.08	\$1,459,499.20

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Feb 2028	\$9,125.97	\$3,044.72	\$6,081.25	\$641,673.33	\$1,456,454.48
Mar 2028	\$9,125.97	\$3,057.41	\$6,068.56	\$647,741.89	\$1,453,397.07
Apr 2028	\$9,125.97	\$3,070.15	\$6,055.82	\$653,797.71	\$1,450,326.92
May 2028	\$9,125.97	\$3,082.94	\$6,043.03	\$659,840.74	\$1,447,243.98
Jun 2028	\$9,125.97	\$3,095.78	\$6,030.18	\$665,870.92	\$1,444,148.20
Jul 2028	\$9,125.97	\$3,108.68	\$6,017.28	\$671,888.21	\$1,441,039.51
Aug 2028	\$9,125.97	\$3,121.64	\$6,004.33	\$677,892.54	\$1,437,917.88
Sep 2028	\$9,125.97	\$3,134.64	\$5,991.32	\$683,883.86	\$1,434,783.24
Oct 2028	\$9,125.97	\$3,147.70	\$5,978.26	\$689,862.13	\$1,431,635.53
Nov 2028	\$9,125.97	\$3,160.82	\$5,965.15	\$695,827.28	\$1,428,474.71
Dec 2028	\$9,125.97	\$3,173.99	\$5,951.98	\$701,779.25	\$1,425,300.72
Jan 2029	\$9,125.97	\$3,187.21	\$5,938.75	\$707,718.01	\$1,422,113.51
Feb 2029	\$9,125.97	\$3,200.49	\$5,925.47	\$713,643.48	\$1,418,913.01
Mar 2029	\$9,125.97	\$3,213.83	\$5,912.14	\$719,555.62	\$1,415,699.18
Apr 2029	\$9,125.97	\$3,227.22	\$5,898.75	\$725,454.36	\$1,412,471.96
May 2029	\$9,125.97	\$3,240.67	\$5,885.30	\$731,339.66	\$1,409,231.29
Jun 2029	\$9,125.97	\$3,254.17	\$5,871.80	\$737,211.46	\$1,405,977.12
Jul 2029	\$9,125.97	\$3,267.73	\$5,858.24	\$743,069.70	\$1,402,709.39
Aug 2029	\$9,125.97	\$3,281.35	\$5,844.62	\$748,914.32	\$1,399,428.05
Sep 2029	\$9,125.97	\$3,295.02	\$5,830.95	\$754,745.27	\$1,396,133.03
Oct 2029	\$9,125.97	\$3,308.75	\$5,817.22	\$760,562.49	\$1,392,824.28
Nov 2029	\$9,125.97	\$3,322.53	\$5,803.43	\$766,365.93	\$1,389,501.75
Dec 2029	\$9,125.97	\$3,336.38	\$5,789.59	\$772,155.52	\$1,386,165.37
Jan 2030	\$9,125.97	\$3,350.28	\$5,775.69	\$777,931.21	\$1,382,815.10
Feb 2030	\$9,125.97	\$3,364.24	\$5,761.73	\$783,692.94	\$1,379,450.86
Mar 2030	\$9,125.97	\$3,378.26	\$5,747.71	\$789,440.65	\$1,376,072.60
Apr 2030	\$9,125.97	\$3,392.33	\$5,733.64	\$795,174.28	\$1,372,680.27
May 2030	\$9,125.97	\$3,406.47	\$5,719.50	\$800,893.79	\$1,369,273.80
Jun 2030	\$9,125.97	\$3,420.66	\$5,705.31	\$806,599.09	\$1,365,853.14
Jul 2030	\$9,125.97	\$3,434.91	\$5,691.05	\$812,290.15	\$1,362,418.23
Aug 2030	\$9,125.97	\$3,449.22	\$5,676.74	\$817,966.89	\$1,358,969.01
Sep 2030	\$9,125.97	\$3,463.60	\$5,662.37	\$823,629.26	\$1,355,505.41

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Oct 2030	\$9,125.97	\$3,478.03	\$5,647.94	\$829,277.20	\$1,352,027.38
Nov 2030	\$9,125.97	\$3,492.52	\$5,633.45	\$834,910.65	\$1,348,534.86
Dec 2030	\$9,125.97	\$3,507.07	\$5,618.90	\$840,529.54	\$1,345,027.79
Jan 2031	\$9,125.97	\$3,521.69	\$5,604.28	\$846,133.83	\$1,341,506.10
Feb 2031	\$9,125.97	\$3,536.36	\$5,589.61	\$851,723.43	\$1,337,969.75
Mar 2031	\$9,125.97	\$3,551.09	\$5,574.87	\$857,298.31	\$1,334,418.65
Apr 2031	\$9,125.97	\$3,565.89	\$5,560.08	\$862,858.39	\$1,330,852.76
May 2031	\$9,125.97	\$3,580.75	\$5,545.22	\$868,403.61	\$1,327,272.01
Jun 2031	\$9,125.97	\$3,595.67	\$5,530.30	\$873,933.91	\$1,323,676.35
Jul 2031	\$9,125.97	\$3,610.65	\$5,515.32	\$879,449.22	\$1,320,065.70
Aug 2031	\$9,125.97	\$3,625.69	\$5,500.27	\$884,949.50	\$1,316,440.00
Sep 2031	\$9,125.97	\$3,640.80	\$5,485.17	\$890,434.66	\$1,312,799.20
Oct 2031	\$9,125.97	\$3,655.97	\$5,470.00	\$895,904.66	\$1,309,143.23
Nov 2031	\$9,125.97	\$3,671.20	\$5,454.76	\$901,359.42	\$1,305,472.03
Dec 2031	\$9,125.97	\$3,686.50	\$5,439.47	\$906,798.89	\$1,301,785.53
Jan 2032	\$9,125.97	\$3,701.86	\$5,424.11	\$912,223.00	\$1,298,083.66
Feb 2032	\$9,125.97	\$3,717.29	\$5,408.68	\$917,631.68	\$1,294,366.38
Mar 2032	\$9,125.97	\$3,732.77	\$5,393.19	\$923,024.87	\$1,290,633.60
Apr 2032	\$9,125.97	\$3,748.33	\$5,377.64	\$928,402.51	\$1,286,885.28
May 2032	\$9,125.97	\$3,763.95	\$5,362.02	\$933,764.54	\$1,283,121.33
Jun 2032	\$9,125.97	\$3,779.63	\$5,346.34	\$939,110.87	\$1,279,341.70
Jul 2032	\$9,125.97	\$3,795.38	\$5,330.59	\$944,441.46	\$1,275,546.33
Aug 2032	\$9,125.97	\$3,811.19	\$5,314.78	\$949,756.24	\$1,271,735.13
Sep 2032	\$9,125.97	\$3,827.07	\$5,298.90	\$955,055.14	\$1,267,908.06
Oct 2032	\$9,125.97	\$3,843.02	\$5,282.95	\$960,338.09	\$1,264,065.05
Nov 2032	\$9,125.97	\$3,859.03	\$5,266.94	\$965,605.03	\$1,260,206.02
Dec 2032	\$9,125.97	\$3,875.11	\$5,250.86	\$970,855.88	\$1,256,330.91
Jan 2033	\$9,125.97	\$3,891.26	\$5,234.71	\$976,090.60	\$1,252,439.65
Feb 2033	\$9,125.97	\$3,907.47	\$5,218.50	\$981,309.09	\$1,248,532.18
Mar 2033	\$9,125.97	\$3,923.75	\$5,202.22	\$986,511.31	\$1,244,608.43
Apr 2033	\$9,125.97	\$3,940.10	\$5,185.87	\$991,697.18	\$1,240,668.33
May 2033	\$9,125.97	\$3,956.52	\$5,169.45	\$996,866.63	\$1,236,711.82

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Jun 2033	\$9,125.97	\$3,973.00	\$5,152.97	\$1,002,019.60	\$1,232,738.82
Jul 2033	\$9,125.97	\$3,989.56	\$5,136.41	\$1,007,156.01	\$1,228,749.26
Aug 2033	\$9,125.97	\$4,006.18	\$5,119.79	\$1,012,275.80	\$1,224,743.08
Sep 2033	\$9,125.97	\$4,022.87	\$5,103.10	\$1,017,378.89	\$1,220,720.21
Oct 2033	\$9,125.97	\$4,039.63	\$5,086.33	\$1,022,465.23	\$1,216,680.58
Nov 2033	\$9,125.97	\$4,056.47	\$5,069.50	\$1,027,534.73	\$1,212,624.11
Dec 2033	\$9,125.97	\$4,073.37	\$5,052.60	\$1,032,587.33	\$1,208,550.74
Jan 2034	\$9,125.97	\$4,090.34	\$5,035.63	\$1,037,622.96	\$1,204,460.40
Feb 2034	\$9,125.97	\$4,107.38	\$5,018.59	\$1,042,641.54	\$1,200,353.02
Mar 2034	\$9,125.97	\$4,124.50	\$5,001.47	\$1,047,643.02	\$1,196,228.52
Apr 2034	\$9,125.97	\$4,141.68	\$4,984.29	\$1,052,627.30	\$1,192,086.84
May 2034	\$9,125.97	\$4,158.94	\$4,967.03	\$1,057,594.33	\$1,187,927.90
Jun 2034	\$9,125.97	\$4,176.27	\$4,949.70	\$1,062,544.03	\$1,183,751.64
Jul 2034	\$9,125.97	\$4,193.67	\$4,932.30	\$1,067,476.33	\$1,179,557.97
Aug 2034	\$9,125.97	\$4,211.14	\$4,914.82	\$1,072,391.15	\$1,175,346.82
Sep 2034	\$9,125.97	\$4,228.69	\$4,897.28	\$1,077,288.43	\$1,171,118.13
Oct 2034	\$9,125.97	\$4,246.31	\$4,879.66	\$1,082,168.09	\$1,166,871.83
Nov 2034	\$9,125.97	\$4,264.00	\$4,861.97	\$1,087,030.06	\$1,162,607.82
Dec 2034	\$9,125.97	\$4,281.77	\$4,844.20	\$1,091,874.25	\$1,158,326.06
Jan 2035	\$9,125.97	\$4,299.61	\$4,826.36	\$1,096,700.61	\$1,154,026.45
Feb 2035	\$9,125.97	\$4,317.52	\$4,808.44	\$1,101,509.06	\$1,149,708.92
Mar 2035	\$9,125.97	\$4,335.51	\$4,790.45	\$1,106,299.51	\$1,145,373.41
Apr 2035	\$9,125.97	\$4,353.58	\$4,772.39	\$1,111,071.90	\$1,141,019.83
May 2035	\$9,125.97	\$4,371.72	\$4,754.25	\$1,115,826.15	\$1,136,648.11
Jun 2035	\$9,125.97	\$4,389.93	\$4,736.03	\$1,120,562.18	\$1,132,258.18
Jul 2035	\$9,125.97	\$4,408.23	\$4,717.74	\$1,125,279.93	\$1,127,849.95
Aug 2035	\$9,125.97	\$4,426.59	\$4,699.37	\$1,129,979.30	\$1,123,423.36
Sep 2035	\$9,125.97	\$4,445.04	\$4,680.93	\$1,134,660.23	\$1,118,978.32
Oct 2035	\$9,125.97	\$4,463.56	\$4,662.41	\$1,139,322.64	\$1,114,514.77
Nov 2035	\$9,125.97	\$4,482.16	\$4,643.81	\$1,143,966.45	\$1,110,032.61
Dec 2035	\$9,125.97	\$4,500.83	\$4,625.14	\$1,148,591.59	\$1,105,531.78
Jan 2036	\$9,125.97	\$4,519.59	\$4,606.38	\$1,153,197.97	\$1,101,012.19

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Feb 2036	\$9,125.97	\$4,538.42	\$4,587.55	\$1,157,785.52	\$1,096,473.78
Mar 2036	\$9,125.97	\$4,557.33	\$4,568.64	\$1,162,354.16	\$1,091,916.45
Apr 2036	\$9,125.97	\$4,576.32	\$4,549.65	\$1,166,903.81	\$1,087,340.13
May 2036	\$9,125.97	\$4,595.38	\$4,530.58	\$1,171,434.40	\$1,082,744.75
Jun 2036	\$9,125.97	\$4,614.53	\$4,511.44	\$1,175,945.83	\$1,078,130.22
Jul 2036	\$9,125.97	\$4,633.76	\$4,492.21	\$1,180,438.04	\$1,073,496.46
Aug 2036	\$9,125.97	\$4,653.07	\$4,472.90	\$1,184,910.95	\$1,068,843.39
Sep 2036	\$9,125.97	\$4,672.45	\$4,453.51	\$1,189,364.46	\$1,064,170.94
Oct 2036	\$9,125.97	\$4,691.92	\$4,434.05	\$1,193,798.50	\$1,059,479.02
Nov 2036	\$9,125.97	\$4,711.47	\$4,414.50	\$1,198,213.00	\$1,054,767.55
Dec 2036	\$9,125.97	\$4,731.10	\$4,394.86	\$1,202,607.87	\$1,050,036.44
Jan 2037	\$9,125.97	\$4,750.82	\$4,375.15	\$1,206,983.02	\$1,045,285.63
Feb 2037	\$9,125.97	\$4,770.61	\$4,355.36	\$1,211,338.37	\$1,040,515.02
Mar 2037	\$9,125.97	\$4,790.49	\$4,335.48	\$1,215,673.85	\$1,035,724.53
Apr 2037	\$9,125.97	\$4,810.45	\$4,315.52	\$1,219,989.37	\$1,030,914.08
May 2037	\$9,125.97	\$4,830.49	\$4,295.48	\$1,224,284.85	\$1,026,083.59
Jun 2037	\$9,125.97	\$4,850.62	\$4,275.35	\$1,228,560.20	\$1,021,232.97
Jul 2037	\$9,125.97	\$4,870.83	\$4,255.14	\$1,232,815.33	\$1,016,362.14
Aug 2037	\$9,125.97	\$4,891.13	\$4,234.84	\$1,237,050.18	\$1,011,471.01
Sep 2037	\$9,125.97	\$4,911.51	\$4,214.46	\$1,241,264.64	\$1,006,559.51
Oct 2037	\$9,125.97	\$4,931.97	\$4,194.00	\$1,245,458.64	\$1,001,627.54
Nov 2037	\$9,125.97	\$4,952.52	\$4,173.45	\$1,249,632.08	\$996,675.02
Dec 2037	\$9,125.97	\$4,973.16	\$4,152.81	\$1,253,784.90	\$991,701.86
Jan 2038	\$9,125.97	\$4,993.88	\$4,132.09	\$1,257,916.99	\$986,707.99
Feb 2038	\$9,125.97	\$5,014.68	\$4,111.28	\$1,262,028.27	\$981,693.30
Mar 2038	\$9,125.97	\$5,035.58	\$4,090.39	\$1,266,118.66	\$976,657.72
Apr 2038	\$9,125.97	\$5,056.56	\$4,069.41	\$1,270,188.07	\$971,601.16
May 2038	\$9,125.97	\$5,077.63	\$4,048.34	\$1,274,236.41	\$966,523.54
Jun 2038	\$9,125.97	\$5,098.79	\$4,027.18	\$1,278,263.59	\$961,424.75
Jul 2038	\$9,125.97	\$5,120.03	\$4,005.94	\$1,282,269.52	\$956,304.72
Aug 2038	\$9,125.97	\$5,141.36	\$3,984.60	\$1,286,254.13	\$951,163.35
Sep 2038	\$9,125.97	\$5,162.79	\$3,963.18	\$1,290,217.31	\$946,000.57

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Oct 2038	\$9,125.97	\$5,184.30	\$3,941.67	\$1,294,158.98	\$940,816.27
Nov 2038	\$9,125.97	\$5,205.90	\$3,920.07	\$1,298,079.04	\$935,610.37
Dec 2038	\$9,125.97	\$5,227.59	\$3,898.38	\$1,301,977.42	\$930,382.78
Jan 2039	\$9,125.97	\$5,249.37	\$3,876.59	\$1,305,854.01	\$925,133.40
Feb 2039	\$9,125.97	\$5,271.25	\$3,854.72	\$1,309,708.74	\$919,862.16
Mar 2039	\$9,125.97	\$5,293.21	\$3,832.76	\$1,313,541.50	\$914,568.95
Apr 2039	\$9,125.97	\$5,315.26	\$3,810.70	\$1,317,352.20	\$909,253.69
May 2039	\$9,125.97	\$5,337.41	\$3,788.56	\$1,321,140.76	\$903,916.28
Jun 2039	\$9,125.97	\$5,359.65	\$3,766.32	\$1,324,907.08	\$898,556.63
Jul 2039	\$9,125.97	\$5,381.98	\$3,743.99	\$1,328,651.06	\$893,174.64
Aug 2039	\$9,125.97	\$5,404.41	\$3,721.56	\$1,332,372.62	\$887,770.24
Sep 2039	\$9,125.97	\$5,426.92	\$3,699.04	\$1,336,071.66	\$882,343.31
Oct 2039	\$9,125.97	\$5,449.54	\$3,676.43	\$1,339,748.10	\$876,893.78
Nov 2039	\$9,125.97	\$5,472.24	\$3,653.72	\$1,343,401.82	\$871,421.53
Dec 2039	\$9,125.97	\$5,495.04	\$3,630.92	\$1,347,032.74	\$865,926.49
Jan 2040	\$9,125.97	\$5,517.94	\$3,608.03	\$1,350,640.77	\$860,408.55
Feb 2040	\$9,125.97	\$5,540.93	\$3,585.04	\$1,354,225.81	\$854,867.62
Mar 2040	\$9,125.97	\$5,564.02	\$3,561.95	\$1,357,787.75	\$849,303.60
Apr 2040	\$9,125.97	\$5,587.20	\$3,538.76	\$1,361,326.52	\$843,716.39
May 2040	\$9,125.97	\$5,610.48	\$3,515.48	\$1,364,842.00	\$838,105.91
Jun 2040	\$9,125.97	\$5,633.86	\$3,492.11	\$1,368,334.11	\$832,472.05
Jul 2040	\$9,125.97	\$5,657.33	\$3,468.63	\$1,371,802.74	\$826,814.72
Aug 2040	\$9,125.97	\$5,680.91	\$3,445.06	\$1,375,247.81	\$821,133.81
Sep 2040	\$9,125.97	\$5,704.58	\$3,421.39	\$1,378,669.20	\$815,429.23
Oct 2040	\$9,125.97	\$5,728.35	\$3,397.62	\$1,382,066.82	\$809,700.89
Nov 2040	\$9,125.97	\$5,752.21	\$3,373.75	\$1,385,440.57	\$803,948.67
Dec 2040	\$9,125.97	\$5,776.18	\$3,349.79	\$1,388,790.36	\$798,172.49
Jan 2041	\$9,125.97	\$5,800.25	\$3,325.72	\$1,392,116.08	\$792,372.24
Feb 2041	\$9,125.97	\$5,824.42	\$3,301.55	\$1,395,417.63	\$786,547.83
Mar 2041	\$9,125.97	\$5,848.68	\$3,277.28	\$1,398,694.91	\$780,699.14
Apr 2041	\$9,125.97	\$5,873.05	\$3,252.91	\$1,401,947.82	\$774,826.09
May 2041	\$9,125.97	\$5,897.53	\$3,228.44	\$1,405,176.27	\$768,928.56

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Jun 2041	\$9,125.97	\$5,922.10	\$3,203.87	\$1,408,380.14	\$763,006.46
Jul 2041	\$9,125.97	\$5,946.77	\$3,179.19	\$1,411,559.33	\$757,059.69
Aug 2041	\$9,125.97	\$5,971.55	\$3,154.42	\$1,414,713.74	\$751,088.14
Sep 2041	\$9,125.97	\$5,996.43	\$3,129.53	\$1,417,843.28	\$745,091.70
Oct 2041	\$9,125.97	\$6,021.42	\$3,104.55	\$1,420,947.83	\$739,070.29
Nov 2041	\$9,125.97	\$6,046.51	\$3,079.46	\$1,424,027.29	\$733,023.78
Dec 2041	\$9,125.97	\$6,071.70	\$3,054.27	\$1,427,081.55	\$726,952.08
Jan 2042	\$9,125.97	\$6,097.00	\$3,028.97	\$1,430,110.52	\$720,855.08
Feb 2042	\$9,125.97	\$6,122.40	\$3,003.56	\$1,433,114.08	\$714,732.67
Mar 2042	\$9,125.97	\$6,147.91	\$2,978.05	\$1,436,092.13	\$708,584.76
Apr 2042	\$9,125.97	\$6,173.53	\$2,952.44	\$1,439,044.57	\$702,411.22
May 2042	\$9,125.97	\$6,199.25	\$2,926.71	\$1,441,971.28	\$696,211.97
Jun 2042	\$9,125.97	\$6,225.08	\$2,900.88	\$1,444,872.17	\$689,986.89
Jul 2042	\$9,125.97	\$6,251.02	\$2,874.95	\$1,447,747.11	\$683,735.86
Aug 2042	\$9,125.97	\$6,277.07	\$2,848.90	\$1,450,596.01	\$677,458.80
Sep 2042	\$9,125.97	\$6,303.22	\$2,822.74	\$1,453,418.76	\$671,155.57
Oct 2042	\$9,125.97	\$6,329.49	\$2,796.48	\$1,456,215.24	\$664,826.09
Nov 2042	\$9,125.97	\$6,355.86	\$2,770.11	\$1,458,985.35	\$658,470.23
Dec 2042	\$9,125.97	\$6,382.34	\$2,743.63	\$1,461,728.97	\$652,087.89
Jan 2043	\$9,125.97	\$6,408.93	\$2,717.03	\$1,464,446.01	\$645,678.95
Feb 2043	\$9,125.97	\$6,435.64	\$2,690.33	\$1,467,136.34	\$639,243.31
Mar 2043	\$9,125.97	\$6,462.45	\$2,663.51	\$1,469,799.85	\$632,780.86
Apr 2043	\$9,125.97	\$6,489.38	\$2,636.59	\$1,472,436.44	\$626,291.48
May 2043	\$9,125.97	\$6,516.42	\$2,609.55	\$1,475,045.98	\$619,775.06
Jun 2043	\$9,125.97	\$6,543.57	\$2,582.40	\$1,477,628.38	\$613,231.49
Jul 2043	\$9,125.97	\$6,570.84	\$2,555.13	\$1,480,183.51	\$606,660.65
Aug 2043	\$9,125.97	\$6,598.21	\$2,527.75	\$1,482,711.26	\$600,062.44
Sep 2043	\$9,125.97	\$6,625.71	\$2,500.26	\$1,485,211.52	\$593,436.73
Oct 2043	\$9,125.97	\$6,653.31	\$2,472.65	\$1,487,684.18	\$586,783.41
Nov 2043	\$9,125.97	\$6,681.04	\$2,444.93	\$1,490,129.11	\$580,102.38
Dec 2043	\$9,125.97	\$6,708.87	\$2,417.09	\$1,492,546.20	\$573,393.50
Jan 2044	\$9,125.97	\$6,736.83	\$2,389.14	\$1,494,935.34	\$566,656.67

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Feb 2044	\$9,125.97	\$6,764.90	\$2,361.07	\$1,497,296.41	\$559,891.78
Mar 2044	\$9,125.97	\$6,793.09	\$2,332.88	\$1,499,629.29	\$553,098.69
Apr 2044	\$9,125.97	\$6,821.39	\$2,304.58	\$1,501,933.87	\$546,277.30
May 2044	\$9,125.97	\$6,849.81	\$2,276.16	\$1,504,210.03	\$539,427.49
Jun 2044	\$9,125.97	\$6,878.35	\$2,247.61	\$1,506,457.64	\$532,549.14
Jul 2044	\$9,125.97	\$6,907.01	\$2,218.95	\$1,508,676.60	\$525,642.12
Aug 2044	\$9,125.97	\$6,935.79	\$2,190.18	\$1,510,866.77	\$518,706.33
Sep 2044	\$9,125.97	\$6,964.69	\$2,161.28	\$1,513,028.05	\$511,741.64
Oct 2044	\$9,125.97	\$6,993.71	\$2,132.26	\$1,515,160.30	\$504,747.93
Nov 2044	\$9,125.97	\$7,022.85	\$2,103.12	\$1,517,263.42	\$497,725.08
Dec 2044	\$9,125.97	\$7,052.11	\$2,073.85	\$1,519,337.28	\$490,672.97
Jan 2045	\$9,125.97	\$7,081.50	\$2,044.47	\$1,521,381.75	\$483,591.47
Feb 2045	\$9,125.97	\$7,111.00	\$2,014.96	\$1,523,396.71	\$476,480.47
Mar 2045	\$9,125.97	\$7,140.63	\$1,985.34	\$1,525,382.05	\$469,339.83
Apr 2045	\$9,125.97	\$7,170.38	\$1,955.58	\$1,527,337.63	\$462,169.45
May 2045	\$9,125.97	\$7,200.26	\$1,925.71	\$1,529,263.33	\$454,969.19
Jun 2045	\$9,125.97	\$7,230.26	\$1,895.70	\$1,531,159.04	\$447,738.92
Jul 2045	\$9,125.97	\$7,260.39	\$1,865.58	\$1,533,024.62	\$440,478.54
Aug 2045	\$9,125.97	\$7,290.64	\$1,835.33	\$1,534,859.95	\$433,187.89
Sep 2045	\$9,125.97	\$7,321.02	\$1,804.95	\$1,536,664.89	\$425,866.88
Oct 2045	\$9,125.97	\$7,351.52	\$1,774.45	\$1,538,439.34	\$418,515.35
Nov 2045	\$9,125.97	\$7,382.15	\$1,743.81	\$1,540,183.15	\$411,133.20
Dec 2045	\$9,125.97	\$7,412.91	\$1,713.06	\$1,541,896.21	\$403,720.29
Jan 2046	\$9,125.97	\$7,443.80	\$1,682.17	\$1,543,578.38	\$396,276.49
Feb 2046	\$9,125.97	\$7,474.82	\$1,651.15	\$1,545,229.53	\$388,801.67
Mar 2046	\$9,125.97	\$7,505.96	\$1,620.01	\$1,546,849.54	\$381,295.71
Apr 2046	\$9,125.97	\$7,537.24	\$1,588.73	\$1,548,438.27	\$373,758.48
May 2046	\$9,125.97	\$7,568.64	\$1,557.33	\$1,549,995.60	\$366,189.84
Jun 2046	\$9,125.97	\$7,600.18	\$1,525.79	\$1,551,521.39	\$358,589.66
Jul 2046	\$9,125.97	\$7,631.84	\$1,494.12	\$1,553,015.51	\$350,957.82
Aug 2046	\$9,125.97	\$7,663.64	\$1,462.32	\$1,554,477.83	\$343,294.17
Sep 2046	\$9,125.97	\$7,695.58	\$1,430.39	\$1,555,908.23	\$335,598.60

Payment Date	Payment	Principal	Interest	Total	Interest	Balance
Oct 2046	\$9,125.97	\$7,727.64	\$1,398.33	\$1,557,306.55	\$327,870.96	
Nov 2046	\$9,125.97	\$7,759.84	\$1,366.13	\$1,558,672.68	\$320,111.12	
Dec 2046	\$9,125.97	\$7,792.17	\$1,333.80	\$1,560,006.48	\$312,318.95	
Jan 2047	\$9,125.97	\$7,824.64	\$1,301.33	\$1,561,307.81	\$304,494.31	
Feb 2047	\$9,125.97	\$7,857.24	\$1,268.73	\$1,562,576.53	\$296,637.07	
Mar 2047	\$9,125.97	\$7,889.98	\$1,235.99	\$1,563,812.52	\$288,747.09	
Apr 2047	\$9,125.97	\$7,922.85	\$1,203.11	\$1,565,015.64	\$280,824.23	
May 2047	\$9,125.97	\$7,955.87	\$1,170.10	\$1,566,185.74	\$272,868.37	
Jun 2047	\$9,125.97	\$7,989.02	\$1,136.95	\$1,567,322.69	\$264,879.35	
Jul 2047	\$9,125.97	\$8,022.30	\$1,103.66	\$1,568,426.35	\$256,857.05	
Aug 2047	\$9,125.97	\$8,055.73	\$1,070.24	\$1,569,496.59	\$248,801.32	
Sep 2047	\$9,125.97	\$8,089.30	\$1,036.67	\$1,570,533.26	\$240,712.02	
Oct 2047	\$9,125.97	\$8,123.00	\$1,002.97	\$1,571,536.23	\$232,589.02	
Nov 2047	\$9,125.97	\$8,156.85	\$969.12	\$1,572,505.35	\$224,432.17	
Dec 2047	\$9,125.97	\$8,190.83	\$935.13	\$1,573,440.48	\$216,241.34	
Jan 2048	\$9,125.97	\$8,224.96	\$901.01	\$1,574,341.49	\$208,016.38	
Feb 2048	\$9,125.97	\$8,259.23	\$866.73	\$1,575,208.22	\$199,757.15	
Mar 2048	\$9,125.97	\$8,293.65	\$832.32	\$1,576,040.55	\$191,463.50	
Apr 2048	\$9,125.97	\$8,328.20	\$797.76	\$1,576,838.31	\$183,135.30	
May 2048	\$9,125.97	\$8,362.90	\$763.06	\$1,577,601.37	\$174,772.39	
Jun 2048	\$9,125.97	\$8,397.75	\$728.22	\$1,578,329.59	\$166,374.64	
Jul 2048	\$9,125.97	\$8,432.74	\$693.23	\$1,579,022.82	\$157,941.90	
Aug 2048	\$9,125.97	\$8,467.88	\$658.09	\$1,579,680.91	\$149,474.03	
Sep 2048	\$9,125.97	\$8,503.16	\$622.81	\$1,580,303.72	\$140,970.87	
Oct 2048	\$9,125.97	\$8,538.59	\$587.38	\$1,580,891.10	\$132,432.28	
Nov 2048	\$9,125.97	\$8,574.17	\$551.80	\$1,581,442.90	\$123,858.11	
Dec 2048	\$9,125.97	\$8,609.89	\$516.08	\$1,581,958.97	\$115,248.22	
Jan 2049	\$9,125.97	\$8,645.77	\$480.20	\$1,582,439.18	\$106,602.45	
Feb 2049	\$9,125.97	\$8,681.79	\$444.18	\$1,582,883.35	\$97,920.66	
Mar 2049	\$9,125.97	\$8,717.96	\$408.00	\$1,583,291.35	\$89,202.70	
Apr 2049	\$9,125.97	\$8,754.29	\$371.68	\$1,583,663.03	\$80,448.41 ₃	
May 2049	\$9,125.97	\$8,790.77	\$335.20	\$1,583,998.23	\$71,657.64	

Payment Date	Payment	Principal	Interest	Total Interest	Balance
Jun 2049	\$9,125.97	\$8,827.39	\$298.57	\$1,584,296.81	\$62,830.25
Jul 2049	\$9,125.97	\$8,864.17	\$261.79	\$1,584,558.60	\$53,966.07
Aug 2049	\$9,125.97	\$8,901.11	\$224.86	\$1,584,783.46	\$45,064.96
Sep 2049	\$9,125.97	\$8,938.20	\$187.77	\$1,584,971.23	\$36,126.77
Oct 2049	\$9,125.97	\$8,975.44	\$150.53	\$1,585,121.76	\$27,151.33
Nov 2049	\$9,125.97	\$9,012.84	\$113.13	\$1,585,234.89	\$18,138.49
Dec 2049	\$9,125.97	\$9,050.39	\$75.58	\$1,585,310.47	\$9,088.10
Jan 2050	\$9,125.97	\$9,088.10	\$37.87	\$1,585,348.33	\$0.00

Exhibit 10
Pro Forma Financials

SCHEDULE B - BALANCE SHEETS - ASSETS
(in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING ASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 1 of 2

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	Current FYE 2019	NON-INFLATED DOLLARS		
						Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
1	CURRENT ASSETS							
2	Cash				400	400	400	400
3	Marketable Securities							
4	Patient Accounts Receivable					150	161	168
5	Other Receivables							
6	Less Allowance for Doubtful Accounts							
7	Inventories							
8	Prepaid Expenses							
9	Due from Other Funds							
10	Home Office Current Assets							
11	Patient Trust Fund Assets							
12	Current Interco. Receivables							
13	Other Current Assets							
14	TOTAL CURRENT ASSETS	0	0	0	400	550	561	568
15								
16	PROPERTY, PLANT AND EQUIP.							
17	Land				334	334	334	334
18	Land Improvements				191	191	191	191
19	Buildings				4,692	4,692	4,692	4,692
20	Building Improvements							
21	Equipment				154	154	154	154
22	Leasehold Improvements							
23	Construction in Process							
24	Home Office Depreciable Assets							
25	TOTAL PROPERTY, PLANT & EQUIP.	0	0	0	5,372	5,372	5,372	5,372
26	Accumulated Depreciation					-188	-376	-564
27	Accum. Depreciation - Home office							
28	NET PROPERTY, PLANT & EQUIP.	0	0	0	5,372	5,184	4,996	4,808
29								
30	NON-CURRENT ASSETS							
31	Long-Term Investments				3,195	3,195	3,195	3,195
32	Intercompany Receivables							
33	Unamort. Start-up/Organ. Costs							
34	Goodwill							
35	Home Office Non-Current Assets							
36	Other Non-Current Assets							
37	TOTAL NON-CURRENT ASSETS	0	0	0	3,195	3,195	3,195	3,195
38								
39	TOTAL ASSETS (Lines 14 + 28 + 37)	0	0	0	8,967	8,928	8,752	8,570

SCHEDULE B - BALANCE SHEETS - LIABILITIES AND EQUITY
(in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING ASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 2 of 2

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	Current FYE 2019	NON-INFLATED DOLLARS		
						Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
40	CURRENT LIABILITIES							
41	Accounts Payable					50	50	50
42	Notes Payable							
43	Accrued Payroll & Related Liabilities					126	126	126
44	Current Portion of Long-Term Debt					25	26	28
45	Due to Other Funds							
46	Home Office Current Liabilities							
47	Patient Trust Fund Liabilities							
48	Current Interco. Payables							
49	Other Current Liabilities							
50	TOTAL CURRENT LIABILITIES	0	0	0	0	200	202	203
51								
52	LONG-TERM LIABILITIES							
53	Mortgage Payable				1,700	1,650	1,622	1,593
54	Notes Payable							
55	Capitilized Lease Obligations							
56	Intercompany Payables							
57	Deferred Income Tax							
58	Home Office Long-Term Liabilities							
59	Other Long-Term Liabilities							
60	TOTAL LONG-TERM LIABILITIES	0	0	0	1,700	1,650	1,622	1,593
61								
62	EQUITY/FUND BALANCE							
63	Stockholder's Equity							
64	Common Stock							
65	Preffered Stock							
66	Treasury Stock							
67	Additional Paid in Capital							
68	Proprietorship Equity							
69	Partnership Equity							
70	Fund Balance					-351	-111	29
71	Retained Earnings				7,267	7,429	7,039	6,746
72	Divisional Equity							
73	TOTAL EQUITY/FUND BALANCE	0	0	0	7,267	7,078	6,928	6,774
75	TOTAL LIABILITIES AND EQUITY	0	0	0	8,967	8,928	8,752	8,570
76	(Lines 50 + 60 + 73)							

SCHEDULE C - STATEMENT OF OPERATIONS

(in 000's)

(NURSING HOME OPERATION ONLY)

AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS

FOLLOWING ASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 1 of 1

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	Current FYE 20__	NON-INFLATED DOLLARS		
						Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
1	ROUTINE CARE REVENUE					2,990	3,219	3,353
2								
3	OTHER PATIENT REVENUE					425	457	473
4								
5	OTHER OPERATING REVENUE					0	0	0
6								
7	REVENUE DEDUCTIONS					0	0	0
8								
9	NET OPERATING REVENUE	0	0	0	0	3,415	3,676	3,826
10	(lines 1 + 3 + 5 - 7)							
11	ROUTINE EXPENSES							
12	Nursing Services					2,713	2,715	2,716
13	Food					14	15	15
14	Property					272	271	270
15	Administration & Operations					505	505	505
16	TOTAL ROUTINE EXPENSES	0	0	0	0	3,504	3,506	3,506
17								
18	OTHER PATIENT EXPENSES					262	281	291
19								
20	OTHER OPERATING EXPENSES					0	0	0
21	(unallowable)							
22	TOTAL OPERATING EXPENSES	0	0	0	0	3,766	3,787	3,797
23	(lines 16 + 18 + 20)							
24	NON-OPERATING REVENUE					0	0	0
25								
26	NON-OPERATING EXPENSES					0	0	0
27								
28	NET INCOME (LOSS)	0	0	0	0	-351	-111	29
29	(lines 9 - 22 + 24 - 26)							

SCHEDULE E - STATEMENT OF CHANGES IN EQUITY/FUND BALANCE
(in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING ASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 1 of 1

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	Current FYE 2019	NON-INFLATED DOLLARS		
						Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
1	BEGINNING EQUITY/FUND BALANCES				7,267	7,267	7,078	6,928
2								
3	PRIOR PERIOD ADJUSTMENTS (EXPLAIN)							
4								
5								
6								
7								
8	ADJUSTED BEGINNING BALANCE	0	0	0	7,267	7,267	7,078	6,928
9	ADD:							
10	Net Income (loss)					(351)	(111)	29
11	Additional Stock Issues							
12	Additional Paid-in Capital							
13	Other (Explain) Current Assets					150	11	7
14	Other (Explain) Cash					400	164	26
15								
16								
17								
18	DEDUCT:							
19	Dividends							
20	Partnership Distributions							
21	Owners Draws							
22	Other (Explain) Current Liabilities					175		
23	Other (Explain) Mortgage Payable					25	26	28
24	Other (Explain) Accumlated Deprec.					188	188	188
25								
26	ENDING EQUITY/FUND BALANCE	0	0	0	7,267	7,078	6,928	6,774

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
REVENUE - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 1 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	Current FYE 20__	NON-INFLATED DOLLARS		
						Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
0	ROUTINE CARE REVENUE							
1	Medicare					0	0	0
2	Medicaid					315	314	314
3	Private					534	533	666
4	Other Routine Care					2,141	2,373	2,373
5	TOTAL ROUTINE CARE REVENUE	0	0	0	0	2,990	3,219	3,353
6	OTHER PATIENT REVENUE							
7	Physician Care							
8	Physical Therapy							
9	Pharmacy					0	0	0
10	Speech Therapy							
11	Occupational Therapy							
12	Nursing Supplies					33	35	36
13	Equipment Rental					0	0	0
14	Ancillary Services					393	422	437
15	Patient Activities							
16	Laboratory/ X-Ray					0	0	0
17	Exceptional Care							
18	Oxygen					0	0	0
19	Other Patient Revenue					0	0	0
20	Mental Retardation							
21	Mental Health							
22	Supplementation							
23	Hold Room					0	0	0
24	TOTAL OTHER PATIENT REVENUE	0	0	0	0	425	457	473
25	OTHER OPERATING REVENUE							
26	Laundry					0	0	0
27	Meals					0	0	0
28	Vending Machines					0	0	0
29	Barber & Beauty Shop					0	0	0
30	Gift Shop					0	0	0
31	Patient Telephone					0	0	0
32	Property Rental					0	0	0
33	Other Operating					0	0	0
34	TOTAL OTHER OPERATING REVENUE	0	0	0	0	0	0	0
35	NON-OPERATING REVENUE							
36	Gain on Sale of Fixed Assets					0	0	0
37	Interest Income					0	0	0
38	Divident Income					0	0	0
39	Other Non-Operating					0	0	0
40	TOTAL NON-OPERATING REVENUE	0	0	0	0	0	0	0
41	REVENUE DEDUCTIONS					0	0	0
42	TOTAL REVENUE	0	0	0	0	3,415	3,676	3,826
43	(lines 5+24+34+40+41)							

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
NURSING SERVICES EXPENSES - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 2 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
44	SALARIES & WAGES							
45	DNS					0	0	0
46	RN					893	893	893
47	LPN					0	0	0
48	Nursing Assistants					805	805	805
49	Other Nursing Services					245	245	245
50	TOTAL SALARIES & WAGES	0	0	0	0	1,943	1,943	1,943
51								
52	FRINGE BENEFITS					383	383	383
53	PAYROLL TAXES					365	365	365
54	PURCHASED SERVICES					0	0	0
55	ALLOCATED EXPENSES					0	0	0
56	REVENUE OFFSET					0	0	0
57	NURSING SERVICES (lines 50+52+53+54+55+56+57)	0	0	0	0	2,691	2,691	2,691

FOOD EXPENSES

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020		
58	Food					14	15	15
59								
60	Revenue Offset					0	0	0
61								
62	TOTAL FOOD (lines 58 + 60)	0	0	0	0	14	15	15

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
ADMINISTRATION AND OPERATIONS EXPENSES - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 3 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
63	GENERAL AND ADMINISTRATIVE							
64	Salaries and Wages							
65	Administrator					0	0	0
66	Assistant Administrator							
67	Administrator In-Training							
68	Other					129	129	129
69	TOTAL SALARIES	0	0	0	0	129	129	129
70								
71	Admin., Asst. Admin., Admin-in-Training							
	Fringe benefits					0	0	0
72	Admin. Asst., Admin., Admin. in-Training							
	Payroll Taxes					0	0	0
73	Other Fringe Benefits					25	25	25
74	Other Payroll Taxes					24	24	24
75	Admin. Supplies					2	2	2
76	PURCHASED SERVICES							
77	Administrator							
78	Assistant Administrator							
79	Administrator In-Training							
80	Ward Clerks							
81	Medical Records							
82	Accounting/Bookkeeping					2	2	2
83	Legal					0	0	0
84	Other					21	21	21
85	TOTAL PURCHASED SERVICES	0	0	0	0	24	24	24
86								
87	Allocated Expenses							
88								
89	Management Fees					0	0	0
90	Travel					5	5	5
91	Telephone					4	4	4
92	Dues and Subscriptions					1	1	1
93	Education & In-Service Training					3	3	3
94	Insurance					7	7	7
95								

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
ADMINISTRATION AND OPERATIONS EXPENSES - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility: Ashley House

Page 4 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
96	Miscellaneous Taxes					33	33	33
97	Start-up/Organization Costs							
98	Advertising					25	25	25
99	Other Vehicle					0	0	0
100	Nursing Supplies					22	23	24
101	Group retro expenses					0	0	0
102	Office Equipment Lease Payments					2	2	2
103	Licenses					1	1	1
104	Other					6	6	6
105	TOTAL GENERAL AND ADMIN. (lines 69 through 104, less line 85)	0	0	0	0	314	315	316

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
ADMINISTRATION AND OPERATIONS EXPENSES - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 5 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
106	MAINTENANCE							
107	Salaries and Wages					66	66	66
108	Fringe Benefits					12	12	12
109	Supplies/Other					0	0	0
110	Purchased Services					7	7	7
111	Allocated Expenses							
112	Payroll Taxes					13	13	13
113	TOTAL MAINTENANCE	0	0	0	0	98	98	98
114	LAUNDRY							
115	Salaries and Wages					0	0	0
116	Fringe Benefits					0	0	0
117	Supplies/Other					0	0	0
118	Purchased Services					4	4	4
119	Allocated Expenses							
120	Payroll Taxes					0	0	0
121	TOTAL LAUNDRY	0	0	0	0	4	4	4
122	HOUSEKEEPING							
123	Salaries and Wages					37	37	37
124	Fringe Benefits					7	7	7
125	Supplies/Other					17	17	17
126	Purchased Services					0	0	0
127	Allocated Expenses							
128	Payroll Taxes					7	7	7
129	TOTAL HOUSEKEEPING	0	0	0	0	69	69	69
130	DIETARY							
131	Salaries and Wages					0	0	0
132	Fringe Benefits					0	0	0
133	Supplies/Other					0	0	0
134	Purchased Services					0	0	0
135	Allocated Expenses							
136	Payroll Taxes					0	0	0
137	TOTAL DIETARY	0	0	0	0	0	0	0
138	OTHER PROPERTY							
139	Utilities					36	36	36
140	Property Insurance					7	7	7
141	Real Estate Taxes					0	0	0
142	Personal Property Taxes							
143	Allocated Expenses							
144	Minor Equipment							
145	Other							
146	Incidental Rentals							
147	TOTAL OTHER PROPERTY	0	0	0	0	43	43	43
148	REVENUE OFFSET							
149								
150	TOTAL ADMIN. & OPERATIONS	0	0	0	0	527	529	530
151	(Lines 105+113+121+129+137+147+148)							

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
PROPERTY EXPENSES - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 6 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
152	DEPRECIATION							
153	Land Improvements					10	10	10
154	Buildings					156	156	156
155	Building Improvements					0	0	0
156	Equipment					22	22	22
157	Leasehold Improvements					0	0	0
158	TOTAL DEPRECIATION	0	0	0	0	188	188	188
159								
160	INTEREST					84	83	82
161	ALLOCATED EXPENSES					0	0	0
162	LEASE PAYMENTS							
163	Lease Payment-Land					0	0	0
164	Lease Payment-Building					0	0	0
165	Lease Payment-Equipment					0	0	0
166	TOTAL LEASE PAYMENTS	0	0	0	0	0	0	0
167								
168	REVENUE OFFSET					0	0	0
169								
170	TOTAL PROPERTY (lines 158 + 161 + 168)	0	0	0	0	272	271	270
171	TOTAL ROUTINE EXPENSES (lines 57 + 62 + 150 + 170)	0	0	0	0	3,504	3,506	3,506

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
OTHER PATIENT EXPENSES - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 7 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
172	Physical Therapy							
173	Salaries & Wages							
174	Fringe Benefits							
175	Payroll Taxes							
176	Supplies/Other							
177	Purchased Services							
178	Allocation Expenses							
179	TOTAL	0	0	0	0	0	0	0
180	Speech Therapy							
181	Salaries & Wages							
182	Fringe Benefits							
183	Payroll Taxes							
184	Supplies/Other							
185	Purchased Services							
186	Allocation Expenses							
187	TOTAL	0	0	0	0	0	0	0
188								
189	Occupational Therapy							
190	Salaries & Wages							
191	Fringe Benefits							
192	Payroll Taxes							
193	Supplies/Other							
194	Purchased Services							
195	Allocation Expenses							
196	TOTAL	0	0	0	0	0	0	0
197								
198	(SPECIFY)							
199	Ancillary Services					262	281	291
200								
201								
202								
203								
204								
205								
206								
207								
208	TOTAL (199-207)	0	0	0	0	262	281	291
209	TOTAL OTHER PATIENT EXPENSES (Lines 179 + 187 + 196 + 208)	0	0	0	0	262	281	291

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
OTHER OPERATING EXPENSES (UNALLOWABLE) - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 8 of 9

Line No.	Account	NON-INFLATED DOLLARS						
		Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
210	(SPECIFY)							
211	Salaries & Wages							
212	Fringe Benefits							
213	Payroll Taxes							
214	Supplies/Other							
215	Purchased Services							
216	Allocated Expenses							
217	TOTAL	0	0	0	0	0	0	0
218								
219	(SPECIFY)							
220	Salaries & Wages							
221	Fringe Benefits G & A							
222	Supplies/Other							
223	Purchased Services							
224	Allocation Expenses							
225	Payroll Taxes							
226	TOTAL	0	0	0	0	0	0	0
227	OTHER UNALLOWABLE EXPENSES							
228	Admin. Compensation over Ceiling							
229	Management Fees over Ceiling							
230	Unallowable Depreciation							
231	Unallowable Bad Debts							
232	Unallowable Advertising							
233	Unallowable Travel							
234	Unallowable Interest							
235	Unallowable Allocated Property							
236	Unallowable Lease Payment							
237	Other (Specify) Pharmacy					0	0	0
238	Oxygen					0	0	0
239	X-ray/Lab					0	0	0
240	Transportation					0	0	0
241	Equipment Rental					0	0	0
242	Barber & Beauty					0	0	0
243	TOTAL (lines 228 - 241)	0	0	0	0	0	0	0
244	TOTAL OTHER OPER. EXPENSES (UNALLOWABLE) (Lines 217 + 226 + 243)	0	0	0	0	0	0	0

SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES
NON-OPERATING EXPENSES (UNALLOWABLE) - (in 000's)
(NURSING HOME OPERATION ONLY)
AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS
FOLLOWING AASA REPORTING GUIDELINES

Name of Facility: Ashley House

Page 9 of 9

Line No.	Account	Actual FYE 20__	Actual FYE 20__	Actual FYE 20__	NON-INFLATED DOLLARS			
					Current FYE 20__	Projected FYE 2020	Projected FYE 2021	Projected FYE 2022
245	LOSS ON SALE OF FIXED ASSETS							
246	INCOME TAX							
247	OTHER (Specify)							
248								
249								
250								
251	TOTAL NON-OPERATING EXPENSES (UNALLOWABLE)	0	0	0	0	0	0	0
252	TOTAL EXPENSES (Lines 171+209+244+251)	0	0	0	0	3,766	3,787	3,797
	NET INCOME (loss)	0	0	0	0	-351	-111	29

**SCHEDULE H
DEBT INFORMATION FOR CURRENT FISCAL YEAR 2020**

(NURSING HOME OPERATION ONLY)

Name of Facility: Ashley House

Page 1 of 1

Line No.	Date of Loan	Lender	Purpose & Security	Original Term of Loan	Annual Interest Rate	Original Loan Amount	Loan balance as of the End of Prior Year	Report Period Payments		Balance per Financial Statement
								Principal	Interest	
DEBT WITH BALANCE OVER \$5,000 AT THE END OF REPORT PERIOD										
1	01/01/20	Unknown	Building	30yr	5%	1,700,000	0	25,081	84,430	1,674,919
2										
3										
4										
5										
6										
7										
8										
TOTAL OF ALL INDIVIDUAL DEBT UNDER \$5,000 AT THE END OF REPORT PERIOD										
9										

Appendix 1
Historical Audited Financial Statements

2017

ASHLEY HOUSE

Audited Financial Statements

December 31, 2017 and 2016

ASHLEY HOUSE

Audited Financial Statements

December 31, 2017 and 2016

INDEPENDENT AUDITOR'S REPORT 1-2

AUDITED FINANCIAL STATEMENTS

Statements of Financial Position 3

Statements of Activities and Changes in Net Assets 4

Statements of Functional Expenses 5-6

Statements of Cash Flows 7

Notes to Financial Statements 8-17



1501 Regents Blvd., Suite 100

Fircrest, WA 98466-6060

Independent Auditor's Report

Board of Directors
Ashley House
Federal Way, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of Ashley House (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, 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.

Auditor's Responsibility

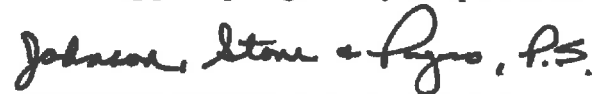
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ashley House as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


JOHNSON, STONE & PAGANO, P.S.

June 4, 2018

AUDITED FINANCIAL STATEMENTS

ASHLEY HOUSE

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash	\$ 199,034	\$ 146,218
Accounts receivable, less allowance for doubtful accounts of \$10,000 in 2017 and 2016	879,232	800,917
Investments	3,087,766	5,193,497
Prepaid expenses	122,478	119,764
Land, buildings, improvements and equipment, net	<u>4,730,200</u>	<u>2,682,695</u>
TOTAL ASSETS	<u>\$ 9,018,710</u>	<u>\$ 8,943,091</u>
<u>LIABILITIES AND NET ASSETS</u>		
Line of Credit	\$ 180,000	\$ 550,000
Accounts payable	36,274	58,823
Accrued payroll and benefits	316,570	263,052
Accrued payroll taxes	58,730	49,013
Other liabilities	4,739	3,956
Capital lease obligation	<u>10,762</u>	<u>4,566</u>
Total Liabilities	607,075	929,410
NET ASSETS		
Unrestricted	<u>8,411,635</u>	<u>8,013,681</u>
Total Net Assets	<u>8,411,635</u>	<u>8,013,681</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,018,710</u>	<u>\$ 8,943,091</u>

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

ASHLEY HOUSE**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
UNRESTRICTED REVENUES AND SUPPORT		
Net patient service revenue	\$ 5,116,343	\$ 4,875,212
Contributions	635,959	24,502
In-kind contributions	13,688	10,665
Miscellaneous income	2,576	1,688
Fundraising	<u>135</u>	<u>9,082</u>
Total Unrestricted Revenues and Support	5,768,701	4,921,149
EXPENSES		
Program services		
Transition care for medically fragile children	4,973,175	4,904,739
Supporting services		
Management and general	<u>1,098,549</u>	<u>993,342</u>
Total Expenses	<u>6,071,724</u>	<u>5,898,081</u>
Decrease in Unrestricted Net Assets from Operations	(303,023)	(976,932)
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Investment income	95,646	96,473
Realized gains on investments	413,090	289,768
Unrealized gains (losses) on investments	184,990	(69,500)
Gain (loss) on disposal of equipment	<u>7,251</u>	<u>(1,539)</u>
Total Other Changes in Unrestricted Net Assets	<u>700,977</u>	<u>315,202</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	397,954	(661,730)
Net Assets at Beginning of Year	<u>8,013,681</u>	<u>8,675,411</u>
NET ASSETS AT END OF YEAR	<u>\$ 8,411,635</u>	<u>\$ 8,013,681</u>

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

ASHLEY HOUSE

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017 with Comparative Totals for 2016

	Program Services	Supporting Services	Total Expenses	
			2017	2016
Salaries	\$ 3,358,588	\$ 678,022	\$ 4,036,610	\$ 3,695,851
Payroll taxes and employee benefits	<u>1,042,759</u>	<u>147,005</u>	<u>1,189,764</u>	<u>1,048,206</u>
Total Compensation Expense	4,401,347	825,027	5,226,374	4,744,057
Insurance	63,383	17,654	81,037	79,918
Depreciation and amortization	125,235	44,199	169,434	144,019
Household and child care	73,902	1,219	75,121	86,558
Utilities	75,970	14,919	90,889	81,430
Bank and investment fees		40,190	40,190	27,277
Telephone	18,452	8,219	26,671	24,980
Repairs and maintenance	38,670	5,030	43,700	49,801
Miscellaneous	4,367	54,748	59,115	60,027
Interest expense	892	14,539	15,431	4,010
Consulting fees	37,931	5,400	43,331	258,528
Audit and accounting fees		11,500	11,500	11,200
Furnishings - expendable	11,673	2,365	14,038	25,998
Education, conferences and travel	13,306	10,032	23,338	23,618
Office supplies	4,387	7,520	11,907	15,594
Transportation	23,308	7,035	30,343	20,469
Advertising	21,976	4,912	26,888	93,934
Taxes and licenses	28,692	12,951	41,643	32,217
Clothes and toys	2,902		2,902	2,967
Rental expense	5,604	6,126	11,730	6,495
Legal fees		2,914	2,914	1,028
Children's family expense	2,267		2,267	7,110
Security	2,148	1,235	3,383	3,465
Dues and subscriptions	1,632	815	2,447	3,081
Bad debt expense	<u>15,131</u>		<u>15,131</u>	<u>90,300</u>
TOTAL EXPENSES	<u>\$ 4,973,175</u>	<u>\$ 1,098,549</u>	<u>\$ 6,071,724</u>	<u>\$ 5,898,081</u>

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

ASHLEY HOUSE

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

Year Ended December 31, 2016

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses 2016</u>
Salaries	\$ 3,072,556	\$ 623,295	\$ 3,695,851
Payroll taxes and employee benefits	<u>934,686</u>	<u>113,520</u>	<u>1,048,206</u>
Total Compensation Expense	4,007,242	736,815	4,744,057
Insurance	65,833	14,085	79,918
Depreciation and amortization	98,068	45,951	144,019
Household and child care	85,152	1,406	86,558
Utilities	69,077	12,353	81,430
Bank and investment fees		27,277	27,277
Telephone	17,127	7,853	24,980
Repairs and maintenance	39,245	10,556	49,801
Miscellaneous	4,452	55,575	60,027
Interest expense	286	3,724	4,010
Consulting fees	258,528		258,528
Audit and accounting fees		11,200	11,200
Furnishings - expendable	22,758	3,240	25,998
Education, conferences and travel	14,186	9,432	23,618
Office supplies	6,148	9,446	15,594
Transportation	16,278	4,191	20,469
Advertising	71,627	22,307	93,934
Taxes and licenses	22,814	9,403	32,217
Clothes and toys	2,967		2,967
Rental expense	2,757	3,738	6,495
Legal fees		1,028	1,028
Children's family expense	7,110		7,110
Security	2,207	1,258	3,465
Dues and subscriptions	577	2,504	3,081
Bad debt expense	<u>90,300</u>		<u>90,300</u>
TOTAL EXPENSES	<u>\$ 4,904,739</u>	<u>\$ 993,342</u>	<u>\$ 5,898,081</u>

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

ASHLEY HOUSE**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 397,954	\$ (661,730)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities		
Realized gains on investments	(413,090)	(289,768)
Unrealized (gains) losses on investments	(184,990)	69,500
Bad debt expense	15,131	90,300
(Gain) loss on disposal of equipment	(7,251)	1,539
Depreciation and amortization	169,434	144,019
Change in assets and liabilities		
Accounts receivable	(93,446)	(429,273)
Prepaid expenses	(2,714)	(4,486)
Accounts payable	(22,549)	25,381
Accrued payroll, benefits and taxes	63,235	63,566
Other liabilities	783	1,806
Net Cash Used by Operating Activities	<u>(77,503)</u>	<u>(989,146)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,208,747)	(418,701)
Proceeds from sale of fixed assets	7,173	
Purchases of investments	(2,495,390)	(8,099,151)
Proceeds from sale of investments	<u>5,199,201</u>	<u>8,680,961</u>
Net Cash Provided by Investing Activities	<u>502,237</u>	<u>163,109</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in line of credit	(370,000)	550,000
Principal payments on capital lease obligation	<u>(1,918)</u>	<u>(3,609)</u>
Net Cash Provided (Used) by Financing Activities	<u>(371,918)</u>	<u>546,391</u>
INCREASE (DECREASE) IN CASH	52,816	(279,646)
Cash at Beginning of Year	<u>146,218</u>	<u>425,864</u>
CASH AT END OF YEAR	<u>\$ 199,034</u>	<u>\$ 146,218</u>

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

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ashley House (the "Organization") is a nonprofit organization, with five facilities located in Enumclaw, Tacoma, Olympia, Kent and Edgewood, Washington, and an administrative office located in Federal Way, Washington. The mission of the Organization is to provide comprehensive, cost effective quality care to medically fragile clients and young adults in a home-like setting. The Organization is dedicated to providing education to families and caregivers, building support systems, coordinating services and nurturing the development of each individual.

Basis of Accounting and Basis of Presentation

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

The Organization records contributions received, including unconditional promises to give, as unrestricted, temporarily or permanently restricted support, depending on the existence or nature of any donor restrictions. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets are net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets

Temporarily restricted net assets are net assets that are subject to donor-imposed or governmental contractor restrictions that may or will be met either by actions of the Organization or the passage of time. Temporary restrictions which are fulfilled within the reporting year the contribution is received are recorded as unrestricted contributions in the statements of activities and changes in net assets. There were no temporarily restricted net assets at December 31, 2017 and 2016.

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed restrictions that assets be maintained permanently. There were no permanently restricted net assets at December 31, 2017 and 2016.

Cash

The Organization considers cash to be cash on hand, in checking accounts, savings accounts and money market accounts.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable represent amounts billed to patient families, third-party payers and others when services provided to medically fragile clients are rendered. The allowance for doubtful accounts is based on management's evaluation of outstanding accounts receivable based on historical experience. Past due amounts are written off based on individual evaluation and specific circumstances of the resident and are charged to bad debt expense in the year they are deemed uncollectible.

Accounts receivable due for more than ninety days totaled \$108,091 and \$138,384 at December 31, 2017 and 2016, respectively. Management believes the allowance is sufficient to cover any expected losses that may result from uncollectible amounts.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position with the related realized and unrealized gains or losses included in the statements of activities and changes in net assets. Fair value is based upon the last reported market price on the last business day of the year. Realized gains and losses on dispositions are based on the net proceeds and the adjusted carrying amount of securities sold, using the specific identification method.

Fair Value Measurements

The Organization provides information regarding the inputs that underlie a fair value measurement of financial instruments. The three levels of inputs essentially distinguish the relative reliability of inputs to fair value measurements. Level 1 inputs are more reliable and objective than Level 2 inputs, which are in turn more reliable and objective than Level 3 inputs. In arriving at a fair value measure, the Organization is required to determine the level in the fair value hierarchy within which a fair value measurement ultimately falls and provide disclosure of such determinations.

Land, Buildings, Improvements and Equipment

Land, buildings, improvements and equipment are stated at cost. Donated equipment is recorded in the financial statements at their fair values in the period received. Additions and improvements greater than \$1,000 are capitalized and depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over estimated useful lives of the assets:

Buildings and improvements	5-30 years
Furnishings, equipment and vehicles	3-10 years

For the years ended December 31, 2017 and 2016, depreciation expense totaled \$167,674 and \$140,609, respectively.

Maintenance and repairs are charged to current operations as incurred; major improvements and replacements of buildings and equipment are capitalized.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for Long-lived Assets

The Organization makes a determination as circumstances indicate necessary as to whether the value of long-lived assets, including assets to be disposed of, have been impaired. The determination is based on several criteria, including, but not limited to, revenue trends, undiscounted operating cash flows and other operating factors. In management's opinion, there were no impairment adjustments necessary for the years ended December 31, 2017 and 2016.

Net Patient Service Revenue

Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services in the period in which services are provided.

Free Services

The Organization provides free services to needy clients and their families. Management estimates that the value of the services provided without charge for the years ended December 31, 2017 and 2016 was approximately \$197,411 and \$222,813, respectively.

Recognition of Donor-restricted Contributions

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Advertising Expenses

The Organization expenses advertising costs as incurred. For the years ended December 31, 2017 and 2016, advertising expense was \$26,888 and \$93,934, respectively.

Functional Expenses

Functional expenses are allocated between program and supporting services based on management's estimates and studies of the costs attributable to the various programs or support services.

Federal Income Tax

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-profit Entities*, to improve the presentation of net asset classifications and other information, presented or disclosed in the financial statements, regarding a not-for-profit entity's liquidity and availability of financial resources, board designations of net assets, financial performance and expenses on a functional basis. The ASU's requirements are broadly applicable, and will be effective for years beginning after December 15, 2017. Management is currently evaluating how the new requirements will affect the Organization's financial statements.

Subsequent Events

The management of the Organization evaluated for subsequent events and transactions for potential recognition and disclosure through June 4, 2018, the date the financial statements were available to be issued. All identified material events or transactions have been recorded or disclosed.

NOTE 2 - CONCENTRATIONS

Approximately 81% of net patient service revenue was derived under federal and state reimbursement and fee-for-service programs. The Organization grants credit without collateral to its patients under third-party payer agreements.

The Organization's operations are concentrated in the specialized area of providing nursing care services to medically fragile clients. The operations are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the Washington State Department of Social and Health Services, which administers the payments for services by Medicaid. Such administrative directives, rules and regulations and payments are subject to change. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with a change. Management continues to look for ways to diversify income.

The Organization maintains cash balances at various financial institutions in western Washington. Accounts at each of the financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") with basic coverage up to \$250,000. At December 31, 2017, no cash balances exceeded the insured amount.

The Organization has an account with a stock brokerage firm with investments in money market accounts, equity securities and cash. Securities held by the stock brokerage firm are not insured by the Securities Investor Protection Corporation. Cash is maintained at the stock brokerage firm in the amount of \$110,601.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 2 - CONCENTRATIONS (Continued)

Management does not anticipate any material adverse effect to the Organization's financial position resulting from these concentrations of credit risks.

A significant portion of the Organization's labor force is subject to collective bargaining agreements.

NOTE 3 - INVESTMENTS

The cost and fair value of the investments as of December 31, 2017 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficiency) of Market over Cost</u>
Equities			
Emerging markets funds	\$ 139,530	\$ 173,737	\$ 34,207
Real estate securities funds	18,107	21,582	3,475
International funds	385,355	454,292	68,937
Large cap funds	98,089	124,138	26,049
Mid cap funds	199,935	231,687	31,752
Small cap funds	95,953	118,676	22,723
Common stock	<u>644,068</u>	<u>788,322</u>	<u>144,254</u>
Total Equities	1,581,037	1,912,434	331,397
Fixed income			
High yield funds	276,024	271,648	(4,376)
U.S. Govt. Treasury bonds	100,765	99,820	(945)
Corporate bonds	<u>818,019</u>	<u>803,864</u>	<u>(14,155)</u>
Total Fixed Income	<u>1,194,808</u>	<u>1,175,332</u>	<u>(19,476)</u>
Total	\$ <u>2,775,845</u>	\$ <u>3,087,766</u>	\$ <u>311,921</u>

ASHLEY HOUSE**NOTES TO FINANCIAL STATEMENTS**

December 31, 2017 and 2016

NOTE 3 - INVESTMENTS (Continued)

The cost and fair value of the investments as of December 31, 2016 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficiency) of Market over Cost</u>
Equities			
Emerging markets funds	\$ 131,105	\$ 137,858	\$ 6,753
Real estate securities funds	24,473	25,563	1,090
International funds	737,608	760,804	23,196
Large cap funds	678,458	728,405	49,947
Mid cap funds	440,950	459,718	18,768
Small cap funds	125,465	140,198	14,733
Common stock	<u>988,661</u>	<u>1,059,980</u>	<u>71,319</u>
Total Equities	3,126,720	3,312,526	185,806
Fixed income			
High yield funds	544,495	532,249	(12,246)
U.S. Govt. Treasury bonds	368,479	356,097	(12,382)
Corporate bonds	<u>1,026,872</u>	<u>992,625</u>	<u>(34,247)</u>
Total Fixed Income	<u>1,939,846</u>	<u>1,880,971</u>	<u>(58,875)</u>
Total	<u>\$ 5,066,566</u>	<u>\$ 5,193,497</u>	<u>\$ 126,931</u>

Investment fees in 2017 and 2016 were \$36,233 and \$23,552, respectively.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 3 - INVESTMENTS (Continued)

The following is the hierarchy and fair value measurements at December 31:

	<u>Fair Value Measurements</u>		
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
December 31, 2017			
Equities			
Emerging markets funds	\$ 173,737	\$ 173,737	
Real estate securities funds	21,582	21,582	
International funds	454,292	454,292	
Large cap funds	124,138	124,138	
Mid cap funds	231,687	231,687	
Small cap funds	118,676	118,676	
Common stock	<u>788,322</u>	<u>788,322</u>	
Total Equities	1,912,434	1,912,434	
Fixed income			
High yield funds	271,648		\$ 271,648
U.S. Govt. Treasury bonds	99,820		99,820
Corporate bonds	<u>803,864</u>		<u>803,864</u>
Total Fixed Income	<u>1,175,332</u>		<u>1,175,332</u>
Total Investments at Fair Value	<u>\$ 3,087,766</u>	<u>\$ 1,912,434</u>	<u>\$ 1,175,332</u>
December 31, 2016			
Equities			
Emerging markets funds	\$ 137,858	\$ 137,858	
Real estate securities funds	25,563	25,563	
International funds	760,804	760,804	
Large cap funds	728,405	728,405	
Mid cap funds	459,718	459,718	
Small cap funds	140,198	140,198	
Common stock	<u>1,059,980</u>	<u>1,059,980</u>	
Total Equities	3,312,526	3,312,526	
Fixed income			
High yield funds	532,249		\$ 532,249
U.S. Govt. Treasury bonds	356,097		356,097
Corporate bonds	<u>992,625</u>		<u>992,625</u>
Total Fixed Income	<u>1,880,971</u>		<u>1,880,971</u>
Total Investments at Fair Value	<u>\$ 5,193,497</u>	<u>\$ 3,312,526</u>	<u>\$ 1,880,971</u>

Investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Investments valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 4 - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

Components of land and improvements, buildings and improvements and equipment consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,208,436	\$ 734,853
Land improvements	152,546	130,472
Buildings and improvements	3,262,789	3,225,580
Furnishings and equipment	443,982	446,329
Vehicles	<u>345,104</u>	<u>338,490</u>
	5,412,857	4,875,724
Construction in progress	<u>1,650,400</u>	
	7,063,257	4,875,724
Accumulated depreciation	<u>(2,333,057)</u>	<u>(2,193,029)</u>
Total	\$ <u>4,730,200</u>	\$ <u>2,682,695</u>

NOTE 5 - LINE OF CREDIT

The Organization has a line of credit agreement with KeyBank with a maximum amount available of \$1,000,000. Interest is the prime rate, less a margin of 1.25%, resulting in a rate of 3.25% at December 31, 2017, due November 1, 2018. The agreement is collateralized by the Organization's investments.

NOTE 6 - CAPITAL LEASE OBLIGATION

The Organization leases a copier and accounts for the lease as a capital lease. At December 31, 2017 and 2016, the capital lease obligation consisted of the following:

	<u>2017</u>	<u>2016</u>
Obligations under capital lease for a copier, payable in monthly installments of \$342, plus interest and taxes, secured by the copier.		\$ 4,566
Obligations under capital lease for a copier, payable in monthly installments of \$346, plus interest and taxes, secured by the copier.	\$ 10,762	
Less current portion	<u>1,464</u>	<u>3,889</u>
Long-term Capital Lease Obligation	\$ <u>9,298</u>	\$ <u>677</u>

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 6 - CAPITAL LEASE OBLIGATION (Continued)

The cost and accumulated amortization related to the copier is as follows:

	<u>2017</u>	<u>2016</u>
Cost	\$ 11,734	\$ 17,049
Less accumulated amortization	<u>1,760</u>	<u>12,929</u>
	<u>\$ 9,974</u>	<u>\$ 4,120</u>

Assets under capital leases are amortized over a 5 year life. For the years ended December 31, 2017 and 2016, amortization expense totaled \$1,760 and \$3,410, respectively.

At December 31, 2017, future minimum lease payments under the capital lease for subsequent years are as follows:

2018	\$ 4,154
2019	4,154
2020	4,154
2021	4,154
2022	<u>1,268</u>
Total future minimum lease payments	17,884
Less amount representing interest, maintenance and taxes	<u>7,122</u>
Present value of minimum lease payments	<u>\$ 10,762</u>

The Organization is charged for overages for copies over the stated contract amount, which is recorded as rental expense.

NOTE 7 - OPERATING LEASES

Rental expense for all operating leases, including leases with terms of less than one year for the years ended December 31, 2017 and 2016 totaled \$11,730 and \$6,495, respectively.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 8 - SECTION 403(b) RETIREMENT PLAN

The Organization has a pension plan which is qualified under Section 403(b) of the Internal Revenue Code. The plan provides coverage for all employees with no minimum age or service requirements. The plan does not have a provision for employer contributions.

NOTE 9 - CASH FLOW SUPPLEMENTARY INFORMATION

For the years ended December 31, 2017 and 2016, the Organization paid interest of \$15,431 and \$4,010, respectively. The Organization acquired equipment under a capital lease in the amount of \$11,734 and a noncash payment of \$3,620 on a capital lease obligation for the year ended December 31, 2017.

2016

ASHLEY HOUSE

Audited Financial Statements

December 31, 2016 and 2015

ASHLEY HOUSE

Audited Financial Statements

December 31, 2016 and 2015

INDEPENDENT AUDITOR'S REPORT 1-2

AUDITED FINANCIAL STATEMENTS

Statements of Financial Position.....3
Statements of Activities and Changes in Net Assets4
Statements of Functional Expenses.....5-6
Statements of Cash Flows7
Notes to Financial Statements.....8-16



1501 Regents Blvd., Suite 100

Fircrest, WA 98466-6060

Independent Auditor's Report

Board of Directors
Ashley House
Federal Way, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of Ashley House (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2016 and 2015, 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.

Auditor's Responsibility

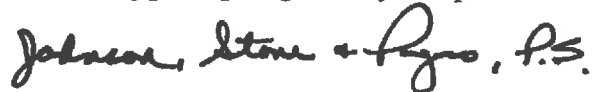
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ashley House 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.



JOHNSON, STONE & PAGANO, P.S.

June 5, 2017

AUDITED FINANCIAL STATEMENTS

ASHLEY HOUSE

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash	\$ 146,218	\$ 425,864
Accounts receivable, less allowance for doubtful accounts of \$10,000 in 2016 and 2015	800,917	461,944
Investments	5,193,497	5,555,039
Prepaid expenses	119,764	115,278
Land, buildings, improvements and equipment, net	<u>2,682,695</u>	<u>2,409,552</u>
TOTAL ASSETS	<u>\$ 8,943,091</u>	<u>\$ 8,967,677</u>
<u>LIABILITIES AND NET ASSETS</u>		
Line of Credit	\$ 550,000	
Accounts payable	58,823	\$ 33,442
Accrued payroll and benefits	263,052	216,357
Accrued payroll taxes	49,013	32,142
Other liabilities	3,956	2,150
Capital lease obligation	<u>4,566</u>	<u>8,175</u>
Total Liabilities	929,410	292,266
NET ASSETS		
Unrestricted	<u>8,013,681</u>	<u>8,675,411</u>
Total Net Assets	<u>8,013,681</u>	<u>8,675,411</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,943,091</u>	<u>\$ 8,967,677</u>

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

ASHLEY HOUSE**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
UNRESTRICTED REVENUES AND SUPPORT		
Net patient service revenue	\$ 4,875,212	\$ 4,156,138
Contributions	24,502	20,012
In-kind contributions	10,665	6,458
Miscellaneous income	1,688	2,004
Fundraising	<u>9,082</u>	<u>19,004</u>
Total Unrestricted Revenues and Support	4,921,149	4,203,616
EXPENSES		
Program services		
Transition care for medically fragile children	4,904,739	3,802,331
Supporting services		
Management and general	<u>993,342</u>	<u>816,583</u>
Total Expenses	<u>5,898,081</u>	<u>4,618,914</u>
Decrease in Unrestricted Net Assets from Operations	(976,932)	(415,298)
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Investment income	96,473	115,297
Realized gains on investments	289,768	180,077
Unrealized losses on investments	(69,500)	(327,808)
Loss on disposal of equipment	<u>(1,539)</u>	<u>(1,247)</u>
Total Other Changes in Unrestricted Net Assets	<u>315,202</u>	<u>(33,681)</u>
DECREASE IN UNRESTRICTED NET ASSETS	(661,730)	(448,979)
Net Assets at Beginning of Year	<u>8,675,411</u>	<u>9,124,390</u>
NET ASSETS AT END OF YEAR	<u>\$ 8,013,681</u>	<u>\$ 8,675,411</u>

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

ASHLEY HOUSE

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016 with Comparative Totals for 2015

	Program Services	Supporting Services	Total Expenses	
			2016	2015
Salaries	\$ 3,072,556	\$ 623,295	\$ 3,695,851	\$ 3,138,276
Payroll taxes and employee benefits	934,686	113,520	1,048,206	896,701
Total Compensation Expense	4,007,242	736,815	4,744,057	4,034,977
Insurance	65,833	14,085	79,918	69,269
Depreciation and amortization	98,068	45,951	144,019	123,031
Household and child care	85,152	1,406	86,558	77,382
Utilities	69,077	12,353	81,430	70,666
Bank and investment fees		27,277	27,277	18,582
Telephone	17,127	7,853	24,980	20,453
Repairs and maintenance	39,245	10,556	49,801	36,532
Miscellaneous	4,452	55,575	60,027	44,635
Interest expense	286	3,724	4,010	750
Consulting fees	258,528		258,528	1,750
Audit and accounting fees		11,200	11,200	10,900
Furnishings - expendable	22,758	3,240	25,998	10,544
Education, conferences and travel	14,186	9,432	23,618	24,923
Office supplies	6,148	9,446	15,594	12,901
Transportation	16,278	4,191	20,469	20,058
Advertising	71,627	22,307	93,934	7,365
Taxes and licenses	22,814	9,403	32,217	17,776
Clothes and toys	2,967		2,967	5,368
Rental expense	2,757	3,738	6,495	5,624
Legal fees		1,028	1,028	1,095
Children's family expense	7,110		7,110	432
Security	2,207	1,258	3,465	2,897
Dues and subscriptions	577	2,504	3,081	1,004
Bad debt expense	90,300		90,300	
TOTAL EXPENSES	\$ 4,904,739	\$ 993,342	\$ 5,898,081	\$ 4,618,914

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

ASHLEY HOUSE**STATEMENTS OF FUNCTIONAL EXPENSES (Continued)**

Year Ended December 31, 2015

	Program Services	Supporting Services	Total Expenses 2015
Salaries	\$ 2,609,758	\$ 528,518	\$ 3,138,276
Payroll taxes and employee benefits	<u>791,611</u>	<u>105,090</u>	<u>896,701</u>
Total Compensation Expense	3,401,369	633,608	4,034,977
Insurance	53,455	15,814	69,269
Depreciation and amortization	100,863	22,168	123,031
Household and child care	76,712	670	77,382
Utilities	58,678	11,988	70,666
Bank and investment fees		18,582	18,582
Telephone	14,530	5,923	20,453
Repairs and maintenance	27,173	9,359	36,532
Miscellaneous	2,910	41,725	44,635
Interest expense	450	300	750
Consulting fees		1,750	1,750
Audit and accounting fees		10,900	10,900
Furnishings - expendable	9,187	1,357	10,544
Education, conferences and travel	12,464	12,459	24,923
Office supplies	6,767	6,134	12,901
Transportation	16,298	3,760	20,058
Advertising		7,365	7,365
Taxes and licenses	10,091	7,685	17,776
Clothes and toys	5,368		5,368
Rental expense	3,408	2,216	5,624
Legal fees		1,095	1,095
Children's family expense	432		432
Security	2,146	751	2,897
Dues and subscriptions	<u>30</u>	<u>974</u>	<u>1,004</u>
TOTAL EXPENSES	<u>\$ 3,802,331</u>	<u>\$ 816,583</u>	<u>\$ 4,618,914</u>

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

ASHLEY HOUSE**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (661,730)	\$ (448,979)
Adjustments to reconcile decrease in net assets to net cash used by operating activities		
Realized gains on investments	(289,768)	(180,077)
Unrealized losses on investments	69,500	327,808
Bad debt expense	90,300	
Loss on disposal of equipment	1,539	1,247
Depreciation and amortization	144,019	123,031
Change in assets and liabilities		
Accounts receivable	(429,273)	(91,117)
Prepaid expenses	(4,486)	(13,113)
Other assets		32,640
Accounts payable	25,381	14,154
Accrued payroll, benefits and taxes	63,566	(120,688)
Other liabilities	1,806	2,150
Net Cash Used by Operating Activities	(989,146)	(352,944)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(418,701)	(1,391,830)
Purchases of investments	(8,099,151)	(1,297,000)
Proceeds from sale of investments	8,680,961	2,279,464
Net Cash Provided (Used) by Investing Activities	163,109	(409,366)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	550,000	
Principal payments on capital lease obligation	(3,609)	(3,348)
Net Cash Provided (Used) by Financing Activities	546,391	(3,348)
DECREASE IN CASH	(279,646)	(765,658)
Cash at Beginning of Year	425,864	1,191,522
CASH AT END OF YEAR	\$ <u>146,218</u>	\$ <u>425,864</u>

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

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ashley House (the "Organization") is a nonprofit organization, with five facilities located in Enumclaw, Tacoma, Olympia, Kent and Edgewood, Washington, with the administrative office located in Federal Way, Washington. The mission of the Organization is to provide comprehensive cost effective quality care to medically fragile clients and young adults in a home-like setting. The Organization is dedicated to providing education to families and caregivers, building support systems, coordinating services and nurturing the development of each individual.

Basis of Accounting and Basis of Presentation

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

The Organization records contributions received, including unconditional promises to give, as unrestricted, temporarily or permanently restricted support, depending on the existence or nature of any donor restrictions. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets are net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets

Temporarily restricted net assets are net assets that are subject to donor-imposed or governmental contractor restrictions that may or will be met either by actions of the Organization or the passage of time. Temporary restrictions which are fulfilled within the reporting year the contribution is received are recorded as unrestricted contributions in the statements of activities and changes in net assets. There were no temporarily restricted net assets at December 31, 2016 and 2015.

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed restrictions that assets be maintained permanently. There were no permanently restricted net assets at December 31, 2016 and 2015.

Cash

The Organization considers cash to be cash on hand, in checking accounts, savings accounts and money market accounts.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Accounts Receivable

Accounts receivable represent amounts billed to patient families, third-party payers and others when services provided to medically fragile clients are rendered. The allowance for doubtful accounts is based on management's evaluation of outstanding accounts receivable based on historical experience. Past due amounts are written off based on individual evaluation and specific circumstances of the resident and are charged to the allowance account in the year they are deemed uncollectible.

Accounts receivable due for more than ninety days totaled \$138,384 and \$14,446 at December 31, 2016 and 2015, respectively. Based on historical collection activities, management considers all amounts to be collectible at December 31, 2016.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position with the related realized and unrealized gains or losses included in the statements of activities and changes in net assets. Fair value is based upon the last reported market price on the last business day of the year. Realized gains and losses on dispositions are based on the net proceeds and the adjusted carrying amount of securities sold, using the specific identification method.

Fair Value Measurements

The Organization provides information regarding the inputs that underlie a fair value measurement of financial instruments. The three levels of inputs essentially distinguish the relative reliability of inputs to fair value measurements. Level 1 inputs are more reliable and objective than Level 2 inputs which are in turn more reliable and objective than Level 3 inputs. In arriving at a fair value measure, the Organization is required to determine the level in the fair value hierarchy within which a fair value measurement ultimately falls and provide disclosure of such determinations.

Land, Buildings, Improvements and Equipment

Land, buildings, improvements and equipment are stated at cost. Donated equipment is recorded in the financial statements at their fair values in the period received. Depreciation is computed using the straight-line method over estimated useful lives of the assets:

Buildings and improvements	5-30 years
Furnishings, equipment and vehicles	3-10 years

For the years ended December 31, 2016 and 2015, depreciation expense totaled \$140,609 and \$119,621, respectively.

Maintenance and repairs are charged to current operations as incurred; major improvements and replacements of buildings and equipment are capitalized.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for Long-lived Assets

The Organization makes a determination as circumstances indicate necessary as to whether the value of long-lived assets, including assets to be disposed of, have been impaired. The determination is based on several criteria, including, but not limited to, revenue trends, undiscounted operating cash flows and other operating factors. In management's opinion, there were no impairment adjustments necessary for the years ending December 31, 2016 and 2015.

Net Patient Service Revenue

Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services in the period in which services are provided.

Free Services

The Organization provides free services to needy clients and their families. Management estimates that the value of the services provided without charge for the years ended December 31, 2016 and 2015 was approximately \$222,813 and \$152,617.

Recognition of Donor-restricted Contributions

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Advertising Expenses

The Organization expenses advertising costs as incurred. For the years ended December 31, 2016 and 2015, advertising expense was \$93,934 and \$7,365, respectively.

Functional Expenses

Functional expenses are allocated between program and supporting services based on management's estimates and studies of the costs attributable to the various programs or support services.

Federal Income Tax

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE 1 - ORGANIZATION AND 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 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.

Subsequent Events

The management of the Organization evaluated for subsequent events and transactions for potential recognition and disclosure through June 5, 2017, the date the financial statements were issued. All identified material events or transactions have been recorded or disclosed.

NOTE 2 - CONCENTRATIONS

Approximately 86% of net patient service revenue was derived under federal and state reimbursement and fee-for-service programs. The Organization grants credit without collateral to its patients under third-party payer agreements.

The Organization's operations are concentrated in the specialized area of providing nursing care services to medically fragile clients. The operations are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the Washington State Department of Social and Health Services, which administers the payments for services by Medicaid. Such administrative directives, rules and regulations and payments are subject to change. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with a change. Management continues to look for ways to diversify income.

The Organization maintains cash balances at various financial institutions in western Washington. Accounts at each of the financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") with basic coverage up to \$250,000. At December 31, 2016, no cash balances exceeded the insured amount.

The Organization has an account with a stock brokerage firm with investments in money market accounts, equity securities and cash. Securities held by the stock brokerage firm are not insured by the Securities Investor Protection Corporation. Cash is maintained at the stock brokerage firm in the amount of \$107,377.

Management does not anticipate any material adverse effect to the Organization's financial position resulting from these concentrations of credit risks.

A significant portion of the Organization's labor force is subject to collective bargaining agreements.

ASHLEY HOUSE**NOTES TO FINANCIAL STATEMENTS**

December 31, 2016 and 2015

NOTE 3 - INVESTMENTS

The cost and fair value of the investments as of December 31, 2016 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficiency) of Market over Cost</u>
Equities			
Emerging markets funds	\$ 131,105	\$ 137,858	\$ 6,753
Real estate securities funds	24,473	25,563	1,090
International funds	737,608	760,804	23,196
Large cap funds	678,458	728,405	49,947
Mid cap funds	440,950	459,718	18,768
Small cap funds	125,465	140,198	14,733
Common stock	<u>988,661</u>	<u>1,059,980</u>	<u>71,319</u>
Total Equities	3,126,720	3,312,526	185,806
Fixed income			
High yield funds	544,495	532,249	(12,246)
U.S. Govt. Treasury bonds	368,479	356,097	(12,382)
Corporate bonds	<u>1,026,872</u>	<u>992,625</u>	<u>(34,247)</u>
Total Fixed Income	<u>1,939,846</u>	<u>1,880,971</u>	<u>(58,875)</u>
Total	<u>\$ 5,066,566</u>	<u>\$ 5,193,497</u>	<u>\$ 126,931</u>

The cost and fair value of the investments as of December 31, 2015 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficiency) of Market over Cost</u>
Equities			
Emerging markets funds	\$ 221,704	\$ 196,025	\$ (25,679)
Real estate securities funds	72,366	88,783	16,417
International funds	811,595	779,275	(32,320)
Large cap funds	1,414,598	1,693,405	278,807
Mid cap funds	506,585	490,260	(16,325)
Small cap funds	<u>300,466</u>	<u>293,978</u>	<u>(6,488)</u>
Total Equities	3,327,314	3,541,726	214,412

ASHLEY HOUSE**NOTES TO FINANCIAL STATEMENTS**

December 31, 2016 and 2015

NOTE 3 - INVESTMENTS (Continued)

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficiency) of Market over Cost</u>
Fixed income			
High yield funds	\$ 241,283	\$ 220,151	\$ (21,132)
Pooled vehicle funds	<u>1,431,623</u>	<u>1,436,303</u>	<u>4,680</u>
Total Fixed Income	1,672,906	1,656,454	(16,452)
Other investments			
Global real return fund	60,000	55,467	(4,533)
Dynamic total return	78,690	93,103	14,413
L/S equity fund	90,000	89,927	(73)
Futures strategy fund	77,891	85,086	7,195
Commodity index fund	<u>51,807</u>	<u>33,276</u>	<u>(18,531)</u>
Total Other Investments	<u>358,388</u>	<u>356,859</u>	<u>(1,529)</u>
Total	\$ <u>5,358,608</u>	\$ <u>5,555,039</u>	\$ <u>196,431</u>

Investment fees in 2016 and 2015 were \$23,552 and \$16,009, respectively.

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE 3 - INVESTMENTS (Continued)

The following is the hierarchy and fair value measurements at December 31:

	<u>Fair Value</u>	<u>Fair Value Measurements</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>December 31, 2016</u>			
Equities			
Emerging markets funds	\$ 137,858	\$ 137,858	
Real estate securities funds	25,563	25,563	
International funds	760,804	760,804	
Large cap funds	728,405	728,405	
Mid cap funds	459,718	459,718	
Small cap funds	140,198	140,198	
Common stock	<u>1,059,980</u>	<u>1,059,980</u>	
Total Equities	<u>3,312,526</u>	<u>3,312,526</u>	
Fixed income			
High yield funds	532,249		\$ 532,249
U.S. Govt. Treasury bonds	356,097		356,097
Corporate bonds	<u>992,625</u>		<u>992,625</u>
Total Fixed Income	<u>1,880,971</u>		<u>1,880,971</u>
Total Investments at Fair Value	\$ <u>5,193,497</u>	\$ <u>3,312,526</u>	\$ <u>1,880,971</u>
<u>December 31, 2015</u>			
Equities			
Emerging markets funds	\$ 196,025	\$ 196,025	
Real estate securities funds	88,783	88,783	
International funds	779,275	779,275	
Large cap funds	1,693,405	1,693,405	
Mid cap funds	490,260	490,260	
Small cap funds	<u>293,978</u>	<u>293,978</u>	
Total Equities	<u>3,541,726</u>	<u>3,541,726</u>	
Fixed income			
High yield funds	220,151		\$ 220,151
Pooled vehicle funds	<u>1,436,303</u>		<u>1,436,303</u>
Total Fixed Income	1,656,454		1,656,454
Other investments			
Global real return fund	55,467		55,467
Dynamic total return	93,103		93,103
L/S equity fund	89,927		89,927
Futures strategy fund	85,086		85,086
Commodity index fund	<u>33,276</u>		<u>33,276</u>
Total Other Investments	<u>356,859</u>		<u>356,859</u>
Total Investments at Fair Value	\$ <u>5,555,039</u>	\$ <u>3,541,726</u>	\$ <u>2,013,313</u>

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE 3 - INVESTMENTS (Continued)

Investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Investments valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

NOTE 4 - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

Components of land and improvements, buildings and improvements and equipment consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Land	\$ 734,853	\$ 734,853
Land improvements	130,472	130,472
Buildings and improvements	3,225,580	2,882,581
Furnishings and equipment	446,329	407,564
Vehicles	<u>338,490</u>	<u>338,490</u>
	4,875,724	4,493,960
Accumulated depreciation (deduction)	<u>(2,193,029)</u>	<u>(2,084,408)</u>
Total	<u>\$ 2,682,695</u>	<u>\$ 2,409,552</u>

NOTE 5 - LINE OF CREDIT

The Organization has a line of credit agreement with Key Bank with a maximum amount available of \$1,000,000. Interest is the prime rate, less a margin of 1.25%, resulting in a rate of 2.25% at December 31, 2016, due November 1, 2017. The agreement is collateralized by the Organization's investments.

NOTE 6 - CAPITAL LEASE OBLIGATION

The Organization leases a copier and accounts for the lease as a capital lease. At December 31, 2016 and 2015, the capital lease obligation consisted of the following:

	<u>2016</u>	<u>2015</u>
Obligations under capital lease for a copier payable in monthly installments of \$342 plus interest and taxes, secured by the copier	\$ 4,566	\$ 8,175
Less current portion	<u>3,889</u>	<u>3,609</u>
Long-term Capital Lease Obligation	<u>\$ 677</u>	<u>\$ 4,566</u>

ASHLEY HOUSE

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE 6 - CAPITAL LEASE OBLIGATION (Continued)

The cost and accumulated amortization related to the copier is as follows:

	<u>2016</u>	<u>2015</u>
Cost	\$ 17,049	\$ 17,049
Less accumulated amortization	<u>12,929</u>	<u>9,519</u>
	<u>\$ 4,120</u>	<u>\$ 7,530</u>

Assets under capital leases are amortized over a 5 year life. For the years ended December 31, 2016 and 2015, amortization expense totaled \$3,410.

At December 31, 2016, future minimum lease payments under the capital lease for subsequent years are as follows:

2017	\$ 5,316
2018	<u>886</u>
Total future minimum lease payments	6,202
Less amount representing interest, maintenance and taxes	<u>1,636</u>
Present value of minimum lease payments	<u>\$ 4,566</u>

NOTE 7 - OPERATING LEASES

The Organization leases a copy machine under a capital lease. The Organization is charged for overages for copies over the stated contract amount, which is recorded as rental expense. Rental expense for all operating leases, including leases with terms of less than one year for the years ended December 31, 2016 and 2015 totaled \$6,495 and \$5,624, respectively.

NOTE 8 - SECTION 403(b) RETIREMENT PLAN

The Organization has a pension plan which is qualified under Section 403(b) of the Internal Revenue Code. The Plan provides coverage for all employees with no minimum age or service requirements. The Plan does not have a provision for employer contributions.

NOTE 9 - CASH FLOW SUPPLEMENTARY INFORMATION

For the years ended December 31, 2016 and 2015, the Organization paid interest of \$4,010 and \$750, respectively.