

**DEVELOPMENTAL AND DISABILITY
SERVICES OF LEBANON VALLEY**

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Developmental and Disability Services of Lebanon Valley
Lebanon, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Developmental and Disability Services of Lebanon Valley (a non-profit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

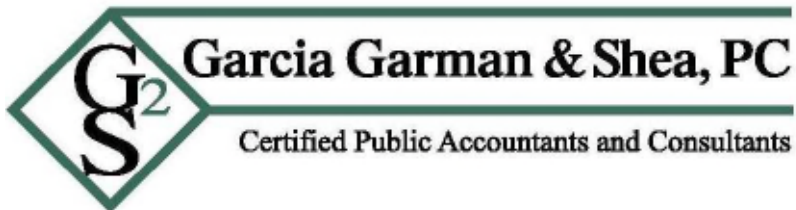
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Developmental and Disability Services of Lebanon Valley as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of Developmental and Disability Services of Lebanon Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Developmental and Disability Services of Lebanon Valley's internal control over financial reporting and compliance.

Garcia Garman & Shea, PC

Lebanon, Pennsylvania
November 9, 2015



Vincent M. Garcia, CPA
Matthew P. Garman, CPA
Angela K. Shea, CPA
William D. Oyster, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Developmental and Disability Services of Lebanon Valley
Lebanon, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Developmental and Disability Services of Lebanon Valley (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Garcia Garman & Shea, PC

Lebanon, Pennsylvania
November 9, 2015

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 128,305	\$ 64,929
Investments	3,000	3,000
Accounts receivable	75,319	59,204
Pledge receivable	3,270	-
Prepaid expenses	19,514	16,488
	229,408	143,621
 PROPERTY, PLANT AND EQUIPMENT		
Land	55,415	55,415
Building	749,598	630,796
Furniture and equipment	142,576	97,836
	947,589	784,047
Accumulated depreciation	447,551	424,708
	500,038	359,339
 Total assets		
	\$ 729,446	\$ 502,960

See accompanying notes to the financial statements

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
 STATEMENTS OF FINANCIAL POSITION (Continued)
 JUNE 30, 2015 AND 2014

LIABILITIES AND NET ASSETS

	2015	2014
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 10,908	\$ 5,381
Accounts payable	64,914	31,685
Payroll withholdings	240	38
Accrued salaries and vacations	46,311	41,127
	122,373	78,231
LONG TERM LIABILITIES		
Mortgage payable, net of current portion	89,553	51,653
Deferred income	108,753	-
	198,306	51,653
Total liabilities	320,679	129,884
NET ASSETS		
Unrestricted		
Board designated	9,598	9,592
Undesignated	380,432	350,099
Temporarily restricted	18,737	13,385
	408,767	373,076
Total liabilities and net assets	\$ 729,446	\$ 502,960

See accompanying notes to the financial statements

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
UNRESTRICTED NET ASSETS		
Unrestricted revenues		
Program fees and grants	\$ 665,031	\$ 655,830
United Way allocation	59,191	57,876
Interest income	62	46
Gain on sale of assets	155	252
Rental income	19,262	1,317
Miscellaneous revenue	23,987	12,182
	767,688	727,503
Net assets released from restrictions		
Expiration of time restriction	16,783	11,892
	784,471	739,395
Expenses		
Program services	725,026	680,024
Management and general	18,460	24,396
Fundraising	10,646	13,432
	754,132	717,852
Increase in unrestricted net assets	30,339	21,543
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	22,135	12,666
Net assets released from restrictions	(16,783)	(11,892)
	5,352	774
Increase in net assets	35,691	22,317
Net assets, beginning	373,076	350,759
Net assets, ending	\$ 408,767	\$ 373,076

See accompanying notes to the financial statements

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2015

EXPENSES	Program Services	Management and General	Fundraising	Total
Salaries	\$ 364,700	\$ 9,218	\$ 4,691	\$ 378,609
Payroll taxes	31,091	786	400	32,277
Other benefits	43,486	2,867	1,433	47,786
Retirement	4,726	119	61	4,906
Professional fees	14,244	695	367	15,306
Conferences	372	15	8	395
Office supplies	5,357	136	82	5,575
Program expense	13,701	-	-	13,701
Telephone	3,447	87	53	3,587
Postage	2,450	62	37	2,549
Rental and maintenance	15,458	776	576	16,810
Travel	33,571	675	1,013	35,259
Utilities	7,178	379	283	7,840
Advertising	474	12	7	493
Dues and memberships	1,002	25	15	1,042
Printing	682	17	10	709
Professional fees, therapy	138,911	-	-	138,911
Miscellaneous	12,046	794	397	13,237
Depreciation	20,921	1,101	822	22,844
Insurance	7,911	522	261	8,694
Interest expense	3,298	174	130	3,602
Total expenses	\$ 725,026	\$ 18,460	\$ 10,646	\$ 754,132

See accompanying notes to the financial statements

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
 STATEMENTS OF FUNCTIONAL EXPENSES (continued)
 FOR THE YEAR ENDED JUNE 30, 2014

EXPENSES	Program Services	Management and General	Fundraising	Total
Salaries	\$ 335,686	\$ 10,601	\$ 7,067	\$ 353,354
Payroll taxes	34,193	1,080	720	35,993
Other benefits	53,928	1,703	1,135	56,766
Professional fees	12,302	607	446	13,355
Conferences	374	30	26	430
Office supplies	4,351	350	300	5,001
Program expense	10,626	5	4	10,635
Telephone	2,393	193	165	2,751
Postage	2,157	174	149	2,480
Rental and maintenance	12,040	2,698	653	15,391
Travel	28,312	554	831	29,697
Utilities	5,440	1,341	283	7,064
Advertising	299	24	21	344
Dues and memberships	957	77	66	1,100
Professional fees, therapy	150,104	-	-	150,104
Miscellaneous	3,772	304	260	4,336
Depreciation	14,751	3,639	766	19,156
Insurance	6,262	504	432	7,198
Interest expense	2,077	512	108	2,697
Total expenses	<u>\$ 680,024</u>	<u>\$ 24,396</u>	<u>\$ 13,432</u>	<u>\$ 717,852</u>

See accompanying notes to the financial statements

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 35,691	\$ 22,317
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	22,844	19,156
(Increase) decrease in		
Accounts receivable	(16,115)	2,452
Pledge receivable	(3,270)	-
Prepaid expenses	(3,026)	(251)
Increase (decrease) in		
Accounts payable	33,229	6,594
Payroll withholdings	202	(80)
Accrued salaries and vacations	5,184	3,527
Deferred income	108,753	-
	183,492	53,715
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in line of credit	-	(20,000)
Proceeds from issuance of long-term debt	140,000	-
Payments on long-term debt	(96,573)	(5,140)
	43,427	(25,140)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(163,543)	-
	(163,543)	-
Net increase in cash	63,376	28,575
Cash, beginning	64,929	36,354
Cash, ending	\$ 128,305	\$ 64,929
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 3,602	\$ 2,697

See accompanying notes to the financial statements

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Developmental and Disability Services of Lebanon Valley is a nonprofit agency. Developmental and Disability Services of Lebanon Valley provides direct services for the residents of Lebanon County.

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in FASB ASC 958-210-45. Under FASB ASC 958-210-45, the Organization is required to report 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.

Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consists of amounts as detailed in Note 4. Management has considered balance to be collectible and therefore, no allowance for doubtful accounts has been established.

Pledge Receivable

Pledge receivable consists of amounts pledged for camp activities. Management has considered balance to be collectible and therefore, no allowance for doubtful accounts has been established.

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and Equipment

Property and equipment are stated at cost. The Organization’s policy is to capitalize assets with a useful life greater than one year and an original cost of \$500 or greater. Depreciation is provided using primarily the straight-line method over the following estimated useful lives of the assets:

Building	15 - 39 years
Furniture and fixtures	5 - 10 years

Concentration of Risk

The Organization maintains its cash and investment accounts in commercial financial institutions. The cash balances in each institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has accounts at financial institutions that from time to time may exceed the insurance obtained through FDIC.

Deferred Income

The Organization collected funds from Lebanon IU 13 as reimbursement for the improvements to the property. These are being amortized over the lease term.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from state and federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization's open audit periods are 2011 through 2013. The Financial Accounting Standards Board issued FASB ASC 740-10, (formerly, FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*), which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose uncertain tax positions taken on its tax return. The Organization believes that it has appropriate support for tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Program Services/Functional Expenses Classifications

The following is a summary of the Organization's program services which it provides to the community:

Program Services

Adult Services

Job Coaching – Provides training to employees on the job site, as opposed to traditional facility based training. Individuals acquire, learn, and maintain community based employment.

Habilitation Services – Provides one to one training to assist an individual in learning skills to function more independently in the community. Skills such as grocery shopping, cooking, laundry and banking are taught.

Companion Services – Provides one to one non-medical care, socialization and support for individuals with an intellectual disability.

Brave Art – Offers classes for individuals to use art to express themselves and celebrate the creativity of all. Artwork produced is displayed at various community events.

Child Services

Special Instruction – Provides infants and toddler assistance in developing cognitive, physical and social-emotional skills necessary for the child to communicate their needs and wants and to interact with their family and peers.

Physical Therapy – Instructs the family on how to carry, position, and play with their child and educates the family in gross motor development and expectations for each developmental stage.

Speech Therapy – Provides speech and language therapy for children under the age of three.

Occupational Therapy – Assists children to learn to use their hands for specific tasks, such as dressing, playing with a toy, and eating.

Recreational Programs – Provides specialized recreational opportunities including bowling, soccer, and an autism social skills class.

Summer Stars Day Camp – Provides summer day camp experiences for children ages 4 – 21.

Advocacy Services

Medical Equipment Exchange – Collect and distribute donated medical equipment to those in need.

Elks Home Service Nurse – Provides advocacy and in home medical case management services.

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Support Services

Administrative and General – Deals with the day-to-day administrative operations of the Organization.

NOTE 2 – INVESTMENTS

Investments are stated at fair value and are summarized as follows:

June 30, 2015	Cost	Fair Value
Certificate of deposit, interest 0.150%, due 4/16	\$ 3,000	\$ 3,000
<hr/>		
June 30, 2014	Cost	Fair Value
Certificate of deposit, interest 0.150%, due 4/15	\$ 3,000	\$ 3,000

NOTE 3 – FAIR VALUE MEASUREMENT

Financial Accounting Standards Board FASB ASC 820-10 (formerly FASB Statement No. 157, Fair Value Measurements), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

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

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015.

Certificates of deposits: Short-term issues are priced off the spread of the LIBOR curve. Longer-term issues are priced off the government curve. Spreads are obtained from new issue market and direct dealer quotes.

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015 AND 2014

NOTE 3 – FAIR VALUE MEASUREMENT *(continued)*

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30:

June 30, 2015	Level 1	Level 2	Level 3	Fair Value
Certificate of Deposit	\$ -	\$ 3,000	\$ -	\$ 3,000

June 30, 2014	Level 1	Level 2	Level 3	Fair Value
Certificate of Deposit	\$ -	\$ 3,000	\$ -	\$ 3,000

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, is comprised of the following amounts:

	2015	2014
PA State Elks Association	\$ 2,400	\$ 3,433
MH/ID/EI of Lebanon, Early Intervention	10,768	10,865
MH/ID/EI of Lebanon, Supported Competitive Employment	4,818	5,900
PA Department of Welfare, Medical Assistance	9,846	13,403
PA Department of Welfare, Waiver	26,606	21,627
Lebanon Lancaster Joint Authority	20,097	-
Miscellaneous	784	3,976
Total	\$ 75,319	\$ 59,204

NOTE 5 – MH/ID/EI EQUIPMENT

Any assets purchased with Mental Health / Intellectual Disabilities / Early Intervention Program (MH/ID/EI) Funds are held in the name of MH/ID/EI. The net book value of these assets at June 30, 2015 and 2014 was \$-0-. The Organization has a policy of expensing any assets purchased for less than \$500. Therefore, some assets may be held in the name of MH/ID/EI which were expensed in the year purchased.

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 6 – COUNTY CONTRACTS

MH/ID/EI funding received during the years ended June 30, is comprised of the following amounts:

	2015	2014
MH/ID/EI of Lebanon, Early Intervention	\$ 132,881	\$ 113,714
MH/ID/EI of Lebanon, Supported Competitive Employment	56,191	55,561
MH/ID/EI of Lebanon, Direct Care Worker	2,027	2,027
 Totals	\$ 191,099	\$ 171,302

NOTE 7 – PROGRAM FEES AND GRANTS

A material portion of support received by the Organization is provided by four funding agencies, which represents 73% and 79% of the Organization’s total revenue for the years ended June 30, 2015 and 2014, respectively. Loss of that support could have a significant adverse impact on the Organization’s ability to provide services to the community. The following program fees and grants were received:

	Program Fees	Grants	2015 Total	2014 Total
MH/ID/EI contracts	\$ 191,099	\$ -	\$ 191,099	\$ 171,302
Department of Public Welfare				
Medical Assistance	118,274	-	118,274	141,237
Waiver	219,948	-	219,948	204,144
Office of Vocational Rehabilitation	28,515	-	28,515	11,299
DDS Foundation	-	50,000	50,000	70,000
PA State Elks Association	31,046	-	31,046	31,754
Other	26,149	-	26,149	26,094
	\$ 615,031	\$ 50,000	\$ 665,031	\$ 655,830

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 8 – LONG-TERM DEBT

Long-term debt at June 30 consisted of the following:

Description	Balance June 30, 2014	Additions	Payments	Balance June 30, 2015	Current Portion
Mortgage payable	\$ 57,034	\$ 140,000	\$ (96,573)	\$ 100,461	\$ 10,908

Description	Balance June 30, 2013	Additions	Payments	Balance June 30, 2014	Current Portion
Mortgage payable	\$ 62,174	\$ -	\$ (5,140)	\$ 57,034	\$ 5,381

The mortgage payable with the First National Bank of Fredericksburg was refinanced in March 2015, and is payable in monthly installments of \$1,270, including interest at 4.5 percent, through May 2023.

The principal portions required of the Organization for the next five years and thereafter are as follows:

Year Ending June 30,	Amount
2016	\$ 10,908
2017	11,409
2018	11,933
2019	12,481
2020	13,055
Thereafter	<u>40,675</u>
Total	<u>\$ 100,461</u>

NOTE 9 – LEASES

The Organization entered into a lease agreement effective April 2015 with Lebanon Lancaster Joint Authority in which the Organization will receive monthly rental payments of \$2,246 through August 2018 in exchange for the lease of a part of the building. The agreement has a renewal option at the end of the lease term. Rental income earned under the lease for the years ended June 30, 2015 and 2014 was \$17,945 and \$-0-, respectively.

DEVELOPMENTAL AND DISABILITY SERVICES OF LEBANON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 10 – NET ASSETS

Net assets have been designated or restricted for the following purposes as of June 30:

	2015	2014
Board designated		
Elks escrow	\$ 3,000	\$ 3,000
Funds designated for maintenance, upkeep and additions to property, building and equipment	4,747	4,742
Funds designated for technology	1,851	1,850
Total board designated	\$ 9,598	\$ 9,592
Temporarily restricted		
Contributions designated for various specific purposes	\$ 18,737	\$ 13,385

NOTE 11 – RETIREMENT PLAN

During the year ended June 30, 1996, the Organization established a SEP-IRA Plan for its employees. The Organization can give voluntary contributions up to 5 percent of covered payroll. Pension expense was \$4,906 and \$-0- for the years ended June 30, 2015 and 2014, respectively.

NOTE 12—SUBSEQUENT EVENTS

Effective July 1, 2015, the Development and Disability Services of Lebanon Valley Foundation was merged into the Organization.

The Organization’s management has evaluated subsequent events through November 9, 2015, the date of this report, which is the date the financial statements were available to be issued.