REPORT OF INDEPENDENT AUDITORS AND CONSOLIDATED FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

NORTHWEST CENTER

December 31, 2017 and 2016

MOSSADAMS

Table of Contents

MOSSADAMS

Report of Independent Auditors

To the Board of Directors
Northwest Center

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Northwest Center, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating schedules of functional expenses on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Moss Adams LLP

Seattle, Washington
March 26, 2018

ASSETS

	December 31, 2017	December 31, 2016
CURRENT ASSETS		
Cash and cash equivalents	$ 3,736,595	$ 14,809,721
Accounts receivable, net	7,947,855	5,796,230
Pledges receivable	29,180	40,416
Inventory, net	459,515	509,377
Other current assets	678,502	294,189
Total current assets	12,851,647	21,449,933
INVESTMENTS	10,766,416	-
PROPERTY AND EQUIPMENT, net	3,247,514	3,836,450
Total assets	$ 26,865,577	$ 25,286,383

LIABILITIES AND NET ASSETS

	2017	2016
CURRENT LIABILITIES		
Accounts payable	$ 1,031,016	$ 452,455
Accrued expenses	2,403,015	2,569,040
Deferred revenue	95,069	11,920
Current portion of deferred gain on disposal of property	174,474	174,473
Current portion of long-term debt	405,184	393,342
Total current liabilities	4,108,758	3,601,230
LONG-TERM LIABILITIES		
Long-term debt, less current portion	559,286	996,725
Deferred gain on disposal of property, less current portion	1,192,233	1,366,706
Total long-term liabilities	1,751,519	2,363,431
Total liabilities	5,860,277	5,964,661
NET ASSETS		
Unrestricted	17,858,120	16,023,889
Unrestricted board-designated reserve fund	3,000,000	3,000,000
Temporarily restricted	147,180	297,833
Total net assets	21,005,300	19,321,722
Total liabilities and net assets	$ 26,865,577	$ 25,286,383

Northwest Center
Consolidated Statements of Activities

	Years Ended December 31, 2017	2016
CHANGE IN UNRESTRICTED NET ASSETS		
Revenues		
Contract revenue	$ 34,981,737	$ 29,680,605
Sale of donated merchandise	6,376,268	6,479,855
Government fees for services	5,659,168	5,003,073
Tuition	1,989,748	1,942,204
Contributions	812,040	657,790
Recycling and other	264,801	29,344
Net assets released from restrictions	297,834	350,267
Total revenues	50,381,596	44,143,138
Expenses		
Program services		
Social Enterprises	29,377,941	25,365,077
Donated merchandise program	4,706,895	4,224,694
Community rehabilitation services	5,122,005	4,193,476
Child and family services	5,166,509	4,559,547
Total program services	44,373,350	38,342,794
Supporting services	4,996,307	4,541,592
Total expenses	49,369,657	42,884,386
Increase in unrestricted net assets from operations	1,011,939	1,258,752
Gain on disposal of property and equipment	174,472	1,324,764
Investment income, net	752,082	-
Other income (expense)	(104,262)	172,661
Federal income taxes paid	-	(7,666)
Increase in unrestricted net assets	1,834,231	2,748,511
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	147,180	502,833
Net assets released from restrictions	(297,833)	(350,267)
Change in temporarily restricted net assets	(150,653)	152,566
Increase in net assets	1,683,578	2,901,077
NET ASSETS, beginning of year	19,321,722	16,420,645
NET ASSETS, end of year	$ 21,005,300	$ 19,321,722

See accompanying notes.

	Years Ended December 31, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 1,683,578	$ 2,901,077
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	924,788	932,186
Loss on disposal of property and equipment	-	10,486
Investment income	(766,416)	-
Changes in operating assets and liabilities		
Accounts and pledges receivable, net	(2,140,389)	(551,812)
Inventory, net	49,862	129,750
Other assets	(384,313)	111,734
Accounts payable	578,561	(192,921)
Accrued expenses and liabilities	(166,025)	325,848
Deferred revenue	83,149	(31,564)
Deferred gain on sale of building	(174,472)	(1,335,250)
Net cash provided by (used in) operating activities	(311,677)	2,299,534
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(10,375,889)	
Proceeds from investments	375,889	
Purchase of property and equipment	(335,852)	(683,029)
Proceeds from sale of property and equipment	-	1,200
Net cash used in investing activities	(10,335,852)	(681,829)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt obligations	(425,597)	(349,593)
Net cash used in financing activities	(425,597)	(349,593)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(11,073,126)	1,268,112
CASH AND CASH EQUIVALENTS		
Beginning of year	14,809,721	13,541,609
End of year	$ 3,736,595	$ 14,809,721
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 36,944	$ 50,425

See accompanying notes.

Note 1 – Organization and Summary of Significant Accounting Policies

Principles of consolidation – The accompanying consolidated financial statements for 2016 include the accounts of Northwest Center (NWC) and its wholly owned subsidiaries, Electronetics LLC, Northwest Center Services LLC, and Argus Janitorial LLC which are collectively referred to as the Organization. Effective January 1, 2017, Electronetics LLC and Argus Janitorial LLC were combined with Northwest Center Services LLC. All significant intercompany transactions and accounts have been eliminated in consolidation.

Organization – Since 1965, Northwest Center has been a leader in advancing equal opportunities for children and adults with disabilities. NWC's mission is to promote the growth, development, and independence of persons with disabilities through programs of therapy, education, and work opportunity.

NWC seeks to create and support an inclusive community where people of all abilities can fully participate by learning and working together. NWC's programs pioneer early intervention therapy for babies at home, innovate inclusive early learning for kids of all abilities, find new ways to support young people transitioning from school to the working world, and tirelessly support individuals seeking to gain employment as meaningful to them as it is valuable to their employer.

NWC's social enterprise business model is uniquely powerful: a portfolio of commercial businesses provide best-in-class services, employ an inclusive workforce, and generate sustainable funding. This frees the Organization to test new ideas, make bold decisions and invest philanthropy dollars directly into our mission of inclusion.

Basis of presentation – The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Included in this balance are board-designated reserve funds that have been reserved for future use as determined by the Board of Directors. Board-designated funds included in unrestricted net assets totaled $3,000,000 at December 31, 2017 and 2016.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. These amounts principally consist of funds designated for specific mission programs.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Contributions – Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Donor-restricted contributions for which restrictions are met in the same reporting period are reported as unrestricted support. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) result in the reclassification of temporarily restricted net assets to unrestricted net assets and are reported in the consolidated statements of activities as net assets released from restrictions. Temporary restrictions on gifts to acquire long-lived assets are considered fulfilled in the period in which the assets are acquired or placed in service. Contributions of noncash assets are recognized at their estimated fair market value on the date of contribution. Contributions to be collected in future years are recorded at fair value when the promise is made based on a discounted cash flow model. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

A number of volunteers donate time in the furtherance of the Organization’s objectives. However, in accordance with United States Generally Accepted Accounting Principles (GAAP), the value of these services is not recognized in these consolidated financial statements because they do not meet certain specific criteria.

Cash – The Organization maintains its cash with financial institutions and, at times, balances may exceed federally insured limits.

Accounts receivable – Accounts receivable are primarily due from performing services under contracts with corporations and governmental agencies. The Organization considers accounts over 30 days old to be past due. The Organization provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Uncollectible amounts are written off when management has exhausted collection efforts. The Organization typically does not require collateral for its accounts receivable. The allowance for doubtful accounts was $63,106 and $63,170 at December 31, 2017 and 2016, respectively.

Inventory – Inventory is stated at the lower of average cost or market.

Property and equipment, depreciation – Property and equipment are stated at cost, if purchased, or at fair market value at the date of receipt, if donated, unless the estimated future undiscounted cash flows expected to result from either the use of the asset or its eventual disposition is less than its carrying amount (in which case an impairment loss is recognized based on the fair value of the asset). The Organization’s policy is to capitalize assets with a cost or donated value greater than $3,500 and a useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated either over the anticipated term of the lease or the estimated life of the improvement, whichever is shorter.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Revenue recognition – Revenues for products, including applicable shipping and handling charged to customers, are recognized net of sales taxes upon shipment or delivery of products, depending on the related customer agreement. Services revenues are recognized in the period that services are performed.

Advertising costs – The Organization expenses advertising costs as incurred. Advertising expense for 2017 and 2016 was $136,979 and $64,392, respectively.

Income taxes – The Internal Revenue Service has determined that Northwest Center is exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code because NWC qualifies as an organization included within Section 501(c)(3) of the Internal Revenue Code. NWC did incur net unrelated business income tax for the years ended December 31, 2017 and 2016, but it is not material to the financial statements. The Organization has net operating losses of approximately $3,500,000 to offset future net unrelated business income. The carryforwards expire in approximately 10 to 20 years. The tax asset representing the value of the net operating loss carryforwards has been offset by a full valuation allowance as of December 31, 2017, because it is uncertain whether NWC's deferred tax assets will become available to offset future tax liabilities.

NWC follows authoritative guidance relating to accounting for uncertain tax positions, which has no consolidated financial statement impact to NWC. NWC recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. NWC recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2017 and 2016, NWC had no uncertain tax positions requiring accrual. NWC files an exempt organization and unrelated business income tax return with the Internal Revenue Service.

Use of estimates – The preparation of consolidated 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contingencies – At any time, NWC may be involved in legal proceedings or other claims and assessments arising in the normal course of business. The Organization's policy is to routinely assess the likelihood of any adverse judgments or outcomes related to these matters, as well as ranges of probable losses. A determination of the amount of the reserves required, if any, for these contingencies is based on historical experience and/or after analysis of each known issue. Reserves related to these matters are recorded where it is probable that a loss has been incurred and the range of such loss can be estimated. With respect to other matters, management has concluded that a loss is only reasonably possible or remote and, therefore, no liability is recorded. Management discloses the facts regarding material matters assessed as reasonably possible and potential exposure, if determinable. Costs incurred defending claims are expensed as incurred.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Subsequent events – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the consolidated statement of financial position date and before the consolidated financial statements are issued.

The Organization has evaluated subsequent events through March 26, 2018, which is the date the consolidated financial statements were issued.

Note 2 – Investments and Fair Value Measurements

Investments are stated at fair value determined by quoted market prices. They consist primarily of corporate bonds, government bonds, mutual funds, and equities. These investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect total net assets and the amounts reported in the consolidated balance sheet.

The Organization did not have any investments as of December 31, 2016.

The Organization applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The ASC describes three levels of inputs that may be used to measure fair value:

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

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

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

Note 2 – Investments and Fair Value Measurements (continued)

The following table presents assets that are measured at fair value on a recurring basis and are categorized using the three levels of the fair value hierarchy as of December 31, 2017:

	Total	Level 1	Level 2	Level 3
Taxable bonds	$ 4,618,459	$ 4,618,459	$ -	$ -
Equity securities	5,647,248	5,647,248	-	-
Money market funds	500,709	500,709	-	-
	$ 10,766,416	$ 10,766,416	$ -	$ -

Investment returns (losses) for the years ended December 31 consist of:

	2017	2016
Interest and dividends	$ 206,531	$ -
Unrealized gains on investments	559,885	-
	766,416	-
Less management fees	(14,334)	-
	$ 752,082	$ -

Note 3 – Inventory

Inventory consisted of the following at December 31:

	2017	2016
Finished goods	$ 869	$ 46,900
Work-in-process	8,208	20,386
Raw materials	533,621	660,432
Reserve for slow-moving inventory	(83,183)	(218,341)
	$ 459,515	$ 509,377

Note 4 – Property and Equipment

Property and equipment consisted of the following at December 31:

	2017	2016
Buildings and improvements	$ 381,508	$ 381,508
Furniture and equipment	8,539,029	8,273,953
Leasehold improvements	3,688,012	3,688,012
Vehicles	373,772	302,997
	12,982,321	12,646,470
Less accumulated depreciation	(9,734,807)	(8,810,020)
	$ 3,247,514	$ 3,836,450

Note 5 – Deferred Gain on Sale Leaseback Transaction

In October 2015, Northwest Center sold its land and building located at 7272 West Marginal Way S., Seattle, Washington, for $11,500,000.

Following the sale of its building in October 2015, NWC entered into an agreement with the building purchaser to lease back that portion of the building currently housing administrative offices. The lease has a 10-year term and requires monthly payments of $17,171 that increase annually. The transaction has been accounted for as a sale lease-back in accordance with the provisions of ASC 840. As part of the transaction, NWC recorded a deferred gain of $2,876,429, which is amortized using the straight-line method over the term of the lease agreement. For the years ended December 31, 2017 and 2016, NWC recognized $174,473 and $1,335,250, respectively, of the deferred gain as a gain on disposal of property and equipment in the Consolidated Statements of Activities.

Note 6 – Long-Term Debt

Long-term debt consisted of the following at December 31:

	2017	2016
Fixed-rate 5-year $1,988,001 term loan, matures in April 2020, payable monthly in equal installments, based on a 60-month amortization at a 2.97% annual interest rate.	$ 964,470	$ 1,390,067
Less current portion	(405,184)	(393,342)
	$ 559,286	$ 996,725

In April 2015, NWC entered into a bridge funding agreement with Wells Fargo Bank for washing and ironing equipment at NWC's commercial laundry operation, Puget Sound Laundry Services (PSLS). The loan is collateralized by the washing and ironing equipment shown under property and equipment on the Consolidated Statements of Financial Position.

Note 6 – Long-Term Debt (continued)

Interest expense was $36,944 and $43,225 for the years ended December 31, 2017 and 2016, respectively.

Principal maturities on the long-term debt are as follows for the years ending December 31:

2018	$	405,184
2019		417,384
2020		141,902
	$	964,470

Note 7 – Commitments and Contingencies

Lease commitments – The Organization leases real estate and equipment under operating lease agreements through 2029. Future minimum rental payments required under these operating leases are as follows for the years ending December 31:

2018	$	1,303,995
2019		985,644
2020		737,991
2021		493,077
2022		424,910
Thereafter		748,899
	$	4,694,516

Rent expense related to the operating lease agreements, including leases on a month-to-month term and variable charges related to these operating lease agreements, was $2,499,179 and $2,237,052 during 2017 and 2016, respectively.

Legal matters – From time to time, NWC is involved in unresolved legal actions that arise in the normal course of business. The most prevalent of these unresolved actions involve disputes related to contracts or employment issues. The aggregate range of reasonably possible losses in excess of accrued liabilities, if any, associated with these unresolved legal actions is not material. In some cases, the Organization cannot reasonably estimate a range of loss because there is insufficient information regarding the matter. In February 2017, NWC was notified by the purchaser of its American Data Guard business of some dispute related to the transaction. NWC believes that the case is without merit and plans to contest any claims brought forward.

Management further believes there is no more than a remote chance that any liability arising from these matters would be material. Although it is not possible to predict with certainty the outcome of these unresolved legal actions, management believes that these actions will not individually or in the aggregate have a material adverse effect on its consolidated statement of activities, financial position or liquidity.

Note 8 – Net Assets

Temporarily restricted net assets consist of contributions restricted for programs and capital additions as follows:

	2017	2016
Various foundations or donors	$ 147,180	$ 297,833

Note 9 – Benefit Plans

NWC has a 401(k) benefit plan for employees who meet eligibility requirements set forth in the plan. NWC's matching contributions totaled $265,487 and $205,349 for the years ended December 31, 2017 and 2016, respectively.

NWC has a 403(b) benefit plan for employees who meet eligibility requirements set forth in the plan. Employees can contribute up to the statutory limits with no NWC match.

Note 10 – Concentrations

One customer represented 21% and 17% of total revenues for the years ended December 31, 2017 and 2016, respectively, and 35% and 24% of corresponding accounts receivable as of December 31, 2017 and 2016, respectively. A second customer represented 13% and 15% of total revenues for the years ended December 31, 2017 and 2016, respectively, and 9% and 10% of corresponding accounts receivable as of December 31, 2017 and 2016, respectively.

Supplemental Information

Northwest Center
Consolidating Schedule of Functional Expenses
Year Ended December 31, 2017

	Program Services					Supporting Services			
	Social Enterprises	Donated Merchandise Program	Community Rehabilitation Services	Child and Family Services	Total Program Services	Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 16,281,220	$ 2,320,372	$ 3,595,854	$ 3,485,941	$ 25,683,387	$ 2,649,192	$ 124,185	$ 2,773,377	$ 28,456,764
Payroll taxes and employee benefits	3,528,688	645,463	876,694	845,662	5,896,507	422,177	27,277	449,454	6,345,961
Total personnel expenses	19,809,908	2,965,835	4,472,548	4,331,603	31,579,894	3,071,369	151,462	3,222,831	34,802,725
Supplies	3,618,478	293,048	35,601	150,673	4,097,800	67,888	68,358	136,246	4,234,046
Rents and leases	744,355	892,418	106,296	151,972	1,895,041	604,139	-	604,139	2,499,180
Professional fees and contract services	1,955,626	57,989	25,760	64,243	2,103,618	572,744	125,046	697,790	2,801,408
Utilities	862,285	66,769	57,696	47,196	1,033,946	179,439	-	179,439	1,213,385
Sales expense	512,208	138,084	250,509	281,198	1,181,999	136,952	58,317	195,269	1,377,268
Licenses, fees, and taxes	117,241	13,980	1,324	6,251	138,796	142,125	15,801	157,926	296,722
Insurance	186,528	86,136	34,524	46,644	353,832	46,799	5,148	51,947	405,779
Maintenance and repairs	313,550	66,955	619	4,551	385,675	56,675	-	56,675	442,350
Computer software and equipment rental	102,817	7,586	24,003	26,766	161,172	162,838	1,415	164,253	325,425
Other	2,378	3,022	812	866	7,078	1,061	-	1,061	8,139
Total nonpersonnel expenses	8,415,466	1,625,987	537,144	780,360	11,358,957	1,970,660	274,085	2,244,745	13,603,702
Total expenses before interest expense and depreciation and amortization	28,225,374	4,591,822	5,009,692	5,111,963	42,938,851	5,042,029	425,547	5,467,576	48,406,427
								-	
Interest expense	38,442	-	-	-	38,442	-	-	-	38,442
Depreciation and amortization	711,297	67,326	5,117	39,570	823,310	101,478	-	101,478	924,788
Allocated property expenses	402,828	47,747	107,196	14,976	572,747	(572,747)	-	(572,747)	-
Total functional expenses	$ 29,377,941	$ 4,706,895	$ 5,122,005	$ 5,166,509	$ 44,373,350	$ 4,570,760	$ 425,547	$ 4,996,307	$ 49,369,657

Northwest Center
Consolidating Schedule of Functional Expenses
Year Ended December 31, 2016

	Program Services					Supporting Services			
	Social Enterprises	Donated Merchandise Program	Community Rehabilitation Services	Child and Family Services	Total Program Services	Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 13,864,491	$ 2,181,251	$ 2,919,961	$ 3,085,913	$ 22,051,616	$ 2,380,249	$ 247,659	$ 2,627,908	$ 24,679,524
Payroll taxes and employee benefits	3,050,609	566,752	669,975	679,986	4,967,322	369,722	33,717	403,439	5,370,761
Total personnel expenses	16,915,100	2,748,003	3,589,936	3,765,899	27,018,938	2,749,971	281,376	3,031,347	30,050,285
Supplies	3,100,663	258,657	34,345	169,577	3,563,242	69,894	87,574	157,468	3,720,710
Rents and leases	718,632	670,733	104,262	138,537	1,632,164	604,888	-	604,888	2,237,052
Professional fees and contract services	1,612,444	66,116	43,398	49,436	1,771,394	420,008	63,897	483,905	2,255,299
Utilities	780,258	50,712	47,789	41,873	920,632	175,374	-	175,374	1,096,006
Sales expense	297,514	37,205	12,444	140,930	488,093	29,337	78,169	107,506	595,599
Licenses, fees, and taxes	126,342	18,383	13,848	6,185	164,758	150,900	11,503	162,403	327,161
Insurance	181,944	72,936	28,524	46,644	330,048	46,740	5,148	51,888	381,936
Maintenance and repairs	305,446	77,672	2,894	17,392	403,404	24,036	-	24,036	427,440
Computer software and equipment rental	56,134	3,270	12,671	28,053	100,128	203,779	5,378	209,157	309,285
Other	113,039	37,162	190,877	84,601	425,679	82,143	380	82,523	508,202
Total nonpersonnel expenses	7,292,416	1,292,846	491,052	723,228	9,799,542	1,807,099	252,049	2,059,148	11,858,690
Total expenses before interest expense and depreciation and amortization	24,207,516	4,040,849	4,080,988	4,489,127	36,818,480	4,557,070	533,425	5,090,495	41,908,975
Interest expense	43,057	-	125	-	43,182	43	-	43	43,225
Depreciation and amortization	711,676	102,017	5,167	55,444	874,304	57,882	-	57,882	932,186
Allocated property expenses	402,828	81,828	107,196	14,976	606,828	(617,592)	10,764	(606,828)	-
Total functional expenses	$ 25,365,077	$ 4,224,694	$ 4,193,476	$ 4,559,547	$ 38,342,794	$ 3,997,403	$ 544,189	$ 4,541,592	$ 42,884,386

MOSSADAMS